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/152/2019-20 November 20, 2019

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: Intimation of 82nd Annual General Meeting of the Company and Annual Report for the financial year 2018-19

We wish to inform you that the 82nd Annual General Meeting of the Members of the Company is scheduled to be held on Saturday, December 14, 2019, at 2.00 p.m. (IST) at Patkar Hall, SNDT Women's University, 1 Nathibai Thackersey Road, Mumbai 400 020

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice convening the 82nd Annual General Meeting and the Annual Report for the financial year ended March 31, 2019 are enclosed herewith and also available on the website of the Company www.cgglobal.com

Request you to kindly take the above information on record.

Thanking you,

Yours faithfully,
For CG Power and Industrial Solutions Limited

SHIKHA KAPADIA
Digitally signed by SHIKHA KAPADIA
Date: 2019.11.20 16:55:56 +05'30'

Shikha Kapadia
Company Secretary and Compliance Officer
ACS no. 20733

Encl: as above

Smart solutions.
Strong relationships.

a new beginning

CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

ANNUAL REPORT 2018–2019

contents

corporate information

Chairman

Ashish Kumar Guha
INDEPENDENT DIRECTOR

Whole Time Executive Director

Sudhir Mathur

Company Secretary

Shikha Kapadia

Non-Executive Directors

Omkar Goswami

Jitender Balakrishnan
INDEPENDENT DIRECTOR

Narayan K Seshadri
INDEPENDENT DIRECTOR

Ramni Nirula
INDEPENDENT DIRECTOR

Bankers

State Bank of India
Axis Bank
Bank of Maharashtra
Corporation Bank
Canara Bank
ICICI Bank
IDBI Bank
Standard Chartered Bank
Yes Bank
Barclays Bank
IndusInd Bank
Bank of India
SBM Bank (India) Limited
Aditya Birla Finance Limited

Auditors

S R B C & Co. LLP
K K Mankeshwar & Co.

Registered Office

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

chairman's letter

Dear Shareholder,

You are aware that your Company—CG Power and Industrial Solutions Limited. (CG), has been impacted by several irregular transactions, which have been detrimental to the interest of the Company.

On becoming aware of these transactions in the course of March / April 2019, the Operating Committee and the Risk and Audit Committee (RAC) of your Board of Directors appointed a legal firm on 24 April 2019 to conduct a detailed investigation of these transactions. Based on the Phase 1 Report submitted by the legal firm in August 2019, it was concluded that there were large and significant malfeasances. Details of this can be found in the Directors 'Report, the Auditor's Reports and the notes to the stand-alone and consolidated financial statements.

The Board acted swiftly once it received the Phase 1 Report and took major steps to protect the interests of your Company, including initiating significant changes in corporate governance.

Given the above, your Company considers any further association with Mr Gautam Thapar and the promoters, as prejudicial to the interests of your Company and its stakeholders.

Corrective actions will follow in the future as necessary.

Your Company has been cooperating with all agencies to expedite closure on these issues since August 2019. Additionally, the law firm is carrying out a detailed forensic to identify individuals responsible for this as well as to ensure all such transactions have been identified as well as represented in the financial statements appropriately. On the basis of the final report, we will take the necessary course of law as advised.

The business performance of your Company for FY2019 has been affected due to a severe crunch in the working capital. The Company has a robust order book and continues to work closely with its customers, suppliers, lenders and other stakeholders.

Capital restructuring of the business and the Company is critical as the working capital gap is wide and while the businesses are intrinsically strong, this starvation has led to a lower revenue. The Company's management and its Board are attempting to mitigate the liquidity issues to the extent possible and assessing various options for raising the required capital to enable optimum business performance in the future.

The industry is evolving fast in the technology space, and your Company has the technical knowhow and ability to compete in this fast changing environment.

The Board of Directors are focused on ensuring that both the corporate governance and risk controls of your Company are robust going forward. I would like to thank all the stakeholders including customers, vendors, employees, lenders and you, our shareholder, for reposing confidence in the Company at this critical juncture.

Let us pray, hope and work together for a better tomorrow.

Yours sincerely,
Ashish Kumar Guha
CHAIRMAN

consolidated financial highlights

Consolidated Net Sales
from Continuing Operations

FY2017-18	FY2018-19
8,031	7,998

Consolidated Net Sales
of Business Units

	FY2017-18	FY2018-19
INDUSTRIAL SYSTEMS	2,537	3,373
POWER SYSTEMS	5,479	4,610

	FY2017-18	FY2018-19
EBIDTA from Continuing Operations EARNINGS BEFORE INTEREST, DEPRECIATION, TAXES & AMORTISATION INCLUDING OTHER INCOME	175	316
Profit / (Loss) before Taxes from Continuing Operations	(562)	(459)
Profit / (Loss) after Taxes	(670)	(488)
ROCE from Continuing Operations RETURN ON CAPITAL EMPLOYED	(2.7%)	4.7%
RONW from Total Operations RETURN ON NET WORTH	(24.6%)	(23.1%)

fossil to electric

ELECTRIC VEHICLE MOTORS

5000

ELECTRIC BUSES TO BE PURCHASED OVER THE NEXT 2-3 YEARS

10K CR

EXPECTED MARKET SIZE 2022

Paving EV's Roadmap

CG India has designed and developed a dedicated EV motor for 12-meter passenger buses, developed entirely by CG with its own design and technology. The Government plans to promote EV across the automobile industry, starting off with 5000 EV buses hitting the Indian roads in the next 2-3 years.

Setting Up Transition into Autombile

Going forward CG will establish itself as the leading EV motor manufacturer by providing electric motors for various vehicles and will use automobile savvy processes to ensure cost and quality control. Also created an additional production facility equipped with advanced manufacturing equipment and can support the volumes needed for the changeover in the auto industry. Predicted market size of 10000 Cr by 2022.

For a Sustainable Green Future

CG prepares for an electric future by establishing a dedicated team actively working on variants of EV motors for a wider range of electric vehicles such as three-wheelers and passenger cars. This is in line with the Indian government's vision of a cleaner & greener future. Phase 2 of the government's plan will be quicker adaptation and manufacture of electric vehicles in India with indigenous components.

CG forays into the EV market with its dedicated motors for passenger buses. CG is the first Indian company to develop this compact main traction motor with induction technology for PASSENGER BUSES. It aligns with the government's vision to replace diesel run engines with electric buses for City transport in the next 2-3 years. CG becomes the first Indian motor manufacturer to enter the EV motor category, and plans to expand its presence in to other four-wheeler automobiles.

60°C

MOTOR PERFORMS AT HIGH TEMP DUE TO LIQUID COOLING TECH

100%

IP 67 HOUSING PROTECTED FROM AIRBORNE PARTICLES

200KM

BATTERY RANGE OF IE2 MOTOR EFFICIENCY CURRENTLY UNDER TESTING

Made for India

There were innumerable challenges in making this motor India specific. Adverse road conditions, high temperatures and dust exposure. Built with IP67 rated housing for the motor which enables it to be submerged into a body of water up to a meter deep for half an hour. 100% protection from dust particles, increasing product lifetime. Performs at high temperatures of 60°C due to an innovative liquid cooling system.

1, 5, 2, 3, 4 and 6 Wheelers

The 2 and 3 wheeler market is flooded by Chinese EV motors so CG took the initiative by attacking the car and bus segment. CG developed an EV motor (160kW-240 kW) for the 40 seaters 12m bus. CG is also working in parallel with reputed firms for EV motors for 3 wheelers and cars. Currently IE2 energy efficient motors are being tested with a battery range of 200 km.

manual to remote

SMARTOR MOTORS & FACILITIES

3 IN 1

MEASURES HF MECHANICAL VIBRATIONS, TEMPERATURE AND ACOUSTICS

24x7

HEALTH UPDATES AND ALERTS ON MOTOR HEALTH

SMARTOR MOTORS

CG has made an intuitive new addition to their line of products called SMARTOR Motors. It has the ability to listen for inefficiencies within the Motor and give regular health updates & alerts for smoother maintenance. It is said that in Industry now future is Maintenance 4.0 and our product is ready for Maintenance 4.0.

Always Aware

Continuous monitoring and analysis of motor's performance will enable the customer to anticipate its inefficiencies on critical parameters like Noise, Temperature, Vibration. The users of the SMARTOR Motor can have a 24x7, 365 days monitoring of their motor health.

Smart Plugin

The IDE and the Smart Converter together form a SMARTOR Motor Kit. A SMARTOR Motor Kit can convert any motor into a SMARTOR Motor.

Continuous Communication

The Data from the SMARTOR Motor Kit is made available on a customized, cloud-based, dashboard for motor condition monitoring and process optimization. It also communicates to the user remotely through Wi-Fi anywhere in the world on various smart devices.

Long Life, More Play

This enables the user to plan maintenance on a need basis rather than based on generic timetables, thereby extending the lifetime of the equipment. Subsequently maintenance cost and unexpected breakdowns are reduced.

A smarter country moves towards smarter motors. You can now view, track, diagnose and plan downtime for your smart motors by accessing health reports, alerts and notifications through Wi-Fi on any smart and intelligent device, at any part of the world. It's available on tap and is always on. Yes, CG Smartor is Future Ready Product!

681 → **1200**

PREVIOUS A3 MOTORS OUTGO CAPACITY

IMPROVED A3 MOTORS OUTGO CAPACITY DUE TO UPGRADES

1536 SQM

AVAILABLE AREA FOR EXPANSION IN THE NEW A3 PLANT

SMART FACILITIES

Proactively sensing the trends in technology CG saw the need to enhance their A3 range of motors by building a new factory for them.

Specialized Facilities

The new A3 plant now operational with state of the art Impregnation and testing facilities. The impregnation procedure that uses coating substances to 100% retention and enhances the thermal, insulation and mechanical properties of winding. Tropicalization further immune the winding from chemical, alkali and other anti insulating substances. New more corrosion and dust absorption resistant painting scheme enhances the aesthetics of product.

Smarter Tools

Smart motors need smart tools. These tools are specialized tools made for the delicate assembly and handling of crucial parts used in the motor. They are not entirely robotic and do require human handling.

Opportunity in Space

The Space generated in existing plant to be exploited for enhancing the A1 & A2 range of motors (11kW to 55 kW Frames IEC 160 to 250) and dedicated production line for special motor application like Railways.

Trusted by OEMs

Cater to major OEMs like Wilo Mather Platt, Kirloskar Brothers, Flowmore, LNV Technologies and all EPC contractors. Also caters to the needs of Hazardous and non-Hazardous application motors.

motor momentum

REST OF THE MOTOR STORIES

>95%

MARKET SHARE IN FUEL DISPENSING MOTORS

500CR

MOTOR REQUIREMENTS PER ANNUM

150+

HT MOTORS EXECUTED FOR MISSION BHAGIRATH

Fire-Proof Fuel

Tenders for fuel dispensers from the government have the criteria for quick delivery. To meet this timely requirement CG has enhanced manufacturing capacity for single Phase ATEX Approved Flame Proof Motors which are used in Fuel dispensing machine. We have grown 46% in FY2019 & which made CG as the leader in this segment with a market share of more than 95%.

Fighting Smoke

CG's Smoke extraction motor is used as a safety device, and are designed for stringent operation during fire and high temperatures. Growth in the infrastructure sector, malls, shopping complexes, tunnel projects have given the need for ensuring the safety of people. To ensure this safety, the motor is coupled to an industrial fan and is installed on the ceiling of the required place.

More Irrigation, More Water

CG has been executing major orders for the water and irrigation projects around the country. From the Orissa cluster, Water Resources Department, Sauni Yojna and NVDA projects, CG has provided large numbers of HT motors establishing themselves as a major contributor to the irrigation efforts across India. CG has also contributed to Asia's largest water and irrigation project by Telangana Drinking Water Supply Corporation Limited.

CG LT Motors Division has doubled its revenue from 1000 cr to 2000 cr in the last two years by penetrating into the untapped market, expanding the market base and also on focusing new products & new applications. The Division has doubled its revenue by aggressive marketing and streamlined operations in manufacturing.

5%

COST REDUCTION THROUGH PRODUCT INNOVATION

96.7%

EFFICIENCY OF BLDC MOTORS

40%

OVERAL INCREASE IN PRODUCTION AT UNIT-II (NAGAR) AND UNIT-III (GOA)

Expertise For Ultra Super Critical Thermal Power Plants

CG has successfully developed and supplied largest rating vertical MV motor for CW pump (3.7MW, 18P) installed at Ultra Super Critical Thermal Power Plant. Motor is designed with a new lightweight rotor construction which is replaced by conventional rotor material to enhance stability and less maintenance, never before built in India for such a large rating. The successful development will have competitive edge on cost and performance for CG's valued customers.

Brushless Motors Brush Off Inefficiency

BLDC motors are more efficient for Heating, Ventilation and air conditioning and Pumps by 20–30% than single phase motors. Efficiency is achieved by the use of permanent magnets on the rotor. CG first time manufacturing BLDC motors A dedicated line to support critical and complex requirements for BLDC Special Automated Motor test set up, DSO and dedicated manpower deployed to meet quantity and quality standards of products.

Automation Eases Demand Bottlenecks

The sudden growing demand in the market, plants were to fulfil additional quantity supplies. To support this surge, some of the constraints and bottlenecks were identified in the existing set-up and processes and actions taken to get immediate results. A new semi-automatic machine for Winding was installed which added 40% capacity. At Unit III (Goa), new coil winding machine installed which resulted in 29% increase in production.

pilot to revenue

D&A SWEDEN AND INDIA STORIES

100CR

SALES IN FY19

33%

GROWTH IN CAGR OVER THE LAST 4 YEARS

D&A INDIA

Supplying to Bhabha Atomic Research Centre (BARC)

BARC has made CG a certified sub-supplier for products of a highly critical nature. This comes after CG completed prestigious orders for Nuclear Power Corporation of India Limited (NPCIL) as well. Very few suppliers manage to cross this hurdle.

Flexible Soft Starters

Softstarters ensure the smooth start for motors from when they are turned on. FCMA starters offer little flexibility with regard to starting currents, pump control, diagnostics, protection and metering facilities, the Electronic soft-starter with flexible starting and stopping capabilities for a wide range of control over the motor operations.

India Manufactures For Europe

CGPISL produces IP20 Class of AC drives for the Export market. Growth in sales has seen a growth of more than 35% in the European market. CGPSIL is operating as an auxiliary arm for the European markets supplying products and assemblies through its Swedish plant.

Making Elevators Safer

CGPISL has introduced a dedicated drive for the elevator segment fitted with special functions like a modified Emergency Locking Operation and load sensing during Automatic Rescue Device operation. Over 1000 units have been supplied.

Drives and Automation arm of CG has been growing strong in domestic and international markets. In India, CG has shown steady growth with an increase in CAGR of over 33% over the last four years. CG's Sweden Nordic Core Market has grown from € 6.9 Mn in FY18 to € 8.5 Mn during FY19. D&A Europe and D&A India businesses support each other with operations and supply, creating efficiencies in production

143K

SALES FY18 (IN EUROS)

1175%

INCREASE

1681K

SALES FY19 (IN EUROS).

1.258K

SALES DURING FY2018 AND EXPECTED TO GROW RAPIDLY IN THE FUTURE

D&A SWEDEN

Scrubbing out Sox

CG D&A is helping reduce SOX emissions inboard ships and vessels due to a legislative demand by the government. They are helping with OEM-manufacturers of Scrubbers, used to extract the SOX and other harmful particles from the exhaust. CGs offering in this system is their state of the Art AC drives in the robust IP54 execution, used to speed regulate the pumps. The marine certification, robustness, great customer focus and added features of offering adaptation, flexibility makes it a credible and a valueable product.

Pushing Renewable

Demand for AC drives in renewable energy is a big market for CG to tap. AC Drives can be used for Power regeneration to the grid with CG offering regenerative drives up to 4MW. Auxiliary drives to control various equipment within the device—such as controlling windmill generators.

A Scalable Solution

Climeon has the technology to produce electricity from heat sources as low as 70 degrees Celsius and will be able to use technology to install geothermal energy plants anywhere. A scalable product which consists of 150kW Modules that can be connected to form power plants up to 50MW.

static to current

REVIVING DISCONTINUED BUSINESSES STORY

5.31M
TURNAROUND

-3.02M → **+2.29M**

EBIDTA FY2018 (IN EUROS)

EBIDTA FY2019 (IN EUROS)

IRELAND

Navigating Challenges

CGIE began a restructure of operations which led to loss making accounts being dropped or renegotiated. The focus on new product and business development took center stage, giving their own employees a new lease of life.

Easing Credit Lines

CGIE then started the process of managing all supplier accounts with payment plans and agreements with internal supplier credit limits. Carefully managed by CGIE Finance department, CG managed to keep hold of its suppliers and maintained the supply.

Proving Viability

With a turnaround profit of 2.3M in FY2019 CGIE proved it can operate and turn losses to profits. Entering new markets, new products and new businesses CGIE secured a grant of almost 4M from the Irish government for their contribution to the Irish facility

BELGIUM

Merging Power and Distribution

The organizations for Power and Distribution transformers were merged and some critical organization changes implemented to optimize resources and improve operational efficiencies.

Catching Up

The PT product line had suffered extra costs in FY2019 to repair and deliver the earlier failed transformers. They have now managed to pull themselves into a strong position. The current order backlog has no complex trafos that could spiral costs and time. New orders are being carefully chosen to avoid mishaps and delays.

CG turns focus to operations, and financial health of discontinued businesses in Ireland, Belgium and Hungary. Streamlined operations, new product developments, and renewed attention, removes inefficiencies and converts these cost centres into profitable businesses.

400KV

WORLD'S FIRST MOBILE SUBSTATION

2X63MVA

WORLD'S LARGEST GENERATOR BUILT

HUNGARY

World's First 400kv Substation

The systems division created a landmark in the field of mobile substations by supplying the world's first 400kV mobile substation to Saudi Electric Co. Special distribution transformers were developed for solar market applications which have seen a rise in trend and increased order input.

Excelling Service

The service business has continued to excel in achieving the budgeted profitability and maintained consistency for the last 3 years. A new OLTC centre was opened in the south of France to cater the growing demand of OLTC refurbishment.

Niche, but Big

CG Hungary has been working on re-positioning itself within the marketplace, with a revised strategy to focus on niche markets. They have been able to execute the largest generator ever built (2x 63 MVA, 16 pole) and secured a new frame agreement to supply transformers for the Hungarian TSO.

Rightsizing

Operation and cost optimization actions have started within the financial year and will continue in the upcoming year. Expectation is that the revised strategy and rightsizing activities will help CG Hungary to return to a profitable company.

india to indonesia

INDONESIA JOINT VENTURE STORY

$10.5K_{M^2}$

SPACE IN THE STATE OF THE ART CIKANDE FACTORY

250

NUMBER OF LOCAL EMPLOYEES

7000

ANNUAL CAPACITY OF FACTORY

Switching Gears

CG created history on 20 August 2018 when it inaugurated its first overseas factory for Switchgear. This is the beginning of a new era for Indonesia as it provides the country with high quality, locally manufactured, hi-tech products that will support the governments thrust towards providing electricity for all.

Big Target Bigger Aim

This plant is part of the govts initiative to (1) develop domestic industries that will support the electricity sector in Indonesia (2) Reduce dependence on imports (3) Meet the needs of domestic Switchgear equipment (4) Export products to the Southeast Asian and the Asia Pacific markets (5) Improving local industry and competency Developing a supporting ecosystem for electrical equipment manufacturing (6) Providing direct employment to 250 local employees.

Growing Capacity

Spread over 10500m2 and is a hi-tech, state of the art factory incorporating the latest in manufacturing and testing technology. It has the capacity to manufacture and test Circuit breakers, Capacitive voltage transformers, Inductive voltage transformers, Lightning arrestors from 70kV to 550kV. With an annual capacity of 7000 units, it's prepared to cater to the needs of various customers.

CG created history on 20th August 2018 when it inaugurated its first overseas factory for HV/EHV switchgear in Indonesia. PT CPSI (Crompton Prima Switchgear Indonesia) is a joint venture between CGS and PT PLNE and is the first facility of its kind in Indonesia. This opening was the fruit of four years of hard labour by both CG and PLN to make this dream a reality.

>49%

OF PLN REQUIREMENTS FOR HV SWITCHGEAR FROM CPSI

236CR

COST OF 5500 SWITCHGEAR AS ORDERED BY PLN

13.9CR

ALREADY DELIVERED

Trust The Process

The manufacturing process has been divided into various phases Procurement of SKD kits from CG India, assembly and testing (1) Gradual technology transfer from CG to CPSI (2) Major indigenization. The technology agreement will see a technology fee and royalty on sales payable to CG. The agreement also sees CG India imparting rigorous training to employees of CPSI besides sending its own employees to Indonesia to ensure orders are executed smoothly.

The Busy Future

PLN is the only T&D utility in Indonesia. They are supporting the JV by agreeing to purchase a minimum of 49% of its requirements for HV switchgear from CPSI for the first 5 years. As part of the agreement, PT CPSI received its first order from PLN for 5500 switchgear containing Circuit breakers, instrument transformers and lightning arrestors for a value of $ 34 Million (₹ 236 Cr) to be supplied during 2019. Of this, The first supplies from the plant (around $ 2 Million) have already been received at the sites.

green and safe

ESTER OIL TRANSFORMERS

300°C

ESTER OIL
FLASHPOINT / FIREPOINT

AGAINST

140°C

THAT OF MINERAL OIL

37.5%

CONTINOUS OVERLOADING ACHIEVED

1ST 132KV

CLASS ESTER OIL TRANSFORMER MADE BY CG IN INDIA

The increasing demand for the development of environment friendly, fire safety, low maintenance and long life transformer in the T&D sector has led to the research, development and manufacture of Ester oil transformers. It has risen in India as an alternative to mineral oil, presenting a fertile business opportunity for CG.

Replacing Petroleum

Petroleum based mineral oil has been used in transformers as an industry standard cooling medium and dielectric for decades due to its low cost. It is both flammable and environmentally damaging if it leaks. Ester oil will replace mineral oil transformers.

Ester Is Better

Ester oil is a viable natural alternative to mineral oil. Natural ester liquids are made of plant seed oils. Ester oils offer several advantages, including biodegradability, higher flash point, higher thermal conductivity, lower calorific value and higher temperature stability.

New Product New R&D

CG created a dedicated R&D facility to develop guidelines for ester oil transformers. Housed with state of the art technology this facility aims to make ester oil transformers fully environmentally friendly. Through experiments, the challenges that had to be tackled during the execution of this transformer were identified and rectified.

Green Starts At Home

CG has successfully designed and manufactured and installed the first green—132kV Ester Oil Transformer in India and second in Asia.

growing big on small

GAS INSULATED SWITCHGEAR

20% GIS ACCESSIBLE MARKET FY2018 → **65%** GIS ACCESSIBLE MARKET FY2019

CG's GIS is highly compact and with less maintenance requirement becomes the best fit for the fast urbanization. Increased demand for more reliable and quality of power, has increased the demand for a substation solution which can be constructed in less space and lower execution time.

Prolongs Life

All switchgear enclosures and conductors are made of aluminium. The results of this design are lightweight with low electrical loss and high corrosion resistance. As all live parts are metal enclosed and hermetically sealed, the GIS is completely immune to air borne pollution. This ensures maximum safety to personnel and increased continuity of operation.

Easy To Install

It requires less than 10% of the space taken up by an equivalent conventional air-insulated switchgear installation. Low noise level of the driving mechanisms makes the GIS suitable for installation in residential areas.

Taking Over Markets

CGPISL has been constantly able to expand its accessible market, by way of unique solutions & introduction of compact GIS Products & Solutions. CGPISL has been able to increase its accessible market from 20% to 65% in 2018–19. One of the important milestones in this direction, has been the commercial launch of new compact 245kV GIS. This compact version is at par with best of the International players in terms of Technical capabilities & competitive footprint. One such large Solution with 245kV GIS & 66kV GIS has been successfully Test charged at Torrent Power. Participation & winning in new Infrastructure Development Projects has seen CGPISL foray into varied markets such as Metros, Dedicated Freight Corridors, Large Industrial & Residential townships, Data Centers, etc. With wider acceptance of GIS Solutions, demand for GIS has increased drastically & is expected to grow.

engines to trains

RAILWAYS GROWTH STORY

1000CR

RAILWAY PRODUCT LINE SALES IN FY2019

41%

CAGR SINCE FY2016

337CR

SALES IN FY2019

47%

CAGR SINCE FY2016

5MOS.

RECORD TIME TO DESIGN, DEVELOP, TYPE TEST AND SUPPLY COMPLETE DETC SYSTEM

Increased Rolling Stock Capacity (RTTE)

RTTE Division of CG expanded its production capacity to meet the increasing demand of Indian Railways. The production of IGBT propulsion system has more than doubled from 5–6 Sets a month to 12–15 Sets a month. Out of 402 Electric Locomotives that were turned out from CLW, 96 had CG make IGBT based propulsion system. Out of 616 Electric Locomotives that were turned out from all Indian loco manufacturing units, 136 had CG make IGBT based propulsion system.

Towards Engineless Trains

A breakthrough order was received from ICF for prototype of seven rakes with onboard and two rakes with underslung electrics for Mainline Electric Multiple Units and one rake of Air conditioned Electric Multiple unit with underslung electrics. These rakes are with state of the art technology involving underslung Transformer, Power converter, Auxiliary converter with fully suspended and Axle Hung Traction Motors variants and Train Control & Management systems with associated electrics etc. This breakthrough paves the way for Train sets, the Engineless trains replacing the ageing Shatabdi and Rajdhani Trains for Semi high speed intercity passenger transport.

The Electrification Thrust (TMS)

With Indian Railways decision to Electrify 100% of the railway routes, there was an immediate requirement of large nos. of DETCs, a self-propelled vehicle used for erection, commissioning and maintenance of ‘OHE’ of railway electrification. CG responded to this urgent requirement of Indian Railways by designing, developing, testing and supplying complete Electric Propulsion system prototype within a record time span of 5 months. CG, currently is the market leader in this business and has supplied over 125 sets of Electric propulsion system to ICF Chennai, BEML Bengaluru and DMW Patiala.

The government's decision to electrify 100% Railway routes and haul trains predominantly on Electric Traction, immediately transformed CG's role from being a mere product supplier to a complete solution provider to the Indian Railways. To be able to handle the surge in demand proficiently, CG's Railway Divisions have up-scaled their operations, making CG one of the largest Electric Equipment suppliers to Indian Railways.

415CR

SALES IN FY2019

56%

CAGR SINCE FY2016

135CR

SALES IN FY2019

26%

CAGR SINCE FY2016

Spanning SPIC

Integral Coach Factory, Chennai of Indian Railways awarded 100% quantity for development of electric propulsion system for Self Propelled Inspection Car (SPIC) to CG, order for ₹ 83 Cr received in Oct 2018. CG successfully completed the detailed engineering, approvals, manufacturing, testing and supply of prototype in a record time of 2 months from the date of receipt of order.

Charged By Project Utkarsh

To match the surge in demand of Traction Motors for 3 Phase Locomotives and Electrics for Diesel Electric Tower and Inspection Cars (DETC), CG upgraded its manufacturing facilities by debottlenecking several critical operations, capacity expansion by creation of dedicated product lines, installation of state-of-the-art CNC and CMM (Coordinate Measuring Machines), redesigning of plant layout etc. With the upgraded Traction Machine and system facilities, the division has the capacity to deliver over 200 Traction Machines a month.

Growth in Railway Signalling Division (RSD)

Indian Railways drive of electrification, gauge conversion and doubling of railway tracks have resulted in increased demand of Signalling products i.e. Signalling relays and Point Machines. By capacity expansion CG could deliver 8840 Nos Point Machines in FY2019 against previous high of 6761 Nos. New lines added to enhance manufacturing capacity of Metal to Carbon Relays to 2 Lacs per annum.

stop to start

CONSUMER DIVISION STORY

1500CR

FIRST WAVE OF LAUNCH

6500CR

TOTAL MARKET SIZE

1100CR

ESTIMATED MARKET SIZE OF MINI SELF-PRIMING REGENERATIVE PUMPS

Begin Again

CG had the ready expertise and the contacts in place to re-enter a market they were very successful in partnership with Crompton. After the separation CG could not compete in the market for a minimum of two years. CG is now back in the consumer product business and has a big product portfolio including pumps, fans, exhausts, starter pumps and coolers to capture a growing market.

CG'S Coming Home

Focussing on the residential segment of the pumps apart from other products CG Introduced CED (cathode electrode deposition) to improve product life because pumps are either in the water or open areas. Smoothning out the teething issues like supply and vendors, CG is expected to do well in this growing market. A dedicated plant for CG in Coimbatore will further increase capacity.

Aiming for the Big-Leagues

The MINI Self-priming regenerative pumps used in every household with an estimated market size of more than 34 Lakh pumps and value of 1100 Cr for Premium and Eco markets is a definite opportunity in this Segment. 1/2, and 1 HP caters to 90% of the market in cities and govt supply lines to move ground to overhead tanks.

CG is back in the consumer product division after a short hiatus of two years. CG launched their product division in January 2019. Launching a slew of products like pumps, fans, cooler kits and starters, CG is determined to be a household name in the market and make a sizeable impact in their first year itself.

770CR

ESTIMATED MARKET SIZE OF ELECTRIC SUBMERSIBLE PUMP

Competing for the Lead

A submersible pump (or sub pump, electric submersible pump (ESP) is a device which has a hermetically sealed motor close-coupled to the pump body. The whole assembly is submerged in the fluid to be pumped. This is 2nd largest Sub Segment in the Residential segment with an estimated market size of 11 Lakhs in quantity and value of 770 Cr. CG plans to have parity in pricing with the leading competition.

Market Capture

CG plans to develop the market base planning the activities, Network Building, Promotional activities, wall painting, retailer boards, brand recall and freebees. CG has a good marketing & service network to support the business. In the next 2 years, they will have a very good opportunity to grow in this business.

management discussion and analysis

1 crore is ₹ 10 million. FY2019 stands for fiscal year 2018-19, i.e. from 1 April 2018 to 31 March 2019. Analogously, FY2018 and other fiscal years.

CG Power and Industrial Solutions Limited ('CG' or 'the Company') is a pure B2B company that spans two major businesses. These are:

(i) The Power Systems Business Unit (BU), involving power transmission and distribution equipment and system solutions that cover many differentiated products and services from ultra-high voltage (UHV), high voltage (HV), medium voltage (MV) and low voltage (LV).

(ii) The Industrial Systems BU, consisting of rotating machines (motors and alternators) across a wide spectrum of power and ratings, automated AC, DC and variable frequency drives and control systems as well as traction electronics and machines, signalling and coach products and integrated solutions for railway transportation.

Customers consist of major utilities and industries in India and abroad, spanning various sectors such as power generation, transmission, distribution, renewables, oil and gas, cement, metals and mining, and in railways and transportation.

Each of the two BUs, Power and Industrial Systems, is a profit centre and responsible for generating revenue growth, profitability and capital efficiency.

Continuing and discontinued Operations

CG had opted to adopt the Indian Accounting Standard, or Ind AS, with effect from 1 April 2015. Under Ind AS 105, the reporting business entity has to classify and separately disclose the financials of (i) continuing businesses and (ii) those held for sale or discontinued operations. These are given below.

DISCONTINUED OPERATIONS

As on 31 March 2019, CG's discontinued businesses were as follows:

STANDALONE

Distribution Franchisee Business (Jalgaon)

CONSOLIDATED

CG Sales Networks France SA.
CG Power Solutions Saudi Arabia Ltd.
CG Power Solutions Americas, LLC.
CG Power Systems Canada Inc.
CG Power Equipments Limited.

CONTINUING EQUIPMENTS OPERATIONS

Continuing operations for FY2019 that have been included in the consolidated financial statements for 31 March 2019 are as follows

01 CG Power and Industrial Solutions Limited
02 CG International BV.
03 CG Drives & Automations Netherlands BV.
04 CG Drives & Automations Germany GmbH.
05 CG Industrial Holdings Sweden AB.
06 CG Drives & Automation Sweden AB.
07 PT CG Power Systems Indonesia.
08 CG Ganz Generator and Motor LLC.
09 CG Holdings Americas, LLC.
10 CG Power Americas LLC.
11 QEI LLC.
12 CG-PPI Adhesive Products Limited.
13 CG Sales Networks Malaysia Sdn. Bhd.
14 CG International Holdings Singapore PTE Limited.
15 PT Crompton Prima Switchgear Indonesia, a joint venture.
16 CG Power Solutions Limited.
17 CG Holdings Belgium NV.
18 CG Power Systems Belgium NV.
19 CG Power Systems Ireland Ltd.
20 CG Service Systems France SAS.
21 CG Electric Systems Hungary Zrt.
22 CG Power Solutions UK Ltd.
23 CG Middle East FZE.
24 CG Power & Industrial Solutions Middle East FZCO.
25 CG International BV Tr. & Cont. Pvt. Co. LLC.

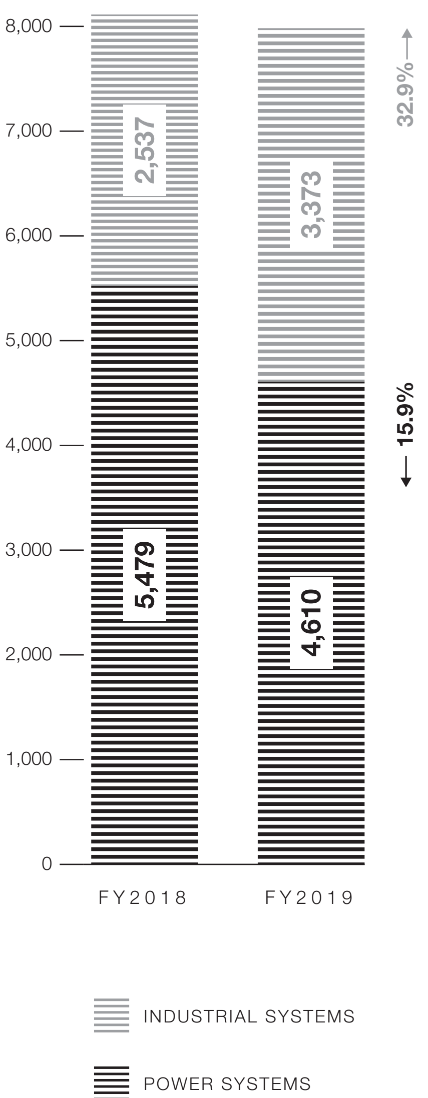
Facilities of the Continuing Businesses

POWER SYSTEMS BU

CG's Power Systems BU offers an extensive range of manufactured equipment from high voltage transmission products to those needed for distribution, as well as integrated solutions for network management. Its operations are classified between:

01 Products, comprising Power Transformers, EHV Switchgears, MV Switchgears and Distribution Transformers. Facilities of the continuing businesses are at Kanjur Marg (Mumbai, Maharashtra), Malanpur and Mandideep (Madhya Pradesh),

A Net revenue from CG's Main Businesses



Nashik and Aurangabad (Maharashtra), Mechelen (Belgium), Cavan (Ireland), Tapioszele (Hungary) and Bogor (Indonesia).
02 Systems and Solutions, which provide turnkey solutions and services for design, manufacture, supply, construction, installation, testing, commissioning, and servicing of large scale on-shore and off-shore, conventional and renewable energy projects. The continuing business operates out of Gurgaon (Haryana), Mechelen (Belgium) and Jakarta (Indonesia).

INDUSTRIAL SYSTEMS BU

The Industrial Systems BU provides equipment and services to convert electrical energy for industrial applications. It has four verticals:

01 Products comprising high voltage (HV) motors ranging up to 25MW; low voltage (LV) motors ranging up to 1.5MW; fractional horse power (FHP) motors; direct current (DC) motors; AC generators up to 70 MVA range and AC drives up to 3 MW; traction machines for railway transportation; and stamping products. It has facilities at Tapioszele (Hungary), Mandideep and Pithampur (Madhya Pradesh), Ahmednagar (Maharashtra) and Colvale and Kundaim (Goa).

02 Drives and Industrial Automation which involves AC and DC drives and variable frequency drives. It has facilities at Helsingborg (Sweden) as well as at Mandideep (Madhya Pradesh).

03 Railways which includes solutions based on insulated gate bi-polar transistor (IGBT) technology, traction electronics and traction machines for railway transportation and signalling, with facilities at Mandideep and Pithampur (Madhya Pradesh).

04 Services for all the above products including condition monitoring and training modules for maintenance.

Business Performance, FY2019

CG: CONSOLIDATED FINANCIAL HIGHLIGHTS, FY2019

■ The unexecuted order book (UEOB) for the Power System and Industrial System BUs as on 31 March 2019 stood at ₹ 6,859 crores, representing a growth of 2.3% over a year earlier.

■ Net revenue from operation was ₹ 7,998 crores. This was 0.4% lower than the comparable figure of the previous year.

■ CG's earnings before interest, depreciation, taxes, and amortisation (EBIDTA) including other income was ₹ 316 crores in FY2019. This was 80.5% higher than the comparable number for FY2018.

■ Due to higher interest costs, profits before taxes (PBT) including 'other income' but before exceptional items stood at ₹ (292) crores. This was, however, less than in FY2018, when it stood at ₹ (427) crores.

■ Including exceptional items amounting to ₹ 167 crores, the PBT for FY2019 was ₹ (459) crores. For FY2018, it was ₹ (562) crores.

■ In FY2019, profit after taxes (PAT) from continuing operations, after minority interests and share of profit or loss in associates and joint ventures, was ₹ (488) crores. For FY2018, it was ₹ (670) crores.

■ Net profit after tax from discontinued operations was ₹ (16) crores in FY2019, versus ₹ (49) crores in FY2018.

■ Overall net profit for FY2019 was ₹ (504) crores, versus ₹ (719) crores in the previous year.

■ CG's net revenue from the Power System business decreased by 15.9% between FY2019 and the previous year.

■ Simultaneously, net revenue from the Industrial System business grew by 32.9%.

POWER SYSTEMS BU

Power Systems is the Company's largest BU. It focuses on power transmission, distribution, power solutions, setting up of integrated power systems and associated services businesses. It manufactures a wide range of power and distribution transformers, extra high voltage (EHV) and medium voltage (MV) circuit breakers, switchgears, EHV instrument transformers, lightning arrestors, isolators and vacuum interrupters. In addition, it offers turnkey solutions for transmission and distribution (T&D) through sub-station projects, engineering, procurement and construction (EPC) as well as other end-to-end contracts involving the entire value chain—solutions, design, products, procurement, construction, erection and servicing. A detailed list of CG's Power Systems BU products, solutions and services as well as its associated facilities is given at the end of this Annual Report.

PROPOSAL TO DIVEST CG'S BUSINESS IN HUNGARY

In relation to the sale of CG's business in Hungary, comprising CG Electric Systems Hungary ZRT ('ESHU'), certain definitive agreements were executed with Ganz Villamossagi Zrt. and Alester Holdings Limited for sale of assets (excluding the

01 Consolidated Financial Performance of the CG's Power Systems Business (₹ crores)

CG POWER SYSTEM BU	FY2018	FY2019	GROWTH
Unexecuted Order Book (UEOB)	5,143	4,740	(7.8%)
Net revenue	5,479	4,610	(15.9%)
EBIDTA (Including Other Income)	(20)	122	
EBIT	(197)	(23)	
Capital Employed	3,657	3,307	(9.6%)
Return on Capital Employed (ROCE)	(5.4%)	(0.7%)	Up by 4.7 percentage points

Note: Figures have been re-grouped wherever necessary to make these comparable.

switchgear business) and shares of ESHU respectively for an enterprise value of Euro 38 Million. However, since certain conditions subsequent that were agreed to be performed between the parties were not met, these agreements were terminated with effect from 30 April 2019. We continue to explore opportunities for divestment of its business at Hungary while taking appropriate steps to improving the operational and financial efficiency of ESHU.

POWER SYSTEMS BU: CONSOLIDATED FINANCIAL PERFORMANCE

The consolidated performance of CG's Power Systems BU is given in *Table 1*.

As can be seen, the revenue of CG Power de-grew by 15.9% in FY2019. No less significantly, value of the UEOB for CG Power reduced by 7.8% compared to the previous year. These need elaboration.

The decline in the business' UEOB is partly strategic and partly a reflection of both global and domestic markets. Given the proposed sale of CG's Kanjur Marg land in Mumbai and the consequential relocation of our transformer manufacturing facility from Kanjur Marg to Mandideep, near Bhopal, we chose not to take up significant orders for power transformers at this location. We also wanted to be more selective in taking up orders for power transformers and, in the process, bid for those that yield relatively higher profit margins. We also needed to de-bottleneck some of our capacities to allow for greater throughput in the future. These explain the strategic rationale for the decline in UEOB.

Equally, there is no denying the fact that demand for power transformers has remained relatively weak both in India and in some of the global markets where we operate. We expect this demand to gradually pick up in the future. However, in the hiatus, we have chosen to focus on manufacturing such products that give us higher EBITDA margins.

This shows up in the EBITDA numbers given in *Table 1*. In FY2018, we had earned a negative EBITDA. In FY2019, the Power System BU's EBITDA increased to ₹ 122 crores, with a margin of 2.6%. No doubt, this margin needs improvement. And that is what we expect to do with a combination of a superior and more profitable order book, better plant-level efficiency and faster throughput.

POWER SYSTEMS BU—KEY DEVELOPMENTS IN FY2019

The product lines for CG Power Systems BU are: power transformers, switchgears and distribution transformers.

Power Transformers (PT)

These are manufactured at CG's facilities at T1 (Kanjur Marg, Mumbai), T3 (Mandideep, near Bhopal), Bogor (Indonesia), Mechelen (Belgium) and Tapioszele (Hungary).

The T1 facility at Kanjur Marg (Mumbai) produces up to 500 MVA, 500kV three-phase power transformers, and up to 125 MVAr, 500kV three-phase shunt reactors. Some of its major customers have been the Power Grid Corporation of India Limited (PGCIL), the National Thermal Power Corporation Limited (NTPC), NHPC Limited, Larsen & Toubro (L&T), Techno Electric and Engineering Company Limited, the Tata group, Societe National D'Electricitie (SENELEC), which is the national electricity company of Senegal, and IPTO, the national transmission company of Greece.

Some of the significant successes of T1 in FY2019 have been:

- Cementing its pole position in Tanzanian market by supplying its first ever 400kV transformer and shunt reactors. Tanzania is a significant market for power transformers in East Africa and CG has established itself as a dominant player in this market.
- Secured orders in excess of US$ 14 million for supply of transformers and shunt reactors in West African markets like The Gambia, Guinea and Guinea-Bissau.

Our T3 facility at Mandideep (near Bhopal in Madhya Pradesh) is India's leading 765kV manufacturing plant. It produces 765kV single-phase reactors up to 110 MVAr, 765kV single-phase power transformer up to 500 MVAas well as three-phase transformers up to the 500 MVA, 400kV class. This unit also has a dedicated facility to produce 25kV three-phase locomotive transformers for Indian Railways. The key customers are PGCIL, NTPC, the Madhya Pradesh Power Transmission Company Limited (MPPTCL), some key state-level power transmission corporations, the Bhakra Beas Management Board (BBMB), L&T, and Indian Railways.

Some significant successes of T3 in FY2019 were:

- Developing locomotive transformers with steel tanks as compared to conventional locomotive transformers with aluminium tank while meeting the weight restriction by Indian Railways. A patent has been applied for this unique design; and the design shall render significant cost and supply chain

CG is now the first Indian manufacturer to design, develop and manufacture 145kV and 245kV EHV GIS.

advantages to CG in the manufacture of locomotive transformers.

- Successfully conducting the dynamic short circuit withstand test on a 765kV transformer at the NHPTL laboratory, at Bina in Madhya Pradesh. With this, CG has become part of select group of companies across the world—to conduct dynamic short circuit testing on a 765kV class transformer. This demonstrates excellent design capability and rigorous manufacturing process, and should confer significant competitive advantage to CG in the years ahead.

CG's plant at Bogor (Indonesia) manufactures 20 MVA to 300 MVA, 20kV to 275kV three-phase, and 167 MVA 500kV single-phase power transformers. Its key customers are PT Perusahaan Listrik Negara ('PLN'), Indonesia, a government-owned corporation that has monopoly over electricity distribution across the archipelago; Transpower, New Zealand and TNB, Malaysia.

In addition, the Systems division undertakes and executes EPC contracts for AIS and GIS sub-stations up to 500kV, primarily for PLN in Indonesia; and designs, assembles and supplies mobile sub-stations up to 90 MVA for customers across the world.

Distribution Transformers (DT)

Distribution transformers (DT) are produced in India at the T2 facility at Malanpur. The products, among others, are ester oil transformers as well as large power transformers up to three-phase 40MVA, 132kV. The major customers are PGCIL, L&T, Sterling Wilson, SPML Infra, Siemens and others.

After years of making losses, T2 turned around in FY2017. It did better in FY2018. Today, T2 continues to be a profitable entity with a healthy EBIDTA, good order input and a sound order book position.

The plant's success has been in manufacturing ester oil-filled green DTs. It successfully tested an ester-filled 2 MVA, 33/0.433kV transformer that was certified by the Electrical Research and Development Association (ERDA); and delivered another ester-filled 8 MVA, 33/11kV unit to the Central Public Works Department (CPWD). With a relatively wide product portfolio that includes mineral oil filled, ester oil filled and cast resin dry transformers, covering the needs of power utilities, mines and metals, locomotive, EMU, and the automotive industry, T2 is well placed to build upon growth opportunities in India and South Asia.

Switchgears

CG has full-fledged extra high voltage (EHV) and medium voltage (MV) switchgear plants in India that command significant leadership position in the country. Its facilities in Ambad (near Nashik, Maharashtra) and Aurangabad (Maharashtra) manufacture air insulated (AIS) and gas insulated (GIS) extra high voltage (EHV) switchgears, medium voltage (MV) switchgears, vacuum interrupters,

instrument transformers, and distribution protection and automation equipment.

The Ambad facility produces instrument transformers, gas and vacuum circuit breakers, lightning arrestors, AIS and GIS switchgears and electronic numerical relays.

The Aurangabad unit manufactures vacuum interrupters, vacuum contactors and instrument transformers.

CG also has a subsidiary PT CPSI, with PLNE (a 100% subsidiary of PLN) as the second shareholder to manufacture high voltage AIS switchgears up to 500 kV in Indonesia. The project has been successfully commercialised and has obtained and started executing a large order from PLN.

All of India's power transmission and distribution utilities are customers to CG—the major domestic customers being PGCIL, the Nuclear Power Corporation of India Limited (NPCIL), NTPC, state-level transmission and distribution utilities, and international customers such as ANDE (Paraguay), ENEL (Italy), TNB (Malaysia), KEPCO (Korea), SSI (USA) and KPLC (Kenya), among others.

In FY2019, net sales from CG's switchgear facilities, including exports, stood at ₹ 1,077 crores. Exports were ₹ 218 crores. Within India, CG's switchgear products accounted for over 26% of the market. The business earned a healthy EBITDA margin and a sound ROCE.

Switchgears witnessed several key achievements. Some of these were:

- CG has indigenously developed a new Resin Impregnated Paper (RIP) bushing technology. In FY2019, we developed 27 varieties of RIP bushings which cover the ratings from 52kV to 145kV class with all recommended current rating and current transformer (CT) pocket lengths. The design is suitable for retrofitting i.e. these are interchangeable with oil impregnated paper (OIP) bushings. Currently, CG is the only company in India that manufactures RIP bushings in India. This superior product should contribute to high returns in the coming years.
- Developed Wall Mounted Condenser Bushings, as an import substitute. This offers a cost effective solution in the range of 123kV to 170kV in existing proven OIP technology.
- With the world moving towards compact and reliable power distribution equipment, GIS is emerging as the best solution for medium voltage primary power distribution. CG has indigenously developed 36kV 31.5kA, 630A, 1250A, 2500A, Busbar-In-Gas GIS. The product has been type tested for special circuit breakers in line with international standards for global markets. Orders have already started to flow in.
- Developed 420kV 63kA SF6 gas circuit breaker (GCB) with an indigenously developed arc assist technology. With this, CG has entered the elite club of 63kA products. The product has been completely type tested at KERI, South Korea, as per IEC standard.
- CG has become the first Indian manufacturer to develop a 72.5kV, 2-Pole GCB for Indian Railways with extended electrical endurance performance.
- It has successfully upgraded the 145kV GCB for altitudes of above 1000 metres above sea level, which was successfully type tested for all dielectric tests at CPRI, Hyderabad.
- CG is now the first Indian manufacturer to design, develop and manufacture 145kV and 245kV EHV GIS.
- EHV GIS achieved new product sales in excess of 20% in FY2019. This was achieved due to the execution of three orders relating to the new 245kV GIS for Torrent Power (Surat), the 245kV GIS Bus Duct for Andritz Hydro (Vietnam), and the 245kV GIS for the Mumbai Metro Single Phase Railway Application.
- We entered in to strategic agreement with TENEGA Switchgear, Malaysia to expand the market reach and enhance the customer base in Malaysia and South East Asia and the Pacific. The agreement includes product development and promotion of 11kV GIS in Malaysia to address rapidly growing demand in that country.
- The Ring Main Unit (RMU) is a compact, sealed for life metal-enclosed switchgear widely used across urban power distribution networks. CG has developed 12kV RMUs in a short span of time to cater to customer demands across various markets. The product has been type tested as per latest IEC standards.
- Successfully completed the product development of 15kV Autorecloser / Sectionaliser with controller. This shall serve as an integrated package providing both protection and SCADA automation for the MV markets and should generate a healthy annual revenue.
- The development of traction relays has helped CG enter into a completely new market to cater to the protection and automation requirements of Indian Railways. The development is complete and Railways approval is in process.
- CG has been a front runner in offering customised solutions. With this approach, it has developed 420kV Polymeric lightning arrestor (LA) with a higher cantilever load of 350 kilogram force (kgf) as per customer requirement. This cantilever load is highest ever in the history of product segment. The highlight of this product is that it weighs less compared to porcelain, explosion proof design.
- Developed a 145kV 1.9 VF for an 8 Hours Inductive Voltage Transformer with a Composite Insulator. This is aimed to cater

the highly fluctuating load as in the cement and mining industries. The product has been successfully type tested and is in operation over the last year.

- A 15.5kV, 200A vacuum interrupter was developed for capacitor switch application and for the export market.
- Developed, type tested and commercialised a 12kV medium voltage electrical soft starter for water utilities.
- CG's switchgear division presented five technical papers in international conferences. It was awarded the 'Best Paper' on, 'Design validation of EHV Current Transformers by Novel Test Technique' at TECH IT, 2018, New Delhi, which is an international conference on instrument transformers.

Engineering Projects Division (EPD)

EPD offers complete services for the design, manufacture, supply, civil works, testing, transportation, installation and commissioning of turnkey power projects in India. In doing so, it provides a single window supply source for the expansive range of CG's products. EPD's largest installations have been with turnkey contracts covering outdoor air insulated substations and indoor gas insulated substations from 66kV up to 765kV for power utilities, industrial projects and core sector industries.

This business revived in FY2019 with selective bidding. To cater as a channel for marketing CG Products, EPD bagged new orders from major customers like PGCIL, West Bengal Electricity Transmission Corporation Ltd (WBETCL), BSES Rajdhani Power Limited (BRPL), Model Economic Township Limited (METL, a subsidiary of Reliance Industries). These were for 400kv and 765kv AIS substations, as well as 220kv, 132kv, 66kv and 33kv GIS substations. These orders are under successful execution and scheduled to be commissioned progressively in FY2020 and FY2021.

INDUSTRIAL SYSTEMS BU

CG's Industrial Systems has facilities located at Mandideep and Pithampur (Madhya Pradesh), Ahmednagar (Maharashtra), Colvale, Kundaim (Goa) and Tapioszele (Hungary). The business unit manufactures the following types of products:

- High voltage (HV) motors; low voltage (LV) motors; and fractional horse power (FHP) motors.
- Direct current (DC) motors.
- AC and DC drives.
- AC generators (LV and HV).
- Variable frequency drives and solutions based on insulated gate bi-polar transistor (IGBT) technology; soft starters and shaft power monitors; and rotary heat exchangers with switch reluctance motors for saving energy.
- Traction electronics and traction machines for railway transportation.
- Railway signalling equipment.
- Stampings.

02 Consolidated Financial Performance of the CG Industrial Systems Business (₹ crores)

CG INDUSTRIAL SYSTEMS	FY2018	FY2019
Unexecuted Order Book (UEOB)	1,566	2,119
Net revenue	2,537	3,373
EBIDTA (Including Other Income)	215	430
EBIT	160	372
Capital Employed	730	553
Return on Capital Employed (ROCE)	22.0%	67.3%

Note: Figures have been re-grouped wherever necessary to make these comparable.

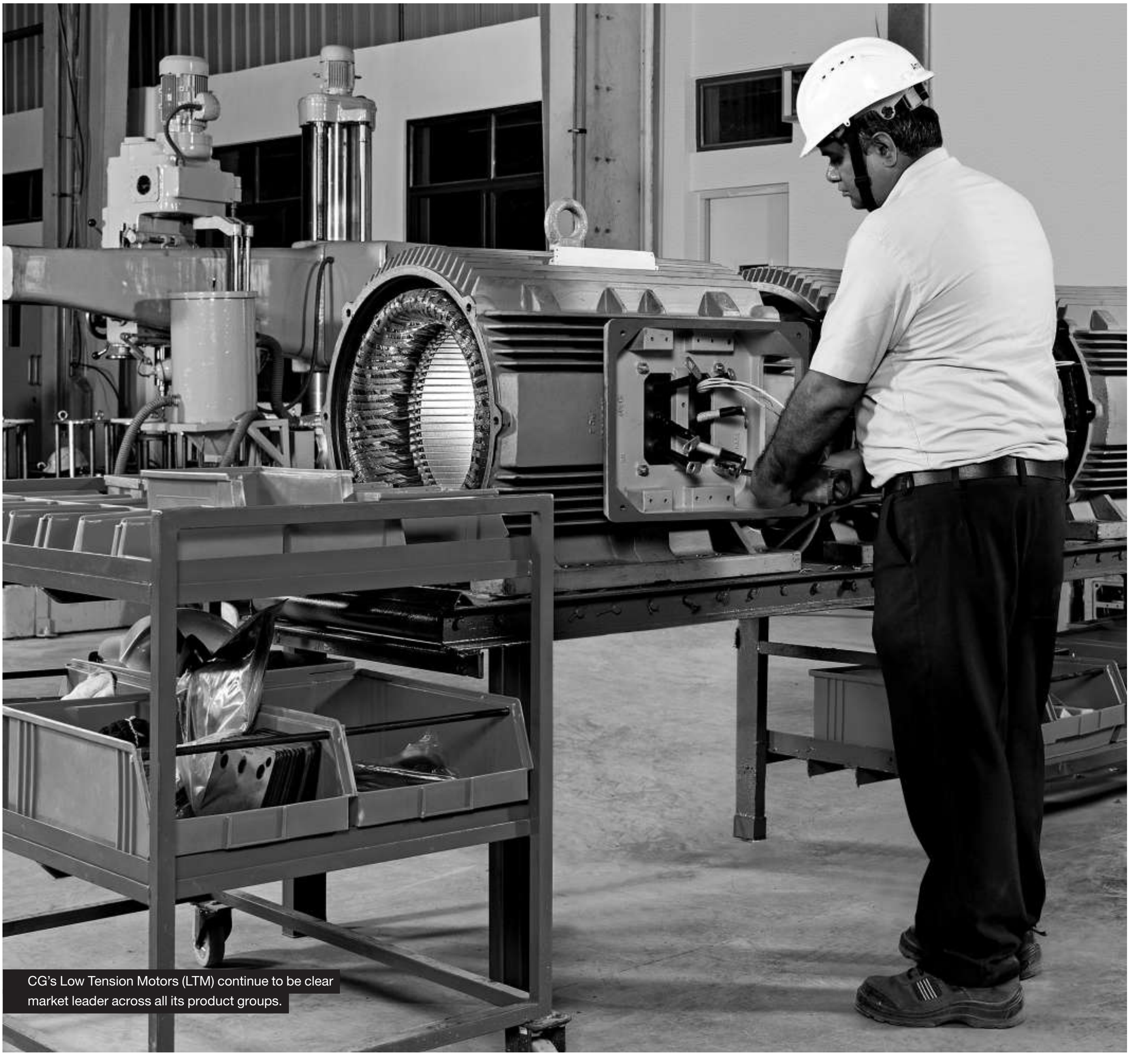
Table 2 gives the financial performance of Industrial Systems over the last two years. As is evident, the BU has done very well over the last two years.

- The Unexecuted Order Book (UEOB) increased by over 35% to ₹ 2,119 crores.
- Net revenue of Industrial Systems grew by over 32.9% to ₹ 3,373 crores.
- EBIDTA (including other income) doubled to ₹ 430 crores.
- EBIT grew by 132% to ₹ 372 crores.
- The return on capital employed (ROCE) increased by 45.3 percentage point to 67.3%.

INDUSTRIAL SYSTEMS BU: KEY DEVELOPMENTS IN FY2019

Motors

- The motors division crossed a landmark turnover of ₹ 2,000 crores in FY2019.
- CG's low tension motors (LTM) continue to be clear market leader across all its product groups.
- FHPs continue their high growth, with a 14% share of the domestic market.
- Large Rotating Machines (LRM) has been growing and has a market share of 18%.
- CG is the only Indian LV machine manufacturer to have an NABL accredited test laboratory.
- CG has been the first Indian motor manufacturer to enter into the electrical vehicles motor market.
- CG has come up with very innovative product-Smart Motor which communicates remotely through wi-fi.
- A new plant was conceived to manufacture the A3 range of motors (75kW and above and Frames IEC 280 to 500). This plant is now operational with the state of the art facilities in impregnation, winding, testing and painting.
- The large rotating motors (LRM) facility at Mandideep near Bhopal—which produces large machines up to 25 MW, generators up to 20 MW and made to order motors—can manufacture up to 100 equivalent motors per month. LRM manufactured and supplied its largest motor of 6MW to the Nuclear Power Corporation of India Limited (NPCIL).
- The top-line of CG's LT motor division has shown an impressive three-year CAGR in excess of 21%.
- With the phasing out of IE1 across all LT motors plants, CG has been BIS approved for IE2 motors in the shortest possible time.
- FHP motors: CG has enhanced its manufacturing capacity for single phase ATEX approved flame proof motors which are used in fuel dispensing machines.



CG's Low Tension Motors (LTM) continue to be clear market leader across all its product groups.

Consequently, we have grown by 46% in FY2019, and are the clear leader in this segment with a market share of more than 95%.

■ With a non-compete agreement with Crompton Greaves Consumer Electricals Ltd. coming to an end, we started our Consumer Products Division (CPD) from January 2019. The products launched are pumps, exhaust fans, industrial fans, cooler kits and starters—items that have been historically associated with CG. We expect to make an impact in the market in first year.

Railways

■ For the railways business, FY2019 saw CG achieving its highest ever order input of ₹ 1,412 crores—a growth of 54% over the previous year. It also recorded its highest ever sales of ₹ 1,001 crores, representing a 61% growth over FY2018.

■ We bagged the single largest order ever for 118 sets of Diesel Electric Tower Cars (DETC) electrics from the Integral Coach Factory (ICF, Chennai), which accounted for 70% share of the total order.

■ We also secured large orders from the Chittaranjan Locomotive Works (CLW, Chittaranjan), the Diesel Locomotive Works (DLW, Varanasi) and the Diesel-Loco Modernisation Works (DMW, Patiala) for 869 three-phase traction motors. That accounted for 31% of the total share of orders.

■ We bagged a prestigious order from ICF, Chennai, for 50 Electrics to be used for self-propelled inspection cars (SPIC). This was 100% of the order. The project was under direct monitoring of the Railway Board for a fast track roll-out. The first SPIC with CG electrics was rolled–out in a record time of 75 days from awarding of the contract.


CG has been able to increase its accessible GIS market from 20% to 65% in 2018–19.

■ We obtained an order for 136 sets of IGBT propulsion systems for three-phase locomotives from the locomotive production units at CLW, DLW and DMW.

■ Breakthrough order of IGBT Propulsion system for EMU/MEMU (underslung as well as on-board for MEMU) rakes received from ICF, Chennai, which has marked our entry into the Distributed Traction Rolling Stock business.

■ In addition, we received a large order of 63 sets of electrics for underslung diesel electric tower cars (DETCs) from DMW, Patiala, representing 50% share of the tender.

■ Some of the new railway products that we developed, commercialised and sold in FY2019 were: (i) 110V universal fan with brushless DC current (BLDC) technology for EMUs and MEMUs; (ii) electric locomotive control panels orders from CLW, DLW and DMW; and (iii) First in India to develop and deliver to CLW loco transformer with steel tank, replacing aluminium tanks.

■ We have developed a traction motor for 9000 HP electric locomotives. We have also received approvals for: (i) 220kV SF6 circuit breakers for switchgear application in traction sub-stations; and (ii) re-designed freight loco transformer for the diesel to electric loco conversion project.

■ We have indigenously developed an Auxiliary Power Converter used in DEMU, EMU and MEMU.

■ Currently, CG enjoys a market share of around 18% to 20% in rolling stock with CLW, DLW, DMW and the ICF, Chennai, for the transportation segment; and 62% share in relays and point machines across the zonal railways.

Human Resources (HR)

Last year, HR focused on top level leadership development, middle management strengthening as well as feeding the pipeline through entry level recruitment. CG continues to promote internal talent, wherever possible, to occupy vacant leaderships that need to be filled. We continued our practice of nominating high potential employees to leadership development programs of IIM Ahmedabad and ISB-Kellogg. CG has always invested in employee development and it continued the same trend in FY2019.

As of 31 March 2019, the Company had 3,382 permanent employees. During FY2019, CG hired fresh talent at the white-collar levels. These comprised 42 graduate engineer and management trainees.

We strengthened our Performance Management Process (branded as PRIDE which stands for Personal Responsibility in Delivering Excellence) to align rewards with performance. In FY2019, the assessment for leadership promotions went up a notch when a carefully curated online process backed by an 'in-person' evaluation through a globally reputed agency was launched for assistant general managers and above. Key leaders were thereafter called for face-to-face interaction and interviews.

The online assessment data backed by an expert 'in-person' appraisal gave important insights into the potential and capabilities of the candidates. These were shared with the candidates to help them work on their career and behaviour development plans.

A fast-track promotion process was launched to revive the culture of building a young talent pool. High potentials with two years or less in the feeder grades have been promoted. They will now go through systematic developmental intervention followed by deployment to key roles to build future talent pipeline.

The Business Leadership Program (BLP) was introduced as CG's high potential development program designed to identify and develop young talented employees. For the first time, self-nominations were invited from executives in M1, M2 and M3 grade. With a total of 93 applications, high-potential assessment tests were conducted, after which 16 candidates were selected. The assessment process also comprised of an interview by an external consultant. The 16 employees went through a robust 40-day General Management Program at IIM, Indore from 10 January to 18 February 2019.This program produced business leaders who went on to take charge of critical roles in the organisation.

Since 2016, CG has been partnering with the Great Place to Work (GPTW) Institute to understand 'what employees feel is working well' and 'what could be improved'. These were done through CG's ***Drishtikon*** survey and covered both blue-and white-collar employees. Three such surveys have been conducted till date—one in 2016-17 involving 1,576 employee responses, second one in 2017-18 involving responses from 1,674 people and in 2018-19 involving 1,711 employee responses. The results of the FY2019 survey have been gratifying.

- Participation rate exceeded 95%.
- Employee 'trust scores' across Indian operations jumped from 67% to 70%.
- The survey across blue collar employees (conducted every alternative year) reflected the 'trust scores' improvement from 49% to 61%.
- Emotional connect reflected a significant increase from 55% to 73%.
- We believe that the scores improved due to several corporate culture building initiatives that were launched since FY2016, which have continued since then and where all senior managers were trained in the engagement framework.

Several specific actions have been taking place within the framework of ***Drishtikon***. These are typically unit-specific action plans revolving around improving workplace systems and processes, fun at work, collaboration and communication, company vision and career development activities. Focus on fairness in the annual Performance Management System and a more transparent compensation review have also helped us in improving the scores.

Engagement scores were used to evaluate people managers on their team management skills. Every manager with at least five reportees received such a scorecard with useful insights on the areas in which the leader should focus to further strengthen team engagement. We believe that this initiative has gone a long way in sensitising managers on effective team management and in helping them to become ambassadors of the CG organisation to their teams.

In FY2019 the campus recruits were put through a structured Induction Program branded as ***'Prarambh'***, the beginning of a new journey. The induction is a 30 day residential program involving business and functional leaders providing overview of their respective businesses, functions, personal journey in CG and specific suggestions on building a great career with CG, product knowledge sessions, individual and group case study based projects and two manufacturing plant visits. A corporate Induction Initiative branded as ***'Parichay'***, introductions, was designed for lateral hires to CG. The induction program provides overview of various businesses / functions of CG as well as a special focus on imbibing CG values among the new recruits of CG.

We continued to offer regular leadership and behavioural development opportunities to our employees. Programs like 7 Habits of Highly Effective People, CG Personal Effectiveness Program, Situational Leadership, etc. have seen greater participation from employees and business leaders. We launched new programs like 'Prioritization', 'Building Executive Presence' to strengthen employee capabilities. Post-training surveys are regularly conducted to seek feedback from the participants and respective primary managers on the implementation of learning.

Interventions in building capabilities were organised in the areas of Supply Chain, Sales and HR. We partnered with IIM Ahmedabad to roll out an intervention on Supply Chain Management and covered 100 key leaders of all businesses. We also rolled out a focused intervention for Sales Team in partnership with Mercuri Goldman. A certification intervention on 'Thomas Profiling' was carried out for HR employees to strengthen their capability for the assessment of new recruits.

CG Productivity System (CGPS) focuses on enhancement of employee productivity on the shop floor. Certain changes in areas of monthly plant capacity in terms of number of shifts and product mix were introduced. The productivity re-study was carried out in several manufacturing units of CG. The revised norms are being rolled out in these units.

At CG, Industrial Relations (IR) set up new benchmarks in FY2019. Overall IR remained peaceful with a greater connect between the unions and management. Settlements were harmoniously executed in the Traction Machine and System Division (Bhopal), Large Industrial Motors (Bhopal), Railway Signalling Division (Pithampur) and Distribution Transformer (Gwalior). All the trade unions of Madhya Pradesh cluster have signed the Certified Standing order. Stamping division (M6) at Ahmednagar saw the successful formation of an internal union and reached a five-year wage settlement. Low Voltage Rotation Machine, Unit IV, at Goa also signed a five-year wage settlement.

Environment, Health and Safety (EHS)

CG is committed to minimise the adverse impact on the environment, health and safety at workplace. It does so by protecting and enhancing the well-being of its employees, visitors and partners. The Company's EHS management system, programmes and policies were enhanced in FY2019. All CG units in India are certified

03 CG Standalone Results, FY2018 and FY2019 (₹ crore)

YEAR ENDED MARCH 31	FY2018	FY2019
Gross Revenue from operations	**5,106**	**5,356**
Less: excise duty	98	0
Net sales and services	**5,008**	**5,356**
Cost of raw materials and components consumed and construction material	3,505	3,692
Employee benefits expense	328	372
Foreign exchange (gain) / loss (net)	(131)	63
Other expenses	877	930
EBIDTA excluding Other Income (OI)	**429**	**299**
Other income (OI)	270	276
EBIDTA Including OI	**699**	**575**
Finance costs	302	337
Depreciation and amortisation	102	104
PBT excluding OI (Before Exceptional Items)	**25**	**(142)**
PBT Including OI (Before Exceptional Items)	**295**	**134**
Exceptional items (net)	(133)	(1,518)
Profit / (loss) after exceptional items	**162**	**(1,384)**
Less: Tax expenses		
Current tax	29	50
Deferred tax/ (credit)	47	(39)
Net profit after tax for the year from continuing operation	**86**	**(1,395)**
Loss from discontinued operations before tax	(102)	(34)
Tax credit on discontinued operations	(35)	(12)
Net loss from discontinued operations after tax	**(67)**	**(22)**
Net profit / (loss) for the year	**19**	**(1,417)**
Cash profit for the year from continuing operations	340	188
Earnings Per Share Continuing Operations (Basic And Diluted) (In ₹)	1.38	(22.27)
Earnings Per Share Discontinued Operations (Basic And Diluted) (In ₹)	(1.07)	(0.35)
(Face Value of Equity Share of ₹ 2 each)		

Note: Figures have been re-grouped wherever necessary to make these comparable.

for quality systems with ISO 9001:2015 Certification/ISO 14001:2015 Environmental Management System Certification and OHSAS 18001:2007 Certification.

As in the earlier year, individual leaders took up one mandatory EHS goal in their annual appraisal system, and all units set their annual targets towards meeting the EHS KPIs. Every individual unit's EHS performance against set target was analysed by using an online monthly EHS Balanced Scorecard.

EHS audit processes were revamped. These now focus more on actual EHS implementation and performance, rather than documentation. Corrective actions arising out of such audits were captured and tracked for closure through an online Event Reporting System (ERS) portal.

Information Technology (IT)

CG's IT service strategy is to keep pace with needs of the Company's growth and its business model. Instead of 'make-it-all-in-house', we have opted for a process driven approach. Following planks define CG's IT services:

01 Increased business collaboration and partnership. The focus is on training and enhancement of resources and, when required, rationalising of the competence portfolio. Our emphasis is all-time service delivery, or what we call 'Keeping The Lights On (KTLO)'. In this, we have moved towards service level agreement-based managed service as much as possible, with governance and monitoring through in-house IT experts. We evaluate IT service request based on following principles: (i) buy or rent standard solutions, without over-customise these; and (ii) build-innovative custom solutions, which are smarter and can grow.

02 SAP to be standard and basic platform in all locations of CG. The IT team focuses on implementation of standard SAP processes and onsite training across various locations for the re-skilling of SAP end-users. Strategic commodity sourcing with BI analytics was initiated to centrally monitor copper receipts, open schedules, interest on delayed payment, vendor payment analysis, stock ageing, budgeting, on time delivery, hedging, LME copper booking, vendor matrix graphs, commodity stocks

04 Standalone Performance of CG, Key Ratios

YEAR ENDED 31 MARCH	FY2018	FY2019
Profitability Ratios		
EBIDTA excluding OI / Net sales from continuing operations	8.6%	5.6%
EBIDTA including OI / Net sales from continuing operations	14%	10.7%
PBT (excluding exceptional item) / Net sales from continuing operations	5.9%	2.5%
RONW on total operations	0.5%	(56.4%)
ROCE (excluding exceptional items) (terminal) of continuing operations	14.5%	21.1%
Cash ROCE (excluding exceptional items) (terminal) of continuing operations	17.0%	25.7%
Per Share Ratios		
EPS on the basis of total profits from continuing operations (In ₹ Per Share)	1.38	(22.27)
EPS on the basis of total profits from discontinued operations (In ₹ Per Share)	(1.07)	(0.35)
EPS on the basis of total profits from continuing and discontinued operations (In ₹ Per Share)	0.31	(22.62)
Cash EPS from continuing operations (In ₹ Per Share)	5.42	2.99
Leverage Ratios		
Long term debt to equity	0.3	0.4
Interest coverage ratio of continuing operations	2.3	1.7
Assets Efficiency Ratios		
Net sales to gross working capital of continuing operations (times)	1.9	2.4
Net sales to net working capital of continuing operations (times)	(16.9)	(4.1)
Other Ratios		
Debtors Turnover (no. of days)	117	81
Inventory Turnover (no. of days)	43	53
Current Ratio	0.90	0.63
Net Profit Margin % (before exceptional items)	4.4%	2.3%

dashboard, monthly procurement plan, LC/BC monitoring. Additionally, SAP was rolled out for the new Commercial Products division whereby business transactions are centrally managed from the FHP factory in Goa.

03 Smart customised solutions and reporting. Some of these involve: (i) Customer Relationship survey measurement tool called ***'Abhipraay'***, which is used to carry out detail customer satisfaction and loyalty study for CG Power and Industrial Solutions business through top down NPS framework, to deep dive into the drivers of customer loyalty; (ii) Internal Audit Reporting System (IARS) comprising (a) a continuous audit module allowing business process owners to monitor and view risk trends in their respective business domain, and (b) an Open Audit Observation (OAO) module to monitor progress of audit corrective action assignment and closure.

04 Technology enablement. Introduction of latest technology towards cost reduction and enhanced user experience. An example of this is the use of legally compliant and globally accepted digital signatures in SAP for sales invoices, credit note, debit notes and delivery challans. Customers invoices are printed/mailed from SAP with digital signature. This has resulted in efficiency improvement and enhanced customer experience.

05 IT infrastructure. Regarding data security, availability and retention, Disaster Recovery (DR) concept was also set up using the latest IT tools for our major manufacturing units at Nasik and Bhopal. The DR setup for remaining manufacturing units is planned in the next fiscal year. We have also decided to migrate our global data centre in Mumbai from on-premise to a virtual private cloud to keep up with latest technology trends along with cost optimisation.

06 IT security and compliance. We upgraded our IT security infrastructure to protect against emerging threats like ransomware, malware, etc. While no IT security is failproof, this upgrading has helped to reduce hacking risks. Robust network and perimeter security control measures were demonstrated during internal vulnerability assessment and penetration test (VAPT) conducted by external IT audit partners. To enhance overall inner and outer perimeter of infrastructure security within CG and on the public network, IT implemented a security suite for endpoint protection, web control, vulnerability protection and application control. This solution provides connected threat defence with greater visibility and protection across the IT landscape with an efficient centralised management system.

07 Standardising IT procurement. This involves IT budget monitoring and reporting; vendor evaluation and reviews; new technology evaluation; re-negotiating rate contracts with OEM; standardisation of equipment across the Company, such as laptops, desktops, office and network printers; and pooling of software license agreements.

05 CG's Consolidated Financial Performance

	FY2018		FY2019	
	CRORES	US $ MILLION	CRORES	US $ MILLION
Gross revenue from operations	**8,130**	**1,260**	**7,998**	**1,139**
Less: excise duty	99	15	-	-
Net Sales and Services	**8,031**	**1,245**	**7,998**	**1,139**
Cost of raw materials and components consumed and construction material	5,244	813	5,197	740
Employee benefits expense	1,081	168	1,063	151
Foreign exchange (gain) / loss (net)	(71)	(11)	97	14
Other expenses	1,664	258	1,375	196
EBIDTA excluding Other Income OI	**113**	**17**	**266**	**38**
Other Income (OI)	62	10	50	7
EBIDTA Including OI	**175**	**27**	**316**	**45**
Finance Costs	350	54	383	54
Depreciation and amortisation	252	39	225	32
PBT excluding OI	**(489)**	**(76)**	**(342)**	**(48)**
PBT Including OI (Before Exceptional Items)	**(427)**	**(66)**	**(292)**	**(41)**
Exceptional Items (net)	(135)	(21)	(167)	(24)
PBT after Exceptional Items	**(562)**	**(87)**	**(459)**	**(65)**
Less: Tax expenses				
Current tax	64	10	83	12
Deferred tax / (credit)	38	6	(50)	(7)
PAT for the year from continuing operations	**(664)**	**(103)**	**(492)**	**(70)**
Minority Interest	(4)	(1)	4	1
Share of Profit /(Loss) of associate and joint venture	(2)	(0)	-	-
PAT after minority interest and share of associate and joint venture	**(670)**	**(104)**	**(488)**	**(69)**
Loss from discontinued operations before tax	(84)	(13)	(27)	(4)
Tax credit on discontinued operations	(35)	(6)	(11)	(1)
Net loss from discontinued operations after tax	**(49)**	**(7)**	**(16)**	**(3)**
Net loss for the year	**(719)**	**(111)**	**(504)**	**(72)**
Cash profit for the year from continuing operations	(273)	(42)	(160)	(23)
Exchange rate for US$1		*64.5442*		*70.2012*

Note: Figures have been re-grouped wherever necessary to make these comparable.

Corporate Social Responsibility (CSR)

CG's work on CSR is appended with the Directors' Report.

Financial Performance

CG: STANDALONE FINANCIAL PERFORMANCE

Standalone results of CG for the year ended 31 March 2019 and 2018 are given in *Table 3*.

Table 4 shows the key ratios (profitability, assets efficiency and leverage ratios) of the entity for FY2019 and FY2018.

CG: CONSOLIDATED FINANCIAL PERFORMANCE

Table 5 gives the consolidated performance of CG, while *Table 6* gives the key ratios.

Risk Management

CG's Risk Management Framework involves a three-tiered approach, taking into account the following:

(i) Enterprise Risks,
(ii) Process Risks, and
(iii) Compliance Risks.

Enterprise risk identification and mitigation initiatives are handled through an on-going process between the corporate risk department and each of the businesses, as well as for the CG as a whole. The coverage extends to all key business exposures as well as to lost opportunities that are identified with the businesses. After getting a measure of each such enterprise risk, the corporate risk department tracks the mitigation actions.

Process risk management involves review of CG's business related operational and financial processes and controls through an audit plan approved by the Board-level Risk and Audit Committee (RAC). Mechanism exists to track the identified gaps in processes and controls to be corrected

06 CG's Consolidated Financial Performance, Key Ratios

	FY2018	FY2019
Profitability Ratios		
EBIDTA excluding OI / Net sales from continuing operations	1.4%	3.3%
EBIDTA including OI / Net sales from continuing operations	2.2%	3.9%
PBT (excluding exceptional item) / Net sales from continuing operations	(5.3%)	(3.7%)
RONW on total operations	(24.6%)	(23.1%)
ROCE (excluding exceptional items) (terminal) of continuing operations	(2.7%)	4.7%
Cash ROCE (excluding exceptional items) (terminal) of continuing operations	6.1%	16.5%
Per Share Ratios		
EPS on the basis of total profits from continuing operations (in ₹ Per share)	(10.72)	(7.78)
EPS on the basis of total profits from discontinued operations (in ₹ Per share)	(0.75)	(0.25)
EPS on the basis of total profits from continuing and discontinued operations (in ₹ Per share)	(11.47)	(8.03)
Cash EPS from continuing operations (in ₹ Per share)	(4.36)	(2.56)
Leverage Ratios		
Total term debt to equity	0.6	0.8
Interest coverage ratio of continuing operations	0.5	0.8
Assets Efficiency Ratios		
Net sales to gross working capital of continuing operations (times)	1.7	2.0
Net sales to net working capital of continuing operations (times)	(10.0)	(3.8)
Other Ratios		
Debtors Turnover (no. of days)	109	78
Inventory Turnover (no. of days)	85	84
Current Ratio	0.86	0.65
Net Profit Margin % (before exceptional items)	(6.6%)	(4.1%)

through the 'Open Audit Observations' (OAO) process, in monthly interactions with the Business Heads.

Compliance risk management comprises a mechanism of reporting and assurances with respect to adherence of laws and regulations in every country where CG has a presence, with a process that flows upwards from the accountable business executives to CG's RAC and then to the Board of Directors.

Monthly Operational Review meetings by management and internal audit discuss findings regarding gaps in processes and controls, their corrections and compliance as well as observations of the RAC and the Board of Directors. These are incorporated to update and capture new risks in the Risk Management Framework.

All three dimensions of CG's Risk Management Framework are reviewed annually for their relevance and changes. The businesses and internal audit make regular presentations to the RAC for detailed review. Unresolved internal audit observations and associated risks are presented and discussed at Operations Review Meetings as well as at the RAC meetings, especially focusing on the 'Not Satisfactory' cases.

The risk management process, including its tracking and adherence, is substantially e-enabled for greater consistency and better reporting capabilities.

In light of the ongoing investigations and significant financial restatements that have occurred both at the standalone and consolidated levels, the RAC has decided to conduct a thorough review of your Company's existing ERM framework and, where necessary, suggest changes to improve the system.

Internal Controls and their Adequacy

CG regularly conduct internal audits of various divisions, sales offices, corporate functions and overseas operations driven by the RAC approved Internal Audit Plan. The internal audit team focuses primarily on operational and systems audits that monitor compliance with the company wide Rules of Procedures for Management (RoP), adherence to different business specific policies and prudent business practices.

The annual internal audit plan covers key areas of operations. This is vetted by the RAC, which is updated every quarter and occasionally between successive quarters of the significant internal audit observations, compliance with statutes, risk management and control systems. The RAC assesses adequacy and effectiveness of inputs given by internal audit, and suggests improvement for strengthening internal controls from time to time.

The Company uses SAP as its key data and analytical tool and has also developed an in-house 'Continuous Auditing' tool based on SAP data for regular exception reporting on specific controls within different business cycles.

A new plant was conceived to manufacture the A3 range of motors (75kW and above and Frames IEC 280 to 500). This plant is now operational with the state of the art facilities in impregnation, winding, testing and painting.

Given the findings of the Phase 1 Investigation and significant financial restatements that have occurred both at standalone and consolidated levels, your Company's Management recognises that internal financial controls were not operating effectively and requires to be strengthened. It is reviewing the internal controls testing and monitoring system. Going forward, your Company will do its utmost to ensure that the systems are designed to provide reasonable assurance with regard to maintaining of proper internal controls, monitoring of operations, protecting assets from unauthorised use or losses, compliances with regulations, and the reliability of financial reporting.

Outlook

As is evident from this Management Discussion and Analysis and the financials, CG is a profitable entity. At a standalone level, it earned an EBIDTA of ₹ 299 crores excluding other income. If other income was included, the FY2019 standalone EBIDTA was ₹ 575 crores. It is profitable also at a consolidated level. EBIDTA without other income for FY2019 was ₹ 266 crores; and with other income it was ₹ 316 crores.

Both business units of CG are also profitable at the EBIDTA level. Despite some operational and market facing problems in the Power Systems business, its EBIDTA (including other income) for FY2019 was ₹ 122 crore. And that of the Industrial Systems business was an impressive₹ 430 crore. Moreover, the Industrial Systems business earned ROCE of 67% in FY2019—which may probably be the highest return on capital employed across all comparable businesses in India and elsewhere.

Therefore, the terrible crisis that CG has had to face this year has not been on account of operational reasons. Instead, as outlined to shareholders in the Directors' Report, the statutory auditors' reports and in the notes on accounts accompanying the annual financial statements, this is the outcome of substantial pilferage of shareholders' funds to aid other companies belonging to the Promoter's group. Such siphoning of funds occurred without approvals of the Board, the Risk and Audit Committee and were against well framed Rules of Procedure for management.

The pilferage severely affected working capital availability across all the business units—something that CG's management and its Board is attempting to mitigate as quickly as possible.

One task of the present management and fiduciaries of CG is to recover as much of these monies as possible, at it has been enjoined to do by SEBI's interim order dated 17 September 2019. Another task is to cleanse CG of wrongdoers. This began by the majority of the Board of Directors removing Mr Gautam Thapar, the Promoter, as the Chairman of the Company with effect from 29 August 2019. It was followed on 30 August 2019 by removing, with cause, Mr V R Venkatesh, the Chief Financial Officer of CG, who has purportedly been actively involved in siphoning out of CG's funds. As the forensic investigation unfolds, others could follow.

It should also be noted here, Mr K N Neelkant, the Managing Director and CEO of CG has tendered his resignation.He ceased to be a Managing Director and CEO as well as Director w.e.f. 30 September 2019.

Clearly, the management under Board oversight will need to substantially tighten systems and processes within CG. By this we refer to internal controls, the IT, ERM, SAP and financial control processes—to ensure that these are rebuilt in as fool-proof manner as possible, so that such misappropriations do not happen again.

On account of these gross misappropriations, and the financial restatements that were carried out on account of these acts, CG's standalone and consolidated financial results for FY2019 have been terrible.

We expect that with appropriate managerial and structural changes, CG will be able to leverage the goodwill that it has with its customers to generate better results in FY2020 and in the near future.

Sudhir Mathur
WHOLE TIME EXECUTIVE DIRECTOR
(DIN:01705609)
Mumbai, 10 November 2019

ten years' highlights

(YEAR ENDED
31 MARCH
IN ₹ CRORES)

■ STAND-ALONE ≡ CONSOLIDATED

	2010		2011		2012		2013		2014		2015		2016		2017		2018#		2019	
	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated
EARNINGS																				
TOTAL INCOME	5585	9469	6356	10430	6901	11668	7624	12609	8064	14207	4589	5872	4451	5706	4961	5991	5377	8192	5632	8049
GROSS SALES AND SERVICES	5516	9376	6277	10331	6850	11615	7571	12533	7994	14058	4524	5800	4225	5595	4761	5924	5106	8130	5356	7998
NET SALES AND SERVICES	5284	9141	5951	10005	6485	11249	7135	12094	7571	13632	4230	5505	3901	5269	4356	5517	5008	8031	5356	7998
EBIDTA*	927	1371	1012	1443	771	856	648	459	687	761	331	580	451	542	512	510	699	175	575	316
PBT@	870	1189	927	1229	677	550	596	185	713	495	342	355	313	180	257	108	162	(562)	(1384)	(459)
PAT**@	617	860	694	889	505	374	446	(36)	521	244	345	368	(1184)	115	146	80	86	(670)	(1395)	(488)
DIVIDEND PAY-OUT	81	81	141	141	90	90	77	77	75	75	50	50								
WHAT THE COMPANY OWNED																				
GROSS BLOCK (INCL. CAPITAL WIP)	1204	3099	1651	3890	1424	4558	1560	5539	1662	6429	2357	7114	2186	4331	2145	3139	1827	3628	1590	3428
NET BLOCK (INCL. CAPITAL WIP)	567	1376	923	1941	675	2258	775	3066	823	3459	1625	4237	1387	2677	1315	1766	1377	2449	1042	2141
INVESTMENTS	688	553	782	675	1053	786	1055	791	826	299	1166	436	483	231	446	209	1029	279	899	130
NET CURRENT ASSETS	620	1085	1139	1603	1552	1887	1825	1795	1810	1489	2840	2171	2282	1478	3006	1919	(296)	(803)	(1312)	(2116)
NET ASSETS EMPLOYED	1875	3014	2458	3875	2802	4463	3173	5176	3481	5276	5547	6711	4205	4396	4819	3899	5795	5154	3469	3955

	2010		2011		2012		2013		2014		2015		2016		2017		2018#		2019	
WHAT THE COMPANY OWED																				
BORROWINGS	27	501	13	470	8	1044	14	2029	31	2396	68	2092	586	1528	1334	1502	2562	3430	2456	3590
TOTAL LIABILITIES	1627	3518	1712	3874	1826	5003	2163	6435	2157	7172	1523	5775	2227	3521	2976	3716	4392	7518	4610	7864
NET WORTH OF THE COMPANY																				
SHARE CAPITAL	128	128	128	128	128	128	128	128	125	125	125	125	125	125	125	125	125	125	125	125
RESERVES & SURPLUS	1637	2376	2176	3146	2573	3483	2929	3433	3231	3519	4490	4183	4003	4472	4074	3986	4029	2796	2388	2060
SHAREHOLDERS' FUNDS	1765	2504	2304	3275	2701	3611	3057	3561	3356	3644	4615	4308	4128	4597	4199	4111	4154	2921	2513	2185
TANGIBLE NET WORTH ***	1765	2504	2304	3275	2701	3560	3057	3393	3356	3491	4615	4308	4128	4597	4199	4111	4154	2921	2513	2185
RATIOS																				
BOOK VALUE PER SHARE (IN ₹)	27.5	39.0	35.9	51.0	42.1	55.5	47.7	52.9	53.0	55.1	73.6	68.7	65.9	73.3	67.0	65.6	66.3	46.6	40.1	34.9
EARNINGS PER SHARE (IN ₹)	9.62	13.40	10.82	13.85	7.87	5.82	6.95	(0.56)	8.23	3.86	5.51	5.88	(18.89)	1.83	2.33	1.25	1.38	(10.72)	(22.27)	(7.78)
CASH EARNINGS PER SHARE (IN ₹)	10.74	16.62	11.91	17.13	8.96	9.34	8.17	1.30	10.01	8.67	6.60	8.95	(18.28)	3.55	4.52	3.93	5.42	(4.36)	2.99	(2.56)
CURRENT RATIO	1.39:1	1.36:1	1.70:1	1.48:1	1.88:1	1.46:1	1.87:1	1.39:1	1.86:1	1.28:1	2.96:1	1.50:1	2.05:1	1.52:1	2.25:1	1.61:1	0.90:1	0.86:1	0.63:1	0.65:1
DEBT EQUITY RATIO	0.02:1	0.20:1	0.00	0.09:1	0.00	0.17:1	0.00	0.44:1	0.00	0.45:1	0.00	0.30:1	0.00	0.13:1	0.12:1	0.12:1	0.34:1	0.65:1	0.42:1	0.80:1
EBIDTA / NET SALES (IN %)	17.5	15.0	17.0	14.4	11.9	7.6	9.1	3.8	9.1	5.6	7.8	10.5	11.6	10.3	11.8	9.2	14.0	2.2	10.7	3.9
RETURN ON TANGIBLE NET WORTH (IN %) ##	35.0	34.3	30.1	27.1	18.7	10.5	14.6	(1.1)	15.5	7.0	12.8	0.5	(26.6)	(10.0)	3.0	11.9	0.5	(24.6)	(56.4)	(23.1)
FIXED ASSETS TURNOVER RATIO (IN TIMES)	9.3	6.6	6.5	5.2	9.6	5.0	9.2	3.9	9.2	3.9	2.6	1.3	2.8	2.0	3.3	3.1	3.6	3.3	5.1	3.7
NO. OF PERMANENT EMPLOYEES	5116	8647	5214	8702	5365	8966	5575	9575	5529	9433	4024	7854	3633	7233	3421	6288	3377	5655	3382	5524

*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.

***Tangible Net Worth = Shareholders' Funds—Miscellaneous Expenses—Deferred Tax Asset.

@After exceptional items.

#Figures of FY2018 have been regrouped / restated, wherever necessary to correspond with figures of FY2019.

##On Total Operations.

directors' report

To,

The Members

Your Directors are pleased to present their Eighty-second Annual Report on the business and operations of your Company along with the Audited Financial Statements, both Stand-alone and Consolidated, for the financial year ended 31 March 2019.

Abbreviations 'Act' refers to the Companies Act, 2013 'Listing Regulations' refers to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 'the Company', 'CG'refers to CG Power and Industrial Solutions Limited 'SEBI' refers to the Securities and Exchange Board of India

Significant Matters Relevant to the Year Under Review

With an aim to preserve and enhance corporate value, an Operations Committee **("Ops Committee")** under the Chairmanship of one of the independent directors of your Company was constituted by the Board of the Company in March 2019.

While working on conducting the financial and operational analysis prior to seeking refinancing of certain facilities, the Ops Committee was made aware of certain unauthorised transactions by some employees, including certain identified senior personnel **("CIP")** of your Company.

The Ops Committee was also made aware of a letter received by your Company from a particular financing company regarding certain interest payment failure, which it was unable to either trace or ascertain from the financials or the records of your Company. Further, on getting a request by a bank to replace a post-dated cheque **("PDC")** the validity of which was about to expire, the Managing Director immediately brought the same to the notice of the Ops Committee. Neither the Ops Committee nor the Managing Director could relate this to any obligations of your Company.

To make further assessments in this regard, an independent law firm **("Legal Firm")** was appointed by your Company's Risk and Audit Committee **("RAC")** and Ops Committee to conduct an investigation on certain transactions that were brought to the notice of the Ops Committee. The Legal Firm also took assistance of an independent accounting and consultancy firm for the purposes of the said investigation.

In the meanwhile, during the course of the audit of your Company, one of the joint statutory auditors (viz. M/s S R B C & CO LLP), sought information and explanations from your Company regarding some other transactions as part of a notice issued to your Company under Section 143(12) of the Companies Act, 2013. These additional transactions were also included in the scope of review of the Legal Firm. The Legal Firm was, thus, asked to investigate nine (9) such transactions.

Pursuant to the investigation mentioned above, the Legal Firm submitted their Phase I report dated 5 August 2019 **("Report")** to the RAC of your Board in its meeting held on 6 August 2019. The RAC passed it on to the Ops Comittee to prepare an analysis of this Report.

On 19 August 2019, the Ops Committee presented to the RAC an analysis of the Report, including its recommendations regarding the transactions set out in the Report **("Report Transactions")**. Moreover, some additional suspect, unauthorised and undisclosed transactions and entries that were identified during further verification **("Additional Transactions")** were also brought to the attention of the RAC.

On the same day, i.e. 19 August 2019, the RAC also received from management, the compilation of unaudited stand-alone and consolidated financial position and profit and loss of your Company for the year ended 31 March 2019 and restated financial information and profit and loss for the year ended 31 March 2018 and statement of financial position as on 1 April 2017, after taking into consideration potential impact of the Report Transactions and Additional Transactions, along with summary of each of these transactions **("Management Compiled Financial Information")**.

The Management Compiled Financial Information was presented by management to provide disclosure of the unaudited financial information for the year ended 31 March 2019.

The RAC, after its review and taking due consideration of (i) the analysis of the Report and recommendations of the Ops Committee, and (ii) the Management Compiled Financial Information, made its recommendations to your Board, regarding the necessary disclosures and immediate further actions required to be undertaken to protect interests of your Company and all its stakeholders.

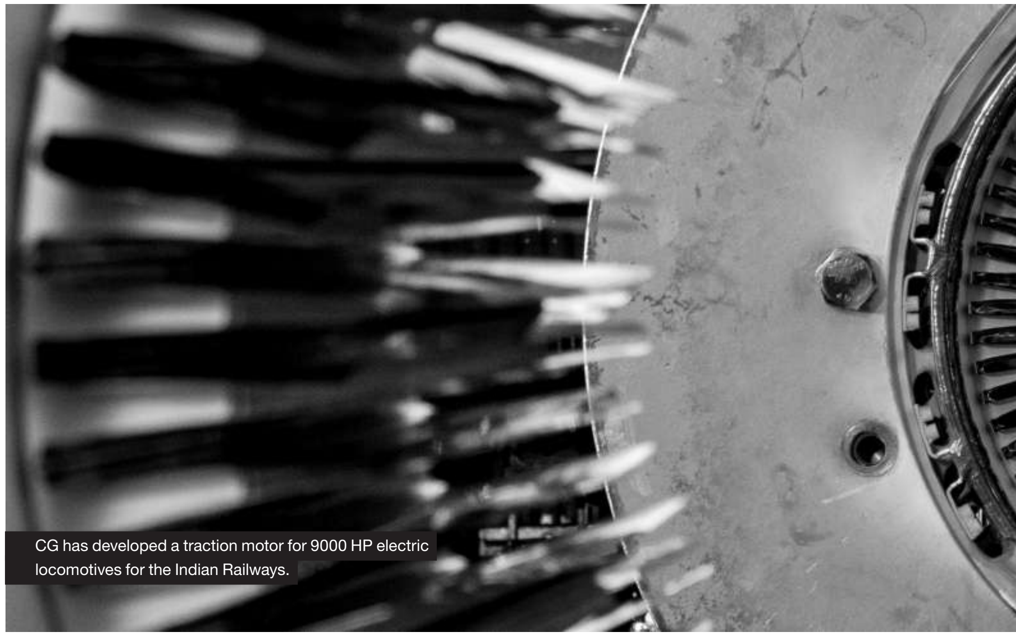
Your Board noted and considered the RAC's inputs and recommendations and made disclosures as set out in the stock exchange intimation issued by the Company dated 19 August 2019 **("19 August Disclosures")**.

Subsequent to the 19 August Disclosures, your Company (i) mandated a detailed independent forensic investigation into the affairs of the Company **("Phase 2 Investigation")**; and (ii) submitted its updated response to M/s S R B C & Co LLP pursuant to the notice issued under Section 143(12) of the Companies Act, 2013. Your Company also submitted the Management Compiled Financial Information to the joint statutory auditors for their audit.

On 30 August 2019, based on the documents so submitted and other financial information, your Company completed the audit process for the financial year ended 31 March 2019.

The audited financial statements so completed does not contain an opinion of the Statutory Auditors because of matters described in the "Basis for Disclaimer of Opinion" included in the Auditors' Reports which are included in this Annual Report.

Moreover, given the nature and financial magnitude of the observations that are outlined below, neither your Board nor the statutory auditors can presently claim that the stand-alone and consolidated financial statements for the financial year ended 31 March 2019, represent a true and fair view of the financial position of your Company



CG has developed a traction motor for 9000 HP electric locomotives for the Indian Railways.

We urge upon the Members to carefully read the Auditors' Reports, including the "Basis for Disclaimer of Opinion", as well as the Notes to Accounts of both the stand-alone and consolidated financial statements of your Company for the financial year ended 31 March 2019.

For convenience of the Members, a synopsis of the "Basis for Disclaimer of Opinion" of certain matters as set out in the Auditors' Report of your Company's consolidated annual accounts for the financial year ended 31 March 2019 is given hereunder. Your Board's response to each of these observations is given in italics.

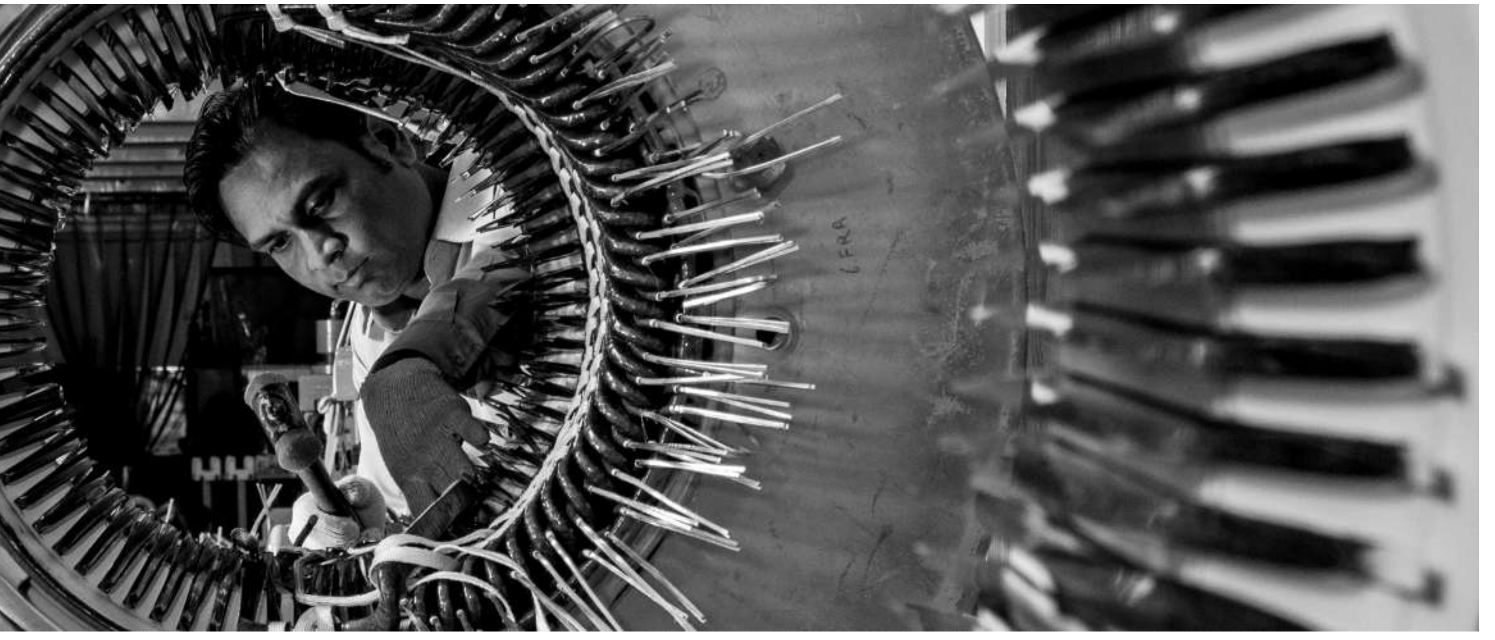
Matters Stated in Basis for Disclaimer of Opinion

01 Notes 3A(a), 3A(b), 3A(j), 3A(l), 3A(r) and 3A(s) of the Consolidated Financial Statements describe reinstatements of certain liabilities by the Group relating to prior years. Certain unauthorised / unapproved banking transactions in the nature of loans taken from banks, financial institutions and a connected party aggregating ₹ 1,401.39 crores were not disclosed in the consolidated financial statements of prior years by off-setting against certain related and unrelated party balances. Further, interest expenses of ₹ 94.66 crores which were serviced by the Holding Company with respect to these unauthorised loans were accounted under different heads in the Consolidated Statement of Profit and Loss, and were misrepresented in the financial statements of prior years.
Board's Response: *Your Company has now recorded these loans in previous years and has restated the interest expenses as financial expenses, with the consequential impact to different heads in the Consolidated Statement of Profit and Loss for the year ended 31 March 2018. Moreover, your Board of Directors has initiated an independent forensic investigation ("Phase 2 Investigation") relating to these unauthorised and misrepresented transactions.*

02 Notes 3A(a), 3A(b), 3A(j), 3A(l), 3A(n), 3A(r) and 3A(s) of the Consolidated Financial Statements describe certain transactions entered into by the Group with related and unrelated parties aggregating ₹ 1,534.68 crores, which were not disclosed in the financial statements of prior years by off-setting such transactions against undisclosed borrowings.
Board's Response: *These have been now recorded and reinstated in the respective prior years.*

03 As explained in note 3A(y) of the Consolidated Financial Statements, the Group also has loans including interest receivables and advances recoverable from related and unrelated parties, as reinstated on 31 March 2019, aggregating ₹ 3,023.08 crores, for which further interest income aggregating ₹ 556.97 crores is currently not recorded as at 31 March 2019.
Board's Response: *Your Company is in the process of further investigating the commercial substance, nature and business rationale of such transactions. It is also in the process of obtaining balance confirmations and completing reconciliation procedures with these related and unrelated parties as at 31 March 2019 as well as in respect of prior years. Upon completion of such investigation, reconciliation and confirmation, these balances may need to be restated by your Company.*

04 Note 3A(i) of the Consolidated Financial Statements describes that bank balances were overstated, and advances receivable from related parties were understated by ₹ 400 crores and ₹ 300 crores as at 31 March 2018 and 1 April 2017, respectively.
Board's Response: *These have now been reinstated by your Company.*



05 Notes 3A(c) and 3A(p) of the Consolidated Financial Statements describe that the Group wrote back in the Consolidated Statement of Profit and Loss certain amounts that were previously expensed off. These amounts were presented as amounts charged off in relation to inventories / trade advances / unbilled dues from customers / loans given to related, unrelated parties and connected parties, aggregating ₹ 860.16 crores. These amounts which were charged off and wrongly stated in the financial statements were misrepresented to your Board of Directors. Moreover, these were wrongly grouped in the consolidated financial statements of prior years.

Board's Response: *The amounts thus written off were extended to, and are recoverable from, related and unrelated parties. Your Board of Directors has initiated the independent Phase 2 Investigation to assess the underlying basis, nature and amount of such transactions.*

06 Note 3A(f) of the Consolidated Financial Statements describes that your Company's CIPs had provided post-dated cheques ("PDCs") and comfort letters to banks in relation to certain borrowings availed by related parties in prior years. Following a default in the contractual and repayment terms of such borrowings availed by the related parties, one bank attempted to encash a PDC of ₹ 210 crores, which was dishonoured upon presentation by another bank of your Company. The bank then issued a notice to your Company to honour the liabilities, and have claimed repayment on these. The total outstanding amount of such borrowings as at 31 March 2019 is ₹ 392 crores.

Board's Response: *Your Board of Directors has categorically stated that it was not informed of the issuance of such PDCs and comfort letters, and also that these actions were in violation of the clearly laid down Rules of Procedure ("RoP") of your Company. These transactions are subject to further investigations to ascertain legality of the claim on your Company. Pending this, the claim has been disclosed as a contingent liability of your Company, instead of being accounted in the books of accounts.*

07 Notes 3A(c), 3A(m) and 3A(o) of the Consolidated Financial Statements describe certain trade receivables balances amounting to ₹ 120 crores, against which provision for doubtful trade receivables of ₹ 108 crores was made in the current year, and ₹ 12 crores was made in prior years / periods. Moreover, advances were given to related and unrelated parties amounting to ₹ 310.55 crores by subsidiaries located in Dubai and Singapore. These underlying sale transactions and recording of provisions have been found to be suspicious in nature and not in the normal course of business of your Company.

Board's Response: *Your Board of Directors confirm that detailed investigation is in process to assess the underlying basis and rationale of such transactions. However, given the amounts involved, and that these were approved by certain Key Managerial Persons, company personnel and certain non-executive director, it prima facie appears that material fraud may have been perpetrated. However, this requires further investigation, identification and conclusion of culpability, which is currently in progress through the independent Phase 2 Investigation.*

08 As stated in notes 3A(a), 3A(b), 3A(p), 3A(q) and 3A(y) of the Consolidated Financial Statements, the Group had entered into various transactions with certain identified group companies (termed as 'connected parties') where some of Group employees had beneficial ownerships; and where some senior management personnel of the Group were directors of these connected parties.

Board's Response: *Your Board, after completion of its independent Phase 2 Investigation, ought to be able to assess the nature of the relationship with these connected parties.*

09 As stated in note 3A(w) of the Consolidated Financial Statements, your Board of Directors has instructed your Company's management to undertake detailed investigation relating to matters of possible non-compliance with respect to Sections 129, 134, 166, 180, 185, 186, 188, 197 and other related provisions of the Companies Act, 2013; the Income Tax Act, 1961; the Foreign Exchange Management Act, 1999; the Prevention of Money Laundering Act, 2002; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended); and other applicable laws and regulations. In doing so, your Board has also instructed management to engage external consultants, lawyers, forensic experts and other specialists as required for this investigation.

10 Note 3A(g) of the Consolidated Financial Statements which states that management has not accounted contractual royalty expense amounting to Rs 41.75 crores for the six months period ended 31 March 2019.

Board Response: *The royalty agreement is held in abeyance and the Company is determining the legality of royalty contract.*

Attention of the members is also drawn to other matters stated in the Statutory Auditors Reports both on Stand-alone and Consolidated Financial Statements which are covered in detail in the respective Statutory Audit Report forming part of this Annual Report.

The Company is undergoing a detailed Phase 2 Investigation and also in the process of obtaining balance confirmations and completing reconciliation procedures with the related and unrelated parties. Upon completion of such investigation and confirmation, appropriate adjustments,

01 Consolidated Net Sales and Profit Before Interest and Tax (PBIT) of the Business Units

(₹ crores)

	2018-19	2017-18
Consolidated Net Sales		
Power Systems	4610	5479
Industrial Systems	3373	2537
Consolidated PBIT		
Power Systems	(23)	(197)
Industrial Systems	372	160

treatments as may be required shall be considered. Management will also make an assessment in relation to the extent of required provision against the assets and/ or recognition of further liabilities.

Given the ongoing independent Phase 2 Investigation, it should be stated that there is no certainty on whether any further revision(s) to the accounts under Section 131 of the Companies Act, 2013 may be required in the future. Besides, as stated earlier, given the nature and financial magnitude of the observations outlined above, neither your Board nor the statutory auditors can presently claim that the standalone and consolidated financial statements for the financial year ended 31 March 2019, represent a true and fair view of the financials of your Company.

Certain other matters need to be stated here.

First, your Board of Directors, through a circular resolution dated 29 August 2019, passed by majority consent, resolved to remove Mr Gautam Thapar as the Chairman of the Board with immediate effect. This decision has been taken in the interests of your Company and its stakeholders in discharge of the fiduciary responsibilities of your Board.

Second, following directions contained in the *ad-interim ex-parte* order dated 17 September 2019 passed by the SEBI, as disclosed by your Company on 18 September 2019, your Company requested Mr Gautam Thapar to step down as the Director of the Company and as the director of PT CG Power Systems Indonesia (an unlisted material subsidiary of the Company). To this, in a letter dated 7 October 2019, Mr Thapar stated that his term as a director ended on 30 September 2019.

In this regard, it should be noted that Mr Gautam Thapar was liable to retire by rotation at the 82nd Annual General Meeting and had given his oral consent to be considered for being re-appointed as a director. Though the due date for holding the 82nd Annual General Meeting was 30 September 2019, your Company received extension of two months and fifteen days from the due date from the Registrar of Companies, Mumbai vide its order dated 23 September 2019.

Given the contents of the 7 October 2019 letter, where Mr Thapar has clearly stated his intention of ceasing to be the director of the Company, your Company through its letter dated 14 October 2019 requested Mr Thapar to tender a formal letter of resignation along with reasons for the resignation, if any, by 5:00 pm on 16 October 2019—failing which your Company would treat the letter dated 7 October 2019 received from him as his final and conclusive resignation from the directorship of the Company. On this matter, your Company received a letter from the legal representatives of Mr Gautam Thapar reiterating the contents of his earlier letter dated 7 October 2019.

Consequently, Mr Thapar ceased to be a director on the Board of Directors of the Company with effect from 9 October 2019 (i.e. the date on which your Company received his letter dated 7 October 2019).

Third, your Board, at its meeting held on 30 August 2019, terminated the employment of Mr V R Venkatesh as the Chief Financial Officer of your Company, for cause, with immediate effect. This termination of employment was due to the grave nature of misconduct and breach of trust on

02 Financial Highlights (₹ crores)

PARTICULARS	STAND-ALONE		CONSOLIDATED	
	2018-19	2017-18	2018-19	2017-18
Net Revenue from Operations	5356	5106	7998	8130
Less: excise duty	NA	98	NA	99
Net Sales and Services	5356	5008	7998	8031
EBIDTA	**575**	**699**	**316**	**175**
Less: Finance cost	337	302	383	350
Less: Depreciation	104	102	225	252
Profit before Exceptional Items & Tax	**134**	**295**	**(292)**	**(427)**
Exceptional items (net) - income / (loss)	(1,518)	(133)	(167)	(135)
Profit/(loss) Before Tax	**(1,384)**	**162**	**(459)**	**(562)**
Less: Tax Expense / (Credit)	11	76	33	102
Profit/(loss) from continuing operations	**(1,395)**	**86**	**(492)**	**(664)**
Less: Minority Interest	NA	NA	4	(4)
Share of profit/(loss) in Associates and Joint Venture	NA	NA	-	(2)
Profit/(loss) after minority interest and share of Associate and Joint Venture	**(1,395)**	**86**	**(488)**	**(670)**
Profit/(loss) before tax from discontinued operations	**(34)**	**(102)**	**(27)**	**(84)**
Tax expenses / (Credit) from discontinued operations	(12)	(35)	(11)	(35)
Net Profit/(loss) from discontinued operations	**(22)**	**(67)**	**(16)**	**(49)**
Total Profit/(loss) for the year	**(1,417)**	**19**	**(504)**	**(719)**

Note: Figures of FY2018 have been regrouped / restated, wherever necessary to correspond with the figures of FY2019.

Mr Venkatesh's part including his having knowingly undertaken actions which were detrimental to the interests of your Company and its stakeholders.

Fourth, your Board, at a meeting held on 30 September 2019, accepted the resignation of Mr K N Neelkant, the CEO and Managing Director of your Company. Consequently, Mr Neelkant ceased to be a director of the Company with effect from 30 September 2019.

The Year in Retrospect

The stand-alone and consolidated financial statements of your Company represent the continuing operations for the year ended 31 March 2019. The discontinued operations have been presented under a separate head.

After considering the impact of restatement of financials, your Company achieved a stand-alone Net revenue from operations of ₹ 5,356 crores during the year under review, compared to ₹ 5,008 crores during the previous year, recording a growth of 6.9%. The consolidated net revenue from operations of your Company during FY2019 stood at ₹ 7,998 crores, compared to ₹ 8,031 crores in the previous year, implying a de-growth of 0.4%.

Details of Segment Revenue and Profit before Interest and Tax of the respective Business Units at a consolidated level in comparison with the previous financial year are given in *Table 1*. The financial performance of your Company for the year ended 31 March 2019 compared to the previous year is given in *Table 2*.

Kindly note Table 1 and Table 2 are presented after considering impact of restatement of financial statements as detailed in the notes to accounts.

Detailed review of the operations and financial performance of your Company and each of its Business Units is contained in the section titled 'Management Discussion and Analysis' of this Annual Report.

Divestments and Other Developments

In relation to the sale of your Company's business in Hungary, comprising CG Electric Systems Hungary ZRT ('ESHU'), certain definitive agreements were executed with Ganz Villamossagi Zrt. and Alester Holdings Limited for sale of assets (excluding the switchgear business) and shares of ESHU respectively for an enterprise value of Euro 38 Million. However, since certain conditions subsequent that were agreed to be performed between the parties were not met, these agreements were terminated with effect from 30 April 2019.

As on 31 March 2019, your Company's discontinued businesses were as follows:

STANDALONE

Distribution Franchisee Business (Jalgaon)

CONSOLIDATED

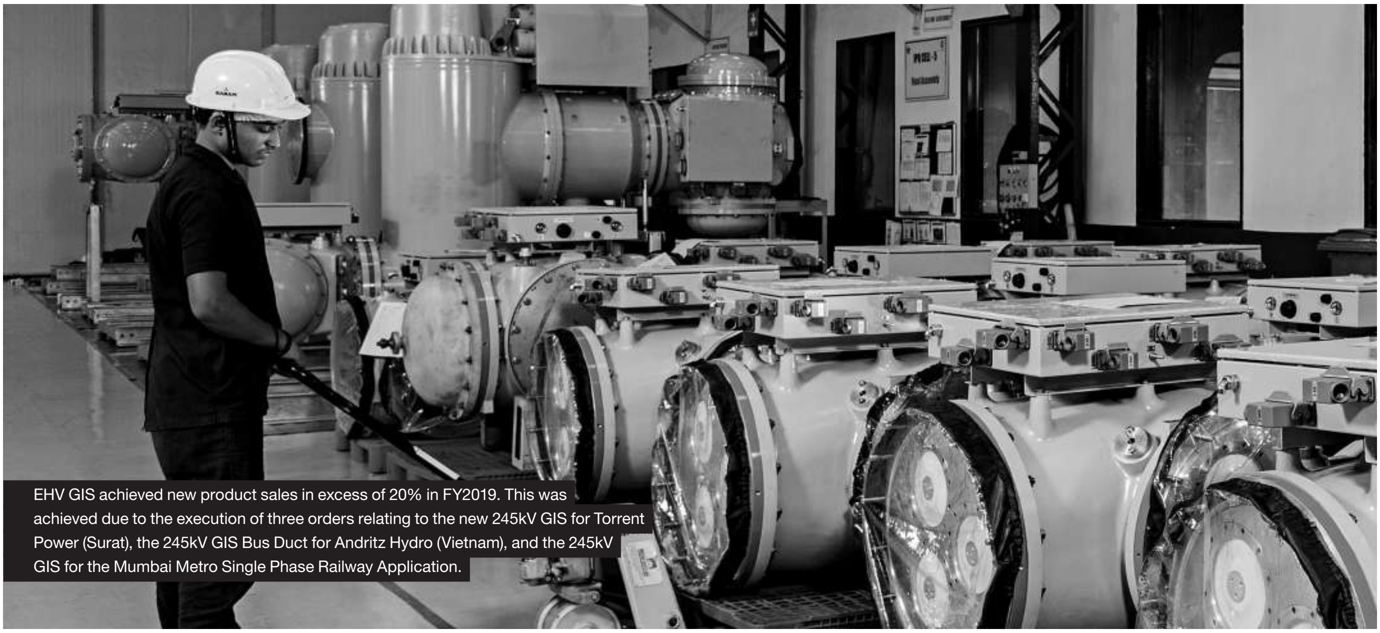
CG Sales Network France SA.
CG Power Solutions Saudi Arabia Ltd.
CG Power Solutions Americas, LLC.
CG Power Systems Canada Inc.
CG Power Equipments Limited

Directors and Key Managerial Personnel

BOARD OF DIRECTORS

COMPOSITION

As on the date of this report, your Company's Board of Directors consists of six Directors comprising a Whole Time



EHV GIS achieved new product sales in excess of 20% in FY2019. This was achieved due to the execution of three orders relating to the new 245kV GIS for Torrent Power (Surat), the 245kV GIS Bus Duct for Andritz Hydro (Vietnam), and the 245kV GIS for the Mumbai Metro Single Phase Railway Application.

Executive Director and five Non-Executive Directors, of which four are Independent Directors.

Mr Sudhir Mathur is the Whole Time Executive Director.

Ms Ramni Nirula, Mr Jitender Balakrishnan, Mr Ashish Kumar Guha and Mr Narayan K Seshadri are Independent in terms of Regulation 16 of the Listing Regulations and Section 149 of the Act; Dr Omkar Goswami is a Non-Executive Director. Your Board consists of professionals with diverse functional expertise, industry experience, educational qualifications, ethnicity and gender mix relevant to fulfilling your Company's objectives and strategic goals.

At a Board meeting held on 25 September 2019, the Board, unanimously appointed Mr Ashish Kumar Guha as the Chairman of the Board of Directors.

CHANGE IN COMPOSITION OF THE BOARD

Appointment

Board on the recommendation of the Nomination and Remuneration Committee of your Company, Mr Sudhir Mathur and Mr Narayan K Seshadri were appointed as Additional Directors (Non-Executive Independent) on the Board of Directors of your Company with effect from 1 October 2018 and 8 March 2019 respectively. In accordance with section 161 of the Act, 2013, they hold office up to the date of the ensuing Annual General Meeting.

Further, the Board of Directors of your Company, at its meeting held on 10 May 2019, appointed Mr Sudhir Mathur—who was during that time the Non-Executive Independent Director—as a Whole Time Executive Director of your Company with effect from 10 May 2019, subject to the approval of Members of the Company.

A notice from a Member proposing the candidatures of Mr Mathur and Mr Seshadri for their appointment as Directors was received by your Company.

Accordingly your Directors recommend appointment of Mr Sudhir Mathur as Whole Time Executive Director and Mr Narayan K Seshadri as Non-Executive Independent Director in the ensuing Annual General Meeting. Attention of Members is invited to relevant disclosures made in the Notice of the ensuing Annual General Meeting and the Explanatory Statement thereto with respect to their appointments

Cessation

Mr Sanjay Labroo (Non-Executive Independent Director), Mr B Hariharan (Non-Independent, Non-Executive Director), Dr Valentin von Massow (Independent Non-Executive Director), Mr K N Neelkant (Managing Director & CEO) and Mr Gautam Thapar (Non-Executive Director) ceased to be Directors of your Company with effect from 1 October 2018, 8 March 2019, 5 August 2019, 30 September 2019 and 9 October 2019 respectively.

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, Dr Omkar Goswami retire by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment.

Dr Omkar Goswami, who has served as an Independent Director from 2004 to 2014, and then as a Non-Executive Director on your Board from 2014 to 2019, has decided to step down as a fiduciary at the ensuing Annual General Meeting of your Company. He, therefore, does not offer himself for re-appointment. Your Board places on record its appreciation for the services extended by Dr Goswami.

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 Listing Regulations.

In the opinion of the Board, Independent Directors of your Company fulfil the conditions of independence as specified in the Act and Listing Regulations and are independent of the management.

BOARD MEETINGS

During FY2019, your Board of Directors met six times to discuss and decide business strategies and performance in addition to items reported to the Board in accordance with the provisions of the Act, Listing Regulations and other statutory provisions. The intervening gap between the meetings was within the period prescribed under the Act, Listing Regulations and Secretarial Standard-1 on Board Meetings issued by the Institute of Company Secretaries of India (SS-1). 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.

BOARD COMMITTEES

Your Board has established statutory and non-statutory Committees in compliance with the requirements of the Act and Listing Regulations. These are: (i) the Risk and Audit Committee, (ii) the Nomination and Remuneration Committee, (iii) the Corporate Social Responsibility Committee and (iv) the Stakeholders’ Relationship Committee.

Details of composition of the statutory Committees, their terms of reference, number of meetings held and attendance of Committee members thereof during the financial year is given in the section titled ‘Report on Corporate Governance’ forming part of this Annual Report.

During the year under review, your Board constituted a Re-classification Committee to review the current classification of various businesses in the Financial Statements as Continued Operations and Discontinued Operations. The Re-classification Committee, comprising Mr Gautam Thapar, Mr K N Neelkant, Mr B Hariharan and Mr J Balakrishnan, held one meeting during the year on 11 December 2018. The Re-classification Committee was dissolved on 11 June 2019.

All but one recommendation made by the Risk and Audit Committee (RAC) during the year under review were accepted by your Board of Directors. The only one where the RAC had approved that certain businesses continue to be treated as ‘discontinued businesses’ was reviewed by your Board, and the overall consensus was that these be brought back as ‘continuing businesses’. This decision taken by your Board is reflected in the annual financial statements with respect to ‘continuing’ and ‘discontinued’ businesses for the year ending 31 March 2019.

The Hungary Business Divestment Committee, consisting of Mr Sanjay Labroo, Ms Ramni Nirula, Mr B Hariharan and Mr K N Neelkant, met on 2 July 2018. This Committee was dissolved on 11 June 2019.

As mentioned earlier in this Directors’ Report, with an aim to preserve and enhance corporate value, an Operation Committee under the Chairmanship of one of the independent directors of the Company was constituted in March 2019. The members of the Operation Committee were originally Mr Narayan K Seshadri, Mr Sudhir Mathur and Mr K N Neelkant. Subsequently, the committee comprised of the Mr Seshadri and Mr Mathur.

At a Board meeting held on 25 September 2019, your Board of Directors dissolved the Operations Committee and, in its place, constituted the Special Situation Committee **(“SSC”)** comprising Mr Narayan K Seshadri (as Chairman of the SSC), Mr Ashish Kumar Guha and Mr Sudhir Mathur as members. The broad terms of reference of the SSC is to focus on operational improvement, strategic review of international businesses, capital re-structuring including raising capital and dealing with the regulatory bodies.

The Board has also dissolved the following committees:

01 Business Divestment Committee w.e.f 11 June 2019.

02 Securities Transfer Committee w.e.f 21 June 2019.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Act, the Key Managerial Personnel of the Company as on the date of this report are:

- Mr Sudhir Mathur, Whole Time Executive Director
- Ms Shikha Kapadia, Company Secretary. Ms Kapadia has resigned from the services and her resignation is effective from 31 December 2019.

As mentioned earlier, at a Board meeting of your Company held on 30 August 2019, your Board terminated the employment of Mr V R Venkatesh, the erstwhile CFO of your Company, for cause, with immediate effect. This termination of employment was due to the grave nature of the misconduct and breach of trust on Mr Venkatesh’s part including his having knowingly undertaken actions which were detrimental to the interests of your Company and its stakeholders.

Moreover, as also mentioned earlier, at a Board meeting held on 30 September 2019, Mr K N Neelkant, the CEO and Managing Director tendered his resignation, which was accepted by the Board. He ceased to be a Managing Director & CEO as well as a director on the Board with effect from 30 September 2019.

Remuneration policy and criteria for determining attributes, qualification, independence and appointment of directors

Your Company has formulated a Remuneration Policy governing the appointment and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company. The Policy contains criteria for determining qualifications, positive attributes, independence of Directors and provisions relating to loans and advances to employees of the Company. It aims to attract and retain high calibre personnel from diverse educational fields and varied experiences to serve on the Board of your Company. The Remuneration Policy is provided as **Annexure 6** to this Report. Your Company believes that diversity at Board level is critical to maintain competitive advantage, to understand customers and stakeholders from different perspectives and to reap the benefits of a broader experience in decision making. With this in mind, your Company has adopted a Board Diversity Policy.

Performance Evaluation of the Board of Directors

In line with the requirements of the Act and the Listing Regulations, 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 Listing Regulations, the Independent Directors of your Company at a meeting held on 19 March 2019 evaluated the performance of Non-Independent Directors and the Board as a whole; performance of the Chairman; and also assessed the quality, quantity and timeline of flow of information between the Management and the Board.

However, it should be noted that this evaluation occurred on 19 March 2019—which was before the Legal Firm appointed by your Board's RAC submitted its Report on the nine suspicious transactions that it was asked to investigate. Subsequent to submission of this Report, your Board has made the following changes:

a) Removed Mr Gautam Thapar as the Chairman of your Company with effect from 29 August 2019;

b) Accepted the resignation tendered by Mr K N Neelkant, the CEO and Managing Director, as on 30 September 2019.

Familiarization Programme for Independent Directors

Pursuant to Regulation 25 of the Listing Regulations, your Company familiarises 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:

http://www.cgglobal.com/frontend/finalnonproduct.aspx?cnl2=yrnPqECUvhk=

Promoter Group

The Avantha group, which is currently classified as promoter and promoter group of the Company, holds 8,574 equity shares of the Company (i.e. <0.01% shareholding) as of 30 September 2019. The Company understands that the Avantha group is promoted by Mr Gautam Thapar.

Your Company has noted the order of SEBI dated 17 September 2019 ("SEBI Order"), which, inter alia, states the following:

(i) Funds diverted from your Company "were fraudulently transferred to its Promoter company i.e. Avantha Holdings and entities related/ connected with the Company, viz. Avantha International, Acton, Ballarpur International, Mirabelle and Solaris, without the knowledge of the Company and without any approval from its Board... the aforementioned entities as recipients of the fraudulent transfer of funds of the Company amounting to ₹1223.80 Crore and are prima facie liable for the manipulation in respect of the financials of CG Power."

(ii) The examination prima facie indicates "a serious misstatement of accounts and diversion of funds from a listed Company and/or its subsidiaries/ associates, which are in violation of the provisions of the SEBI Act, PFUTP Regulations 2003 and the LODR Regulations."

(iii) Mr Gautam Thapar, along with "entities related/connected with the Company, viz. Avantha Holdings Limited, Acton Global Private Limited and Solaris Industrial Chemicals Limited have prima facie violated Sections 12A(a), (b) and (c) of the SEBI Act and Regulations 3(b), (c) and (d), 4(1) and 4(2)(f) and (r) of the PFUTP Regulations, 2003".

(iv) Mr Gautam Thapar has "prima facie violated Regulations 4(2)(f)(i)–(ii), 4(2)(f)(iii)(3) and (6) of the LODR Regulations".

Given these and other circumstances in the knowledge of the Board, the Board considers any association of your Company with the Avantha group, specifically as its promoter and promoter group, as prejudicial to the interests of your Company and its stakeholders. Your Company assures you that it will take actions, as necessary, to protect its interests in this regard.

Subsidiaries, Joint Ventures and Associate Companies

As on 31 March 2019, your Company had three Indian subsidiaries, twenty five foreign subsidiaries and one associate Company. During the year under review, CG Power & Industrial Solutions Middle East FZCO was incorporated as a wholly owned step-down subsidiary of the Company in UAE. Details are provided in **Annexure 5** to this Report in Form MGT-9 (Extract of Annual Return).

Pursuant to the Companies (Indian Accounting Standards) Rules, 2015 and Regulation 33 of the Listing Regulations, the financial statements of the Company reflect the consolidation of accounts of your Company, its subsidiaries, associates and joint venture companies with a significant caveat.

The consolidated financial results in this Annual Report include unaudited financial results and other unaudited financial information with respect to four (4) subsidiaries that form part of the continued operations of your Company. The financial statements and other financial information of these subsidiaries reflect total assets of ₹ 4,501.68 crores as at 31 March 2019, and total revenues of ₹ 0.04 crores for the year ended on that date.

In addition, the financial results of an associate company, which forms part of the 'continuing operations' of your Company, is unaudited and accounts for your Company's share of consolidated net profit of ₹ 0.12 crores for the year ending 31 March 2019.

These unaudited financial statements and other unaudited financial information were furnished by management to the statutory auditors of your Company. The auditors were unable to comment on the impact on total assets and total revenues since these subsidiaries had not been subjected to an audit.

Pursuant to Section 136 of the Act, the audited/unaudited annual accounts of each of your Company's subsidiaries, associates and joint venture entities are placed on the website of you Company and not enclosed in this Annual Report. If any Member so desires, your Company will make available the said annual accounts, on written request. Physical copies of these documents are also available at your Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays, up to the date of the ensuing Annual General Meeting and at the venue of the Annual General Meeting.

In terms of Section 129 of the Act, statement containing salient features of the financial statements of the 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 Listing Regulations, a Policy for determining material subsidiary of the Company as approved by the Board of Directors is available on the website of the Company under
http://www.cgglobal.com/pdfs/policies/Policy-determining-Mat-Subsidiaries.pdf

Related Party Transactions

The related party transactions during the year are disclosed in the financial statements in this Annual Report (refer note no. 46 and note no. 41 of standalone and consolidated financial statement forming part of this Annual Report).

The Company's India Related Party Transactions Policy can be downloaded from the website of the Company under
http://www.cgglobal.com/pdfs/policies/India%20Related%20Party%20Transactions%20Policy.pdf

It should be understood that the nature of related party transactions undertaken during the year are under review as part of the forensic-Phase 2 Investigation. Therefore, pending the findings of the Phase 2 Investigation and BSE Forensic Audit (as defined hereinafter), the Company is unable to confirm the completeness of the related party transactions and whether some of these were undertaken at an arm's length basis and/or in the ordinary course of business. Hence, disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act have not been included for the year under review.

An omnibus approval has been granted by the RAC of the Board, based on the criteria determined and approved by the Board of Directors of the Company as well as by the RAC for transactions that are of repetitive nature with related parties. Such omnibus approvals are subjected to renewal by the RAC every year and are monitored by the RAC on a quarterly basis.

Having said so, the RAC in its meeting on 30 August 2019, has suggested that a new related party policy should be framed—or appropriate amendments be made in the existing related party transactions policy. While doing such amendments or framing the new policy, the requirements at the respective entity levels, the nature and frequency of such transactions should be kept under consideration. It was also suggested that such policy should not be limited to the requirement of law but that it should be able to address all relevant issues in order to strengthen the process.

The RAC also suggested that the related party transactions should be audited every quarter by the Company's internal auditor; and once in six (6) months by the external auditor.

Particulars of Loans, Guarantees and Investments

Particulars of loans, guarantees given and investments made by your Company during FY2019, pursuant to the provisions of Section 186 of the Act and Schedule V of the Listing Regulations are given in the notes to the financial statements in this Annual Report.

Business Responsibility Report

Pursuant to Regulation 34 of the Listing Regulations, the Business Responsibility Report highlighting the initiatives taken by the Company in the areas of environment, social, economic and governance, is available on the website of the Company under
http://www.cgglobal.com/frontend/finalnonproduct.aspx?cnl2=Nu/tTrrPIMI=

Enterprise Risk Management (ERM) Framework

Your Company has a ERM framework to identify risks, conduct risk assessment and suggest mitigation procedure to the Board of Directors to ensure that management controls measurable risks through a properly defined framework.

These risks cover business strategy, technology, financial, operations, systems, IT, legal, regulatory and human resources.

The RAC reviews the key risks associated with the businesses of the Company and their mitigation measures.

In light of the ongoing investigations and significant financial restatements that have occurred both at the standalone and consolidated levels, the RAC has decided to conduct a thorough review of your Company's existing ERM framework and, where necessary, suggest changes to improve the system.

Internal Financial Controls

The Statutory Auditors have, in their report to your Board of Directors on the Internal Financial Controls Over Financial Reporting **("ICOFR")** under Clause (i) of Sub-section 3 of Section 143 of the Act, have made certain observations and disclaimed their ICOFR opinion. The auditors' disclaimed ICOFR opinion is summarised below for both the standalone and consolidated financial statements:

The Board of Directors of the Holding Company and of its subsidiaries 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.

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 sub-section 3 of Section 143 of the Companies Act, 2013.

Regarding the standalone Ind AS financial statements, one of the joint statutory auditor (S R B C & Co. LLP) has stated, "Because of the matters described in the Basis for Disclaimer of Opinion in the main audit report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements as at March 31, 2019, and whether such internal financial controls were operating effectively."

Similarly, regarding the consolidated Ind AS financial statements, one of the joint statutory auditor (S R B C & Co. LLP) has stated, "Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, in our main audit report, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Holding Company and Subsidiaries incorporated in India had adequate internal financial control over financial reporting with reference to these Consolidated Financial Statements as at March 31 2019, and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements." Similar observations were made by other joint statutory auditor-K K Mankeshwar & Co.

BOARD'S RESPONSE

Your Company's management, both independently as well as in light of the observations of the Statutory Auditors summarised immediately above, recognises that internal financial controls were not operating effectively and requires to be strengthened. It is reviewing the internal controls testing and monitoring system. Going forward, your Company will do its utmost to ensure that the systems are designed to provide reasonable assurance with regard to maintaining of proper internal controls, monitoring of operations, protecting assets from unauthorised use or losses, compliances with regulations, and the reliability of financial reporting.

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.

- Your Company's Traction Machines and System Division at Mandideep developed self-propelled inspection car which is used by railways to undertake regular inspection of tracks, overhead equipment, level crossings and stations to ensure proper upkeep, safety and for better passenger amenities. It developed a complete propulsion system with under-slung electrics for self-propelled inspection cars. The under-slung propulsion enabled clearing of the entire on-board space thus increasing seating capacity. This technology is economical because of lesser fuel consumption due to reduced engine capacity as compared to locomotive.
- The Switchgear division of your Company developed wall mounted condenser bushings which are used to lead the electrical power through the walls from one point to adjacent location. These bushings are used by utilities and equipment manufacturers in power generating stations and in high voltage test laboratories. It relinquishes the need of power source at every location in the factory or shop. Each bushing's comprises of special grade insulating paper, aluminium foils, EHV grade mineral oil and accessories.
- The Drives & Automation unit in India developed VSE Elevator drive that is equipped with a complete time sequence function specially designed for elevator control. It is easy to use with built-in elevator parameters and functions that are suitable for all installation requirements. The drive works smoothly with all elevator types and includes excellent tuning features for the safest, most efficient and most comfortable passenger experience without vibration and jerks. Further it is energy efficient and all its parts are recyclable.

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 & Safety (EHS)

CG's Environment, Health & Safety (EHS) strategies are directed towards achieving the greenest and safest operations across all its units at various locations. All units are encouraged to consistently improve operational efficiencies, minimize consumption of natural resources and reduce water, energy and carbon emissions while maximizing production volumes.

The Company propagates 'Zero Harm Culture' towards employees, environment and other stakeholders. The same is reflected in our Corporate EHS policy and Cardinal Rules. Through our Corporate EHS Policy, we aim at not only to comply with legal requisites of safeguarding our employees, environment and the society at large but also to set high internal standards for compliance. To monitor compliances, sharing best practices in EHS, Corporate EHS Review is being conducted on monthly basis through Goto meeting with Unit heads and EHS Coordinators of all entities.

All CG units in India are certified for quality systems with ISO 9001:2015 Certification/ISO 14001:2015 Environmental Management System Certification and OHSAS 18001:2007 Certification. Some of our facilities have already been upgraded to ISO 45001 and the remaining are in process to be upgraded to ISO 45001. The Company's business at Indonesia was

The State-of- the- art facility at Ahmednagar manufactures various types of LT Motors for the Industries.

certified for Integration Management System (IMS) for ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007. All units in India have clearance to operate from State Pollution Control Board Authorities and are complying over and above the conditions laid down in consent to operate.

Regular trainings on EHS awareness and sustainable growth are conducted at all manufacturing locations and Regional sales offices. National Safety Week and World Environment Day campaigns are conducted under guidance of Directorate of Industrial Safety and Health and State Pollution Control Board. Fire safety week are also observed in India under the guidance of the Fire Adviser, Ministry of Home Affairs, Government of India.

EHS Key Performance Indicators (KPIs) are linked with SMART goals of all units and individuals for their Annual Performance Management process. Quarterly audits are conducted to review the EHS implementation and process compliances across all locations of the Company. Corrective actions generated from these audits and various EHS events are captured and tracked for closure in an online Event Reporting System portal.

The Company shall continue its efforts towards conservation of natural resources and focus on achieving highest level of employee health and well-being, for an injury-free workplace.

Corporate Social Responsibility (CSR)

Your Company is committed towards inclusive growth and has implemented various CSR activities in the areas of education, skill development and upliftment of underserved communities during the year under review.

Details of the composition of the CSR Committee, CSR Policy and projects undertaken by the Company during FY2019 are given in the section titled ‘Annual Report on CSR initiatives’ in **Annexure 2** of this Report.

Material Changes and Commitments Affecting Financial Position of the Company

Given the developments that led to the August 19 Disclosures and the annual accounts put forth to the stock exchanges on 30 August 2019, your Company is currently unable to comment on the material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company, i.e. 31 March 2019, and the date of this Report.

Your Board believes that it is prudent to await the Phase 2 Investigation Report that has been initiated by the Company and BSE Forensic Audit (as defined hereinunder). Based on these Report and after due interface with the Statutory Auditors, your Company should arrive at a clearer picture of what material changes and commitments may affect the financial position of the Company, and to what extent.

Material Orders of Regulators / Courts / Tribunals

SEBI has passed an interim order dated 17 September 2019, which states the below finding/orders:

01 Examined the Preliminary Investigation Report of the nine (9) transactions examined by the independent law firm ("Legal Firm") and the Statutory Auditors' report and noted that these prima facie indicate a serious misstatement of accounts and diversion of funds from a listed Company and/or its subsidiaries/associates, which are in violation of the provisions of the SEBI Act, PFUTP Regulations 2003 and the Listing Regulations.

02 Noted that the ex-Chairman of the Company, Mr Gautam Thapar, the Chief Financial Officer (CFO), Mr V R Venkatesh (who was dismissed from the Company with cause on 30 August 2019), the ex-CFO, Mr Madhav Acharya, the ex-Non-Executive Director and Director Finance of the Avantha Group, Mr B Hariharan, along with the Promoter Company and entities related/ connected with the Company, viz. Avantha Holdings Limited, Acton Global Private Limited and Solaris Industrial Chemicals Limited had prima facie violated Sections 12A(a), (b) and (c) of the SEBI Act and Regulations 3(b), (c) and (d), 4(1) and 4(2)(f) and (r) of the PFUTP Regulations, 2003.

03 Noted that Mr Gautam Thapar, Mr Madhav Acharya and Mr B Hariharan had prima facie violated Regulations 4(2)(f)(i)–(ii), 4(2)(f)(iii)(3) and (6) of the Listing Regulations.

04 Noted that Mr Gautam Thapar, Mr Madhav Acharya and Mr B Hariharan had prima facie violated Regulation 26(3) of the Listing Regulations on account of having violated the provisions of the Code of Conduct for employees of CG Power.

05 Noted that Mr V R Venkatesh had prima facie violated Regulation 4(2)(f)(i)(2) and Regulation 26(3) of the Listing Regulations.

06 Noted that Mr V R Venkatesh and Mr Madhav Acharya had prima facie violated Regulation 33(2)(a) of the Listing Regulations.

07 Noted that the transactions were purportedly carried out by certain Company personnel (both current and past) including certain Non-Executive Directors, KMPs, etc.

08 Noted that these transactions were prima facie designed to divert / siphon off money from your Company, which rightfully belongs to its shareholders. And that such acts had resulted in the shareholders of CG Power losing the value of their shareholding which amounts to a 'fraud on its public investors.

09 Ordered that MR Gautam Thapar, MR V R Venkatesh, Mr Madhav Acharya and Mr B Hariharan be restrained from accessing the securities market and be further prohibited from buying, selling or otherwise dealing in securities in any manner whatsoever, either directly or indirectly, till further orders.

10 That Mr Gautam Thapar, Mr V R Venkatesh, Mr Madhav Acharya and B. Hariharan be restrained from being associated with any intermediary registered with SEBI or any listed entity or its material unlisted subsidiary, till further orders.

11 That Avantha Holdings Limited, Acton Global Private Limited and Solaris Industrial Chemicals Limited be directed to retain funds/other assets to the extent of receivables shown as outstanding to CG Power and Industrial Solutions Limited. To the extent of their liability, these entities be restrained from disposing, selling or alienating, in any other manner, their assets or diverting funds, till further orders.

12 That CG Power and Industrial Solutions Limited, is directed to take all necessary steps to recover the amounts due to the Company along with due interest expeditiously and take necessary action, including legal actions, to safeguard the interest of the investors of the Company.

13 BSE Limited to appoint an independent independent auditor/ audit firm for conducting a detailed forensic audit of the books of accounts of the Company from the Financial Year 2015–16 onwards **("BSE Forensic Audit")**.

BSE Limited has appointed M/s MSA Probe Consulting Private Limited for conducting the BSE Forensic Audit. The said BSE Forensic Audit commenced on 15 October 2019 and is currently ongoing.

Registrar & Share Transfer Agent

The Company has appointed Datamatics Business Solutions Limited (DBSL), formerly Datamatics Financial Services Ltd), as its Registrar & Share Transfer Agent who is registered with SEBI. The contact details of DBSL are mentioned in section titled, Report on Corporate Governance, of this Annual Report.

Dividend Distribution Policy

Pursuant to Regulation 43A of the Listing Regulations, the Company has formulated a Dividend Distribution Policy as provided in **Annexure 7** of this Report. It is also available on the website of the Company under: *http://www.cgglobal.com/frontend/finalnonproduct.aspx?cnl2=yrnPqECUvhk=*

Public Deposits

The Company has not accepted any deposits from public or its members during the year under review as per Sections 73 and 76 of the Act and no deposits exist as on date.

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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees covered under the said rule are available at the Registered Office of your Company for inspection during working hours up to the date of the ensuing Annual General Meeting and any member interested in obtaining a copy thereof may write to the Company Secretary of the Company.

Complaints Relating to Sexual Harassment

The Company has adopted Prevention of Sexual Harassment Policy for protection against sexual harassment and have also constituted 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 presided by a woman employee and 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

The Company has set up a vigil mechanism, viz. a Whistle Blower Policy, as per the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations to enable its employees to report violations, genuine concerns, unethical behaviour and irregularities, if any, noticed by them which could adversely affect the Company's operations. None of the Whistle Blowers was denied access to the Risk and Audit Committee ("RAC") of the Board.

The Head of Internal Audit submits a report to the Chairman of the RAC on a quarterly basis, on all complaints referred to the Management Committee, nominated by the CEO and Managing Director of the Company, with the status of investigations and actions taken by the Management Committee.

Auditors and Audit Reports

STATUTORY AUDITORS

At the 81st Annual General Meeting of the Company, M/s S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) and M/s K K Mankeshwar & Co., Chartered Accountants (Firm Registration No.106009W) were appointed as Joint Statutory Auditors of the Company, for a term of five years up to the conclusion of 86th Annual General Meeting of the Company.

Details culled out from of the Statutory Auditors' Reports (of both M/s S R B C & Co. LLP and M/s K K Mankeshwar & Co.) along with comments from your Board have been presented in earlier sections of this Directors' Report.

COST AUDITOR

As per the requirement of Section 148(1) of the Act, the Company is required to maintain cost accounts and records. Accordingly, the Company has maintained cost accounts and records for FY2019 as applicable for its product range.

The Company had appointed M/s Ashwin Solanki & Associates, Cost Accountants, Mumbai (Firm Registration No.100392) to audit the cost records related to the Company's products for FY2019. The cost audit report for FY2018 has been filed with the Registrar of Companies, Mumbai within the prescribed statutory deadline.

Upon recommendation of the RAC, the Board has appointed a new Cost Auditor- M/s R. Nanabhoy & Co, as Cost Auditor of the Company for FY2020 at a remuneration of ₹ 7,00,000/-(Rupees seven lacs only) per annum plus out-of-pocket expenses and taxes, as applicable. The remuneration payable to M/s R. Nanabhoy & Co, for FY2020 is recommended for ratification by the Members at the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

Your Company had appointed M/s. Parikh & Associates, Practising Company Secretaries, Mumbai (Firm Registration No. P1988MH009800) to undertake the Secretarial Audit of the Company for FY 2019.

The Company has generally complied with the Secretarial Standards and the Secretarial Audit Report for FY 2019 in Form MR-3 is annexed as **Annexure 4** to this Report.

The Comments of your Directors in relation to the observations made by the Secretarial Auditor in unnumbered paragraph 2 of the Secretarial Audit Report, are provided below:

Subsequent to the August 19 Disclosures, your Company has mandated a forensic – Phase 2 Investigation to inter-alia determine the complete and accurate financial position of the Company and the legal implications of the issues involved. The said investigation, which is currently ongoing, shall also review matters in relation to potential non-compliances with Section 185, Section 186 and certain other applicable provisions of the Act and Listing Regulations and other statutes and regulations as applicable. The Company shall also be evaluating the implications of these potential non-compliances and the remedies available.

Furthermore, the BSE Forensic Audit has also commenced which is currently in process.

With respect to observation of the Secretarial Auditor relating to adequacy of systems and processes to monitor and ensure compliances, the Board noted that systems devised to ensure compliance with the provisions of all applicable laws which were adequate have been breached due to override by some members of management. The Board has instituted corrective overhaul of such systems.

Dividend

No dividend has been recommended or paid for the year ended 31 March 2019.

Reserves

The Reserves, on standalone basis, at the beginning of the year amounted to ₹ 4,029 crore and the end of the year stood at ₹ 2,388 crore.

Share Capital

As on 31 March 2019:

- The authorised share capital of the Company was ₹ 4,076,000,000/-(Rupees four hundred seven crore and sixty lakh) divided into 2,038,000,000 equity shares of ₹ 2/-(rupees two) each.
- The subscribed and paid-up share capital of the Company stood at ₹ 1,253,492,284/-(Rupees one hundred and twenty five crore, thirty four lakh, ninety two thousand, two hundred and eighty four) consisting of 626,746,142 equity shares of ₹ 2/-(Rupees two) each.

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

The Company issued Global Depository Receipts (GDRs) in 1996 and the underlying shares for each GDR were issued in the name of The Bank of New York, the Depository. Each GDR of the Company is equivalent to five equity shares. As on 31 March 2019, 155,190 GDRs were outstanding, which represent 7,75,949 underlying equity shares of the Company.

Extract of Annual Return

The extract of the Annual Return in Form MGT-9 is annexed as **Annexure 5** of this Report.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations available with them, the Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

■ The Annual Accounts have been prepared in conformity with the applicable Accounting Standards along with proper explanations relating to material departures. However, considering the significant monetary diversions that have occurred, as outlined in the Report, the independent auditors' reports and in the notes to accounts, and the restatements that needed to be made on account of these transactions, these Annual Accounts cannot be said to represent a true and fair view.

■ The Accounting Policies selected and applied on a standalone and a consolidated basis including for requisite accounting of all transactions identified and disclosed by the Company on vide the August 19 Disclosures and subject to outcomes of the forensic-Phase 2 Investigation, no provisioning is being made against certain assets and non-inclusion of certain liability, non-adoption of accounts in certain subsidiaries, basis of preparation as stated in Note No. 2 of the consolidated financial statements and Note No. 2 of the standalone financial statements, judgements exercised and estimates provided, may need to be revised for establishing reasonableness and prudence, to provide a true and fair view of the state

of affairs of the Company at the end of the financial year and of the profit / loss of the Company for the financial year.

- Established rules of procedure of the Company, requirements of maintenance of accounting records, measures put in place for safeguarding assets of the Company, appear to have been breached by some members of the management resulting in potentially fraudulent transfer of assets, consequent to which forensic-Phase 2 Investigation has been initiated and new measures to strengthen the system are being carried out.
- Based on the strength of the business of the Company and subject to fund raising initiatives being achieved, these financial statements have been prepared on a going concern basis.
- Laid down internal financial controls to be followed by the Company which were adequate have been breached due to management override. The Board has instituted corrective overhaul of the internal financial controls.
- The systems devised to ensure compliance with the provisions of all applicable laws which were adequate have been breached due to override by some members of management. The Board has instituted corrective overhaul of such systems.

Acknowledgements

The Board of Directors wish to convey its gratitude and appreciation to all employees of the Company 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 employee unions, shareholders, customers, dealers, suppliers, bankers, government and all other business associates for their continued support extended to the Company and the Management.

On behalf of the Board of Directors
Ashish Kumar Guha
CHAIRMAN
(DIN: 00004364)
Mumbai, 10 November 2019

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 its efforts to stress upon measures for the conservation and optimal utilization of energy in all the areas of operations. There are continuous efforts towards improving operational efficiencies, minimizing consumption of natural resources and reducing water while maximizing production volumes.

Illustrative measures taken towards energy conservation at Units were:

- Upgraded effluent treatment and sewage treatment plants.
- Use of non conventional sources of energy and alternate sources of fuel.
- Periodic energy audits were conducted during the year to reduce energy wastage.
- Created awareness among employees for way of leaflets, posters, seminars etc.
- Efforts were made for reduction on waste generation and promoted efficient disposal, reuse and recycling of resources.
- Installed new baking oven which led to significant reduction in consumption of units.
- Replacement of conventional lights with energy efficient LEDs and thereby considerable savings in cost and usage of power.

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			

02 Expenditure on R&D (in ₹ crore)

PARTICULARS	AMOUNT
A. Capital	15.67
B. Revenue	32.13
C. Total (A + B)	**47.80**
Total R & D expenditure	
as a percentage of gross turnover (continued operations)	0.89%
as a percentage of profit / (loss) before tax (continued and discontinued operations)	(3.37%)

03 Foreign Exchange Earning & Outgo (in ₹ crore)

PARTICULARS	AMOUNT
Total Foreign Exchange Earned	854.72
Total Foreign Exchange Used	452.93

2. ALTERNATE SOURCES OF ENERGY

- Use of offline oil impregenation system for reducing oil consumption.
- Use of ester oil transformer which is more sustainable as compared to earlier used Petroleum based mineral oil transformers.

3. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

The following processes are under implementation for further reducing energy consumption:

- Execution of roof top solar panels with minimal capital investment.
- Up gradation of existing filtration plant.
- DG Set being used as a standby power source.
- Installation of LED lights in all bay and coil shops at Mandideep.

B. TECHNOLOGY ABSORPTION

1. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

- Development of low power damping circuit for electromagnetic unit CVT.
- Indigenously developed narrow band 800 kV Condenser core.
- Development of application based 245 kV Current Transformers for key utilities.

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

The benefits derived from these efforts are:

- Increase in market penetration with compact size and optimized cost.
- Size and cost optimization of CVT capacitor designs with innovative designs.
- Substantial reduction is delivery time thereby enhanced market share and profitability.
- Reaching niche market.

3. IMPORTED TECHNOLOGY

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

4. EXPENDITURE ON R&D

The Company's expenditure on Research & Development on standalone basis for the year ended 31 March 2019 is given in *Table 2*.

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*.

On behalf of the Board of Directors
Ashish Kumar Guha
CHAIRMAN
(DIN:00004364)
Mumbai, 10 November 2019

Annexure 2

Annual report on Corporate Social Responsibility (CSR) initiatives for FY2019

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

CSR POLICY

The Company is committed to its stakeholders to conduct its business in a responsible manner that creates a sustained positive impact on the society. This means working with underserved communities to improve the quality of their life and preserve the ecosystem that supports the communities and the Company.

For CG, being a socially responsible corporate means:

- Upholding and promoting the principles of inclusive growth, diversity and equitable development in society;
- Collaborating with local government agencies and like minded corporate, voluntary and academic organizations in pursuit of our goals;
- Building active and long-term partnerships with the surrounding communities to significantly improve the condition of the most underserved amongst them;
- Making a sustained effort in preserving the environment;
- Using environment friendly, energy efficient and safe processes;
- Promoting transparency in disclosure and reporting procedures;
- Getting our employees involved and sensitized at our communities and develop as better leaders.

In order to accomplish the above, we are building an increased commitment at all levels in the organization to operate our business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all stakeholders.

Weblink to download the CSR Policy is available on the Company's website under:
http://www.cgglobal.com/frontend/Crompton.aspx?cnl2=Hzywp8VdQN4=

2. The composition of the CSR Committee

The Committee comprised of the following Directors:

- Ms Ramni Nirula (Chairperson, Non-Executive Independent Director)
- Dr Omkar Goswami (Non-Executive Director)
- Mr Sudhir Mathur (Whole Time Executive Director)

3. Average net profit of the company for last three financial years:

₹ 63.20 Crores (Before restatement of financial statements of FY2017-18)

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above):

₹ 1.26 Crores (Before restatement of financial statements of FY2017-18)

The Company was required to spend an amount of ₹ 1.26 crores as per the provisions of Section 135 of the Companies Act, 2013 during FY2019. However, since the Company had unutilized amount of CSR in the previous financial year 2017-18, the Company being a responsible corporate citizen, budgeted an amount of ₹ 3.55 crores for spending on CSR initiatives out which it spent ₹ 3.25 crores in various areas such as Education, Community development etc. Details of the same are provided in *Table 1*.

5. Details of CSR spent during the financial year

a) Total amount to be spent for the financial year: ₹ 1.26 Crores
b) Amount unspent, if any: ₹ NIL
c) Manner in which the amount was spent during the financial year: Refer to details given in *Table 1*.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its board report:

Not Appicable

7. Resposibility Statement

This is to confirm that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Overview Of The Programs And Projects Undertaken

Youth and women were trained through vocational and soft skills training and assisted to develop their livelihood by promoting self-employment and placements in the industries. Quality education projects were implemented in rural and urban slum areas. Innovative teaching methodology, personality development, reading-writing skills, academic science experiments were implemented in identified schools and communities.

Key highlights of the CSR activities undertaken during FY2019 are given below:

EDUCATION AND VOCATIONAL SKILLS DEVELOPMENT

EDUCATION

Supplementary education projects were implemented in Kanjurmarg (slum community of Mumbai) and in 30 rural communities. CG collaborated with Teach for India and Pratham NGOs and covered over 270 students in Kanjurmarg whereas Sahayini covered 350 children from ST & SC communities in Ahmednagar district. Agastya International Foundation organized several science fairs, academic science practical in Z.P. schools at CG's Bhopal and Gwalior locations.

01 Details of funds spent on CSR (in ₹ crores)

CSR Project or activity identified	Sector in which Project is covered	Projects or Programs 1. Local area or other 2. Specify the State and District where Projects and Programs were undertaken	Company's budget for CSR expenditure in FY2019*	Amount spent on the Project or Programs direct expenditure and Programs overheads*	Cumulative expenditure upto reporting period	Amount spent direct or through implementing agency
Education and Skill Development for youth and women	Education & employable skill enhancement	1. Maharashtra-Mumbai, Nashik, Ahmednagar, Aurangabad, Mulshi 2. Madhya Pradesh – Gwalior, Bhopal 3. Goa-Ponda	2.27	2.19	7.31	Direct spent and through NGOs: Pratham Education Foundation, Teach To Lead, Sahayini and Agastya International Foundation
Community Development	Infrastructural support to community resources, women empowerment, health awareness and checkups, community events	1. Maharashtra-Mumbai, Nashik, Ahmednagar, Aurangabad, Mulshi 2. Madhya Pradesh – Gwalior, Bhopal 3. Goa-Ponda	0.70	0.70	1.82	Direct spent and through NGOs: National Institute for Women and Child Development, Lok Kala Jagruti Manch, The NAB workshop for blind, National association for disabled persons' enterprise, Mauli Seva Pratishthan
Sustainability	Construction of well for drinking water, Water pumping and distribution project, Rain water harvesting project, National conference on sustainable interventions	1. Maharashtra – Aurangabad, Mulshi, Mumbai 2. Madhya Pradesh – Bhopal	0.41	0.29	1.04	Direct spent and through NGOs: Yashwant Krushi va Panlot Vikas Sanstha, Nirmala Niketan College of Social Work, Kerala Chief Minister's Distress Relief Fund (CMDRF)
Health	Mother and Child Healthcare	In Maharashtra and Madhya Pradesh	-	-	11.43	Avantha Foundation
Administrative Expenses	Coordination and management of CSR initiatives	Pan India	0.17	0.07	1.44	Direct
		Total	**3.55***	**3.25**	**23.04**	

Note: *Kindly refer point no. 4 of this Annexure 2.

School and community based interventions were designed to address the adversities faced by students. Innovative learning methods coupled with regular tests were used for developing their subject knowledge and bring conceptual clarity. The impact assessments report acknowledge students' confidence, increased interest in studies, improved understanding of concepts and good changes in behavior. It also mentions about increased awareness of parents towards child's education.

With an objective of quality education, government schools in Bhopal and Gwalior were supported with well equipped computer labs. Infrastructural support for 17 ZP school in Mulshi, Nashik, Ahmednagar and Aurangabad of Maharashtra is being provided for better access to sanitation and clean drinking water facilities. Various soft skills trainings were provided for Z.P. school students and teachers at CG locations.

VOCATIONAL SKILLS DEVELOPMENT

Over 2600 youth and women underwent vocational, industrial and soft skills training in FY2019.

CG provided industrial exposures, shop floor training and soft skills training to ITIs located at Mulund-Mumbai, Satpur-Nashik and Gangapur – Aurangabad. This year, Girls' ITI in Nashik, Private ITI at Male-Mulshi, Girls' ITI in Gwalior and Mendua ITI near Mandideep were also covered under CG's CSR initiatives. Birla nagar ITI, continued providing transformer winding training to ITI students.

Over 990 youth and women were trained in vocational skills courses such as electrical, wiring, plumbing, motor winding, motor painting, tailoring, beautician, computer and fashion designing. CG encouraged beneficiaries to be entrepreneurs by applying skills acquired in cloth bag making, nail art and jewelry making.

CG also supported vocational training programs for physically disabled and mentally disturbed persons. More than 10 destitute, mentally disturbed women in Mauli Seva Pratishthan, Ahmednagar were given trainings into silk jewelry making and paper bag making. Institutions namely, The NAB workshops for blind and National association for disabled persons enterprise were supported for organizing vocational trainings and provide livelihood opportunities to their beneficiaries.

Impact assessment report states that after completing the trainings, maximum beneficiaries of vocational trainings prefer to work and earn from home and some take work orders in groups. The technical training participants have taken up jobs under contractors while some have opened their shops or workshops.

COMMUNITY DEVELOPMENT, SUSTAINABILITY AND OTHER INITIATIVES

With the aim of improving lives of people in neighboring communities CG local units implemented community development projects such as well construction, water pumping and distribution, rainwater harvesting, tree plantations, environment awareness, AIDS awareness and medical camps.

Way Ahead

CG has been implementing vocational skills and quality education projects amongst marginalized community from past five years. CG has decided to replicate the success stories across its various locations in order to maximize the impact. Community participation and stakeholder engagements would be the key aspects of CSR initiatives. Interventions such as promoting girls' education, teacher trainings, strengthening parent-teacher associations and village education committees are planned for FY2019-20. Employee volunteering will be encouraged in CSR initiatives. While working on livelihood projects, advance technical trainings will be continued with ITI students. Association with NABARD, DIC (District Industrial Center), MITCON and other government agencies will be explored to promote self employment and group entrepreneurship.

Ramni Nirula
CHAIRPERSON, CSR COMMITTEE
(DIN:00015330)

Sudhir Mathur
WHOLE TIME EXECUTIVE DIRECTOR
(DIN:01705609)
Mumbai, 10 November 2019

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.

01 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 2019 are provided in *Table 1*.

02 Details of percentage increase in remuneration of each Director, CEO and Managing Director, Chief Financial Officer and Company Secretary in the financial year under review are provided in *Table 1*.

03 The median remuneration of employees increased by 5.85% as compared to previous financial year.

04 The number of permanent employees on the rolls of Company as on 31 March 2019: 3,382 (as against 3,377 as on 31 March 2018).

05 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 was 4.66% On the other hand, the managerial remuneration decreased by 51.39% as in FY2018 there were two Executive Directors as compared to FY 2019 where there was only one.

06 Remuneration is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors
Ashish Kumar Guha
CHAIRMAN
(DIN: 00004364)
Mumbai, 10 November 2019

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 2019 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) INCOMPARISON TO PREVIOUS FINANCIAL YEAR*(REFER NOTE NO. 5)
1	Mr Gautam Thapar$	Non-Executive; Chairman	2.34	431.82
2	Mr K N Neelkant$$	Executive; CEO and Managing Director	81.59	7.58
3	Mr Sanjay Labroo*	Non-Executive; Independent	0.48	-
4	Dr Valentin von Massow@	Non-Executive; Independent	1.44	414.29
5	Ms Ramni Nirula	Non-Executive; Independent	2.48	520.00
6	Mr Jitender Balakrishnan	Non-Executive; Independent	2.88	-
7	Mr Ashish Kumar Guha	Non-Executive; Independent	1.84	-
8	Dr Omkar Goswami	Non-Executive	2.04	410.00
9	Mr B Hariharan**	Non-Executive	1.14	-
10	Mr Sudhir Mathur#	Non-Executive; Independent$	0.60	-
11	Mr Narayan K Seshadri##	Non-Executive; Independent	-	-
12	Mr V R Venkatesh@@	Chief Financial Officer	51.07	-
13	Ms Shikha Kapadia	Company Secretary	9.35	-

* Ceased as an Independent Director of the Company – w.e.f.1 October 2018.
** Resigned as Non Executive Director of the Company w.e.f. from close of business hours on 8 March 2019.
# Appointed as a Non Executive Independent Director of the Company w.e.f 1 October 2018 and then appointed as Whole Time Executive Director w.e.f. 10 May 2019.
Appointed as an Independent Director of the Company w.e.f. 8 March 2019.
$ Ceased to be Director of the Company w.e.f. 9 October 2019.
$$ Resigned from the Company w.e.f. 30 September 2019.
@Ceased to be a Director of the Company w.e.f. 5 August 2019.
@@Terminated from the services of Chief Financial Officer of the Company w.e.f. 30 August 2019.

Notes:

1. For the aforesaid purposes, median remuneration has been computed by ascertaining the Cost to Company of all employees of the Company as on 31 March 2019, in all categories, whether workmen or white collar employees. Remuneration includes variable pay paid during the year under review.
2. Mr. Sanjay Labroo and Mr. Hariharan were associated with the company for a part of FY 2019. Hence, their remuneration figures is not comparable.
3. Mr. Sudhir Mathur and Mr. Narayan K Seshadri were appointed in FY 2019; hence their remuneration figures are not comparable.
4. Mr. Venkatesh, Ms. Shikha Kapadia, Mr. Jitender Balakrishnan and Mr. Ashish Kumar Guha were associated for part of FY 2018, hence, their remuneration figures is not comparable.
5. The sitting fees was increased from ₹ 20,000 per meeting to ₹ 100,000 per meeting from 30 May 2018. Consequent to which there is significant increase in the percentage of Director's remuneration in comparison with the previous year.

Annexure 4 form no. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019
[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
6th Floor, CG House,
Dr Annie Besant Road, Worli.
Mumbai-400 030

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 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 the contents of the August 19, 2019 disclosure made by the Company to the Stock Exchanges, the findings in the Phase I Investigation Report dated August 5, 2019 ("Report") by an independent law firm and subject to the potential findings of the ongoing forensic investigation and forensic audit which may be related to the period under review,we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, generally complied with the statutory provisions listed hereunder subject to verification of financials, compliances with respect to related party transactions and potential non-compliances of Section 185 and Section 186 and other applicable provisions of the Companies Act, 2013 based on the contents of the August 19, 2019 disclosure, addressed by the Company to the Stock Exchanges and the observations made by the Statutory Auditors in their report dated August 30, 2019 on financial results (standalone financial results) of the Company for the quarter and year ended March 31, 2019 and, the potential findings of the ongoing Forensic Investigation and the Forensic Audit which may relate to the period under review 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:

Subject to above, 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, 2019 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 and Overseas Direct Investment;

(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 as amended from time to time;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the Audit Period);

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time; (Not applicable to the Company during the Audit Period);

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time; (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 Companies Act and dealing with client as amended from time to time; (Not applicable to the Company during the Audit Period);

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time; (Not applicable to the Company during the audit period); and

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

(vi) Other laws applicable specifically to the Company namely:

- The Electricity Act, 2003 and Rules
- Explosives Act, 1884 and Rules
- Batteries (Management and Handling), Rule 2001
- Petroleum Act, 1934 and rules
- The Energy Conservation Act, 2001

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 (SS-1 and SS-2).

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

Subject to as stated herein above in paragraph 2 of this report, 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 as on March 31, 2019. 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 and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice and 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.

During the Audit Period, all the decisions in the Board Meetings and Committee Meetings were carried unanimously as recorded in the Minutes of the Board of Directors and Committees of the Board, as the case may be.

In view of what is stated herein above, we are unable to comment whether there are generally 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 guidelines etc.

Subject to what is stated hereinabove, we further report that during the audit period the following events occurred:

(i) Approval by the Board of Directors of the Company to the Scheme of Amalgamation pursuant to Sections 230 to 232 of the Act and other applicable provisions of the Act for the amalgamation of CG Power Solutions Limited, wholly owned subsidiary company with the Company subject to requisite statutory and regulatory approvals.

For Parikh & Associates
COMPANY SECRETARIES

P N Parikh
PARTNER
FCS No: 327 CP No: 1228
UDIN: F000327A000225101

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.

Mumbai, November 10, 2019

Annexure A

To,
The Members
CG POWER AND INDUSTRIAL SOLUTIONS LIMITED
6th Floor, CG House,
Dr Annie Besant Road, Worli.
Mumbai-400 030

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

P N Parikh
PARTNER
FCS No: 327 CP No: 1228
UDIN: F000327A000225101
Mumbai, November 10, 2019

Annexure 5

Form No. MGT—9
Extract Of Annual Return

As on the financial year ended on 31 March 2019
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

01 Registration and other details

1	CIN	L99999MH1937PLC002641
2	Registration Date	28 April 1937
3	Name of the Company	CG Power and Industrial Solutions Limited
4	Category / Sub-Category of the Company	Public Company limited by shares
5	Address of the Registered office and contact details	6th Floor, CG House, Dr A. B. Road, Worli, Mumbai 400 030 **Tel** +91 22 2423 7777 **Fax** +91 22 2423 7733
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Datamatics Business Solutions Limited (Formerly Datamatics Financial Services Limited) **Unit** CG Power and Industrial Solutions Limited **Address** Plot No B-5, Part B Crosslane, MIDC, Andheri (East), Mumbai 400 093. **Tel** + 91 22 6671 2001 to 6671 2006 **Fax** + 91 22 6671 2011 **E-mail** cginvestors@datamaticsbpm.com **Contact Person** Mr Satish Patil

02 Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company

SR. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1	Low Tension Motors	27103	44.68
2	Power Transformers and Reactors	27102	26.57
3	Switchgears	27900	15.97

03 Particulars of Holding, Subsidiary and Associate Companies

SR. NO.	NAME OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	CG Power Equipments Limited	U31900MH2014PLC258217	Subsidiary	100	2(87)
2	CG-PPI Adhesive Products Limited	U24295GA1988PLC000921	Subsidiary	81.42	2(87)
3	CG Power Solutions Limited	U40300MH2012PLC228170	Subsidiary	100.00	2(87)
4	CG Drives & Automation Germany GmbH	Not Applicable	Subsidiary	100.00	2(87)
5	CG Drives & Automation Netherlands BV	Not Applicable	Subsidiary	100.00	2(87)
6	CG Drives & Automation Sweden AB	Not Applicable	Subsidiary	100.00	2(87)
7	CG Electric Systems Hungary ZRT	Not Applicable	Subsidiary	100.00	2(87)
8	CG Holdings Belgium NV	Not Applicable	Subsidiary	100.00	2(87)
9	CG-Ganz Generator and Motor Limited Liability Company	Not Applicable	Subsidiary	100.00	2(87)
10	CG Industrial Holdings Sweden AB	Not Applicable	Subsidiary	100.00	2(87)
11	CG International BV	Not Applicable	Subsidiary	100.00	2(87)
12	CG Middle East FZE	Not Applicable	Subsidiary	100.00	2(87)
13	CG Power Solutions UK Ltd	Not Applicable	Subsidiary	100.00	2(87)
14	CG Holdings Americas, LLC	Not Applicable	Subsidiary	100.00	2(87)
15	CG Power Americas, LLC	Not Applicable	Subsidiary	100.00	2(87)
16	CG Solutions Americas, LLC	Not Applicable	Subsidiary	100.00	2(87)
17	QEI, LLC	Not Applicable	Subsidiary	100.00	2(87)
18	CG Power Systems Belgium NV	Not Applicable	Subsidiary	100.00	2(87)
19	CG Power Systems Canada Inc	Not Applicable	Subsidiary	100.00	2(87)
20	CG Power Systems Ireland Ltd	Not Applicable	Subsidiary	100.00	2(87)
21	CG Sales Networks France SA	Not Applicable	Subsidiary	99.70	2(87)
22	CG Service Systems France SAS	Not Applicable	Subsidiary	100.00	2(87)
23	CG International Holdings Singapore PTE LTD	Not Applicable	Subsidiary	100.00	2(87)
24	Crompton Greaves Sales Networks Malaysia Sdn. Bhd.	Not Applicable	Subsidiary	100.00	2(87)
25	PT CG Power Systems Indonesia	Not Applicable	Subsidiary	95.00	2(87)
26	CG Power Solutions Saudi Arabia Ltd.	Not Applicable	Subsidiary	51.00	2(87)
27	PT Crompton Prima Switchgear Indonesia	Not Applicable	Subsidiary	51.00	2(87)
28	CG Power & Industrial Solutions Middle East FZCO	Not Applicable	Subsidiary	100.00	2(87)
29	CG International BV TR & Cont. Pvt. Co. LLC	Not Applicable	Associate	49.00	2(6)

Notes:

1. CG Power & Industrial Solutions Middle East FZCO was incorporated on 15 October 2018
2. The name of Crompton Greaves Sales Networks Malaysia Sdn. Bhd changed to CG Sales Networks Malaysia Sdn. Bhd w.e.f. 18 July 2019
3. CG International BV TR & Cont. Pvt. Co.LLC was liquidated w.e.f 18 June 2019

04 Share Holding Pattern
(Equity Share Capital Breakup As Percentage Of Total Equity)

A Category-wise shareholding
(fractions rounded off to two decimal places)

SR. NO.	CATEGORY OF SHAREHOLDER	NUMBER OF SHARES HELD AT THE BEGINNING OF THE YEAR				NUMBER OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A	**Promoters**									
1	**Indian**									
a	Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
b	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d	Bodies Corporate	215,451,070	0	215,451,070	34.38	80,058,574	0	80,058,574	12.77	-21.60
e	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(1)	**215,451,070**	**0**	**215,451,070**	**34.38**	**80,058,574**	**0**	**80,058,574**	**12.77**	**-21.60**
2	**Foreign**									
a	NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b	Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
f	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**215,451,070**	**0**	**215,451,070**	**34.38**	**80,058,574**	**0**	**80,058,574**	**12.77**	**-21.60**
B	**Public shareholding**									
1	**Institutions**									
a	Mutual Funds	157,334,258	4,325	157,338,583	25.10	176,039,032	4,325	176,043,357	28.09	2.98
b	Banks / FI	13,70,635	78,050	1,448,685	0.23	2,590,514	74,425	2,664,939	0.43	0.19
c	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
e	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f	Insurance Companies	23,625,075	0	23,625,075	3.77	22,426,075	0	22,426,075	3.58	-0.19
g	FIIs	118,624,486	49,249	118,673,735	18.93	67,942,432	47,149	67,989,581	10.85	-8.09
h	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
j	Other (Specify)-Alternate Investment Funds	9,977,599	0	9,977,599	1.59	0	0	0	0.00	-1.59
	Sub Total (B)(1)	**310,932,053**	**131,624**	**311,063,677**	**49.63**	**268,998,053**	**125,899**	**269,123,952**	**42.94**	**-6.69**

2	**Non-Institutions**									
a	Bodies Corporate									
(i)	Indian	22,536,741	23,474	22,560,215	3.60	187,938,573	12,183	187,950,756	29.99	26.39
(ii)	Overseas	61,250	0	61,250	0.01	61,250	0	61,250	0.01	0.00
b	Individuals									
(i)	Individuals-shareholders holding nominal share capital up to Rs 1 Lakh	57,378,231	4,254,655	61,632,886	9.83	63,156,420	3,560,008	66,716,428	10.64	0.81
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	9,994,074	121,520	10,115,594	1.61	16,077,422	121,520	16,198,942	2.58	0.97
c	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
d	Other (specify)-IEPF Authority	1,053,280	0.00	1,053,280	0.17	1,282,174	0	1,282,174	0.20	0.04
(i)	NRI Rep	2,353,670	3,242	2,356,912	0.38	2,735,267	3,242	2,738,509	0.44	0.06
(ii)	NRI Non-Rept	1,572,380	47,420	1,619,800	0.26	1,795,969	42,831	1,838,800	0.29	0.03
(iii)	Foreign Bodies	0	0	0	0.00	0	0	0	0.00	0.00
(iv)	Foreign National	8,954	0	8,954	0.00	808	0	808	0.00	0.00
	Sub Total (B)(2)	**94,958,580**	**4,450,311**	**99,408,891**	**15.86**	**273,047,883**	**3,739,784**	**276,787,667**	**44.16**	**28.30**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**405,890,633**	**4,581,935**	**410,472,568**	**65.49**	**542,045,936**	**3,865,683**	**545,911,619**	**87.10**	**21.61**
	Total (A+B)	**621,341,703**	**4,581,935**	**625,923,638**	**99.87**	**622,104,510**	**3,865,683**	**625,970,193**	**99.88**	**0.01**
C	**Custodians for GDRs and ADRs**	**882,504**	**0**	**822,504**	**0.13**	**775,949**	**0**	**775,949**	**0.12**	**-0.01**
	GRAND TOTAL (A)+(B)+(C)	**622,164,207**	**4,581,935**	**626,746,142**	**100.00**	**622,880,459**	**3,865,683**	**626,746,142**	**100.00**	**0.00**

B Shareholding of Promoters

(fractions rounded off to three decimal places)

SR. NO.	SHAREHOLDER'S NAME	SHAREHOLDING AS ON 01.04.2018 (ON THE BASIS OF SHAREHOLDING PATTERN OF 31.03.2018)			SHAREHOLDING AS ON 31.03.2019			% CHANGE IN SHAREHOLDING DURING THE YEAR
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	
1	Avantha Holdings Limited	215,442,496	34.375	34.375	80,050,000	12.772	12.772	-21.603
2	Varun Prakashan Private Limited	5,022	0.001	0.000	5,022	0.001	0.000	0
3	Avantha Realty Limited	3,552	0.001	0.000	3,552	0.001	0.000	0

C Change in Promoters' Shareholding

As on 1 April 2018 the Promoters were holding 21,54,51,070 equity shares constituting 34.38% of total share capital of your Company, of which 21,54,42,496 equity shares were pledged by the Promoters to their lenders.

On 8 March 2019, Vistra ITCL India Limited, acting on behalf of BOI AXA Mutual Fund, KKR India Debt Opportunies Fund II and KKR India Financial Services Private Limited, invoked its pledge on 6,76,96,248 equity shares constituting 10.8% shareholding in your Company held by Avantha Holdings Limited (Promoter). Further, on 20 March 2019, Vistra ITCL India Limited, acting on behalf of L&T Finance Limited, invoked its pledge on 6,76,96,248 equity shares constituting 10.8% shareholding in the Company held by Avantha Holdings Limited (Promoter).

Consequently on 31 March 2019 the promoters shareholding decreased to 8,00,58,574 equity shares in the Company constituting 12.77% of total share capital of the Company.

Thereafter on 6 May 2019, Yes Bank Limited invoked its pledge on 8,00,50,000 equity shares of the Company, constituting 12.77% shareholding held by Avantha Holdings Limited (Promoter) in the Company. After this, shareholding of the Promoters of the Company decreased to 8,574 equity shares, constituting 0.001% of total share capital of your Company as of date.

D Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

(fractions rounded off to two decimal places)

SR. NO.	NAME OF THE SHAREHOLDER	SHAREHOLDING AS ON 01.04.2018 (ON THE BASIS OF SHAREHOLDING PATTERN OF 31.03.2018)		CHANGE IN SHAREHOLDING(NO. OF SHARES) $		SHAREHOLDING AS ON 31.03.2019	
		No of shares	% of total shares of the Company	Increase	Decrease	No of shares	% of total shares of the Company
1	VISTRA ITCL INDIA LIMITED*	0	0.00	135,392,496	-	135,392,496	21.60
2	HDFC Trustee Company Limited-HDFC Equity Fund	57,788,500	9.22	-	337,500	57,451,000	9.17
3	Aditya Birla Sun Life Trustee Private Limited A / C Aditya Birla Sun Life Frontline Equity Fund	42,898,617	6.85	13,062,357	-	55,960,974	8.93
4	Bharti (SBM) Holdings Private Limited*	0	0.00	31,275,000	-	31,275,000	4.99
5	Reliance Capital Trustee Co. Ltd A / C Reliance Multi Cap Fund	30,272,288	4.83	-	7,952,761	22,319,527	3.56
6	Franklin Templeton Mutual Fund A / C Franklin India Equity Fund	8,112,949	1.29	11,887,051	-	20,000,000	3.19
7	Life Insurance Corporation of India	18,387,263	2.93	-	1,224,000	17,163,263	2.74
8	IDFC Sterling Value Fund	6,672,000	1.07	5,112,000	-	11,784,000	1.88
9	Abu Dhabi Investment Authority – LGLIN	8,970,000	1.43	-	-	8,970,000	1.43
10	Vanguard Total International Stock Index Fund*	5,770,670	0.92	590,235	-	6,360,905	1.02
11	WGI Emerging Markets Smaller Companies Fund, LLC**	15,462,271	2.47	-	15,462,271	0	0.00
12	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds**	8197449	1.31	-	2,187,967	6,009,482	0.96
13	Samena Special Situations Mauritius**	22,154,396	3.54	-	22,154,396	0	0.000

Notes:

* Not in the list of top ten shareholders as on 1 April 2018 but is one of the top ten shareholders as on 31 March 2019.

** Not in the list of top ten shareholders as on 31 March 2019 but was one of the top ten shareholders as on 1 April 2018.

$ Detailed list of change in shareholding (Increase & Decrease) for each shareholder mentioned in the above table will be available for inspection at the ensuing Annual General Meeting.

E Shareholding of Directors and Key Managerial Personnel

SR. NO.	SHAREHOLDING OF EACH DIRECTORS AND EACH KEY MANAGERIAL PERSONNEL	SHAREHOLDING AS ON 01.04.2018		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	**Mr B Hariharan, Non-Executive Director***				
(i)	As on 01.04.2018	657	0.00	657	0.00
(ii)	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	657	0.00
(iii)	As on 31.03.2019	657	0.00	657	0.00
2	**Dr V Von Massow, Independent Director**				
(i)	As on 01.04.2018 [GDR]**	2,687	0.00	2,687	0.00
(ii)	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	2,687	0.00
(iii)	As on 31.03.2019 [GDR]**	2,687	0.00	2,687	0.00

*Resigned from the Company w.e.f. close of business hours on 8 March 2019.

**Ceased to be a Director of the Compay w.e.f. 5 August 2019.

05 Indebtedness of the Company including interest outstanding / accrued but not due for payment (Amount in ₹)

	SECURED LOAN EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
(i) Principal amount	18,136,280,380.50	7,481,995,063.33	-	25,618,275,443.83
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	69,019,026.29	-	-	69,019,026.29
Total (i+ii+iii)	**18,205,299,406.79**	**7,481,995,063.33**	-	**25,687,294,470.12**
Changes in Indebtedness during the financial Year				
Addition	3,570,975,565.17	7,067,054,385.72	-	10,638,029,950.89
Reduction	(5,063,949,848.90)	(6,637,315,968.59)	-	(11,701,265,817.49)
Net Changes in Principal Amount	**(1,492,974,283.73)**	**429,738,417.13**	-	**(1,063,235,866.60)**
Addition Accured	283,169,314.87	17,200,000.00		300,369,314.87
Reduction Accured	(69,019,026.29)	-	-	(69,019,026.29)
Net Changes in Interest Accured	**214,150,288.58**	**17,200,000.00**	-	**231,350,288.58**
Indebtedness at the end of the financial year				
(i) Principal amount	16,643,306,096.77	7,911,733,480.46	-	24,555,039,577.23
(ii) Interest due but not paid	159,123,287.67	-	-	159,123,287.67
(iii) Interest accrued but not due	124,046,027.20	17,200,000.00	-	141,246,027.20
Total (i+ii+iii)	**16,926,475,411.64**	**7,928,933,480.46**	-	**24,855,408,892.10**

06 Remuneration of Directors and Key Managerial Personnel

A Remuneration of Managing Director, Whole-time Directors and / or Manager

(Amount in ₹)

SR. NO.	PARTICULARS OF REMUNERATION	Mr K N Neelkant (CEO & MANAGING DIRECTOR)*	TOTAL AMOUNT
1	Gross salary:	29,581,348	29,581,348
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,600	39,600
	(b) Value of perquisites u / s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	as % of profit		
	Others (Variable Pay / Severance Pay)	9,322,500	9,322,500
5	Others (Provident Fund / Gratuity Fund / Superannuation Fund)	1,850,963	1,850,963
	Total	**40,794,411**	**40,794,411**

The remuneration paid to the Managing Director was within the limits as prescribed under the Companies Act, 2013.

The above remuneration excludes provisions made by the Company towards variable pay for FY2019.

*Mr K N Neelkant resigned from the Company w.e.f. 30 September 2019

B Remuneration to other Directors (Amount in ₹)

SR. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS										TOTAL AMOUNT
		Mr Gautam Thapar$	Mr B Hariharan*	Dr Omkar Goswami	Ms Ramni Nirula	Mr Sanjay Labroo**	Dr Valentin Von Massow$$	Mr J Balakrishnan	Mr Ashish Kumar Guha	Mr Sudhir Mathur^	Mr Narayan K Seshadri^^	
1	**Independent Directors**											
	Fee for attending Board and Committee meetings	-	-	1,020,000	1,240,000	240,000	720,000	1,440,000	920,000	300,000	-	5,880,000
	Commission	-	-	-	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	1,020,000	1,240,000	240,000	720,000	1,440,000	920,000	300,000	-	5,880,000
2	**Other Non-Executive Directors**											
	Fee for attending Board and Committee meetings	1,170,000	570,000	-	-	-	-	-	-	-	-	1,740,000
	Commissions	-	-	-	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-	-	-	-
	Total (2)	1,170,000	570,000	-	-	-	-	-	-	-	-	1,740,000
	Total (B) = (1 + 2)	**1,170,000**	**570,000**	**1,020,000**	**1,240,000**	**240,000**	**720,000**	**1,440,000**	**920,000**	**300,000**	**-**	**7,620,000**

*Resigned from the Company w.e.f. close of business hours on 8 March 2019.

**Ceased to be an Independent Director of the Company w.e.f. 1 October 2018.

^Appointed as an Independent Director of the Company w.e.f. 1 October 2018.

^^Appointed as an Independent Director of the Company w.e.f. 8 March 2019.

$Mr Gautam Thapar ceased to be Director of the Company w.e.f. 9 October 2019.

$$Dr Valentin Von Massow ceased to be Director of the Company w.e.f. 5 August 2019.

The remuneration paid to other Directors was within the limits prescribed under the Companies Act 2013 and rules made thereunder.

C Remuneration to Key Managerial Personnel (KMP) (other than MD / WTD / Manager) (Amount in ₹)

SR. NO.	PARTICULARS OF REMUNERATION	NAME OF KMP		TOTAL AMOUNT
		Mr V R Venkatesh (Chief Financial Officer)*	Ms Shikha Kapadia (Company Secretary)	
1	Gross salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,208,925	4,241,785	22,450,710
	(b) Value of perquisites u / s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	As % Of Profit	-	-	-
	Others	-	-	-
5	Others (Provident Fund / Gratuity Fund / Superannuation Fund)	-	-	-
	Variable Pay	6,180,841	156,503	6,337,344
	Provident Fund, Gratuity, Super Annuation Fund	1,145,517	276,524	1,422,041
	Total	**25,535,283**	**4,674,812**	**30,210,095**

*Mr V R Venkatesh was terminated from the service of Chief Financial Officer of the Company w.e.f. 30 August 2019

Note: The above remuneration includes variable pay for FY2018 paid during the year. However, excludes provisions made by the Company towards variable pay for FY2019.

07 Penalties / Punishment / Compounding of Offences

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY / PUNISHMENT / COMPOUNDING FEES IMPOSED	AUTHORITY [RD / NCLT / COURT]	APPEAL MADE, (IF ANY GIVE DETAILS)
A. COMPANY					
Penalty					
Punishment					
Compounding			NIL		
B. DIRECTORS					
Penalty					
Punishment					
Compounding			NIL		
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding			NIL		

On behalf of the Board of Directors

Ashish Kumar Guha

CHAIRMAN

(DIN: 00004364)

Mumbai, 10 November 2019

Annexure 6

Remuneration Policy

I. OBJECTIVE

In terms of the requirement stated under Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, CG Power and Industrial Solutions Limited ('the Company') has formulated the Remuneration Policy ('Policy') which deals with the remuneration of the Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company.

The objective of the Policy is to ensure that the Directors, KMPs, Senior Management and other executives of the Company are governed by a comprehensive compensation criteria that fosters meritocracy and growth of the Company and that, remuneration packages are designed to attract and retain high calibre personnel.

The Policy is guided by the principles as envisaged under Section 178 of the Companies Act, 2013. The Policy has been approved by the Nomination and Remuneration Committee ('NRC') at its meeting held on 2nd February 2015 and has been updated by the Board at its Meeting held on May 22, 2019. The Policy shall be applicable only to CG India.

II. DEFINITIONS

A. KEY MANAGERIAL PERSONNEL

'Key Managerial Personnel' (KMP) means:

(i) Chief Executive Officer or the Managing Director or the Manager,
(ii) Company Secretary,
(iii) Whole-time Director,
(iv) Chief Financial Officer and
(v) such other officer as may be prescribed under the Companies Act, 2013.

B. SENIOR MANAGEMENT

'Senior Management' mean personnel of the Company who are members of its core management team (CEO minus 1 level) excluding Board of Directors.

C. NOMINATION AND REMUNERATION COMMITTEE

'Nomination and Remuneration Committee' or 'NRC' shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

III. APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

NRC plays a critical role in the process of appointment of Directors, KMPs and Senior Management as well as reviewing the outcome of evaluation processes and resulting senior management's compensation.

A. APPOINTMENT CRITERIA AND QUALIFICATIONS:

NRC shall identify and ascertain the qualification, expertise and experience of the persons being considered for appointment as a Director, KMP or at Senior Management level and recommend the appointment to the Board.

B. INDEPENDENCE OF INDEPENDENT DIRECTORS:

In case of appointment of an Independent Director, such person shall additionally meet the requirements and procedures as stipulated in Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act, Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 available on the website of the Company *www.cgglobal.com* and any other requirements set by the Nomination and Remuneration Committee.

IV. PROVISIONS RELATING TO REMUNERATION OF DIRECTORS, KMP AND OTHER EMPLOYEES

A. REMUNERATION TO NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS):

1. Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force. The remuneration / commission shall be based on following principles:

(i) The overall commission to be paid to Non-Executive Directors (NED) shall be within the limits approved by the shareholders, subject to a limit not exceeding 1% of the profits of the Company computed as per the provisions of the Companies Act, 2013.
(ii) Every NED shall receive a fixed amount of commission, to recognise his / her position as an NED on the Board of Directors of the Company. The fixed pay will be proportionately adjusted vis-a-vis Directors attendance.
(iii) An NED, who is a member of the Board Committees of the Company which are formed for statutory purposes, will receive a fixed amount for every Committee Meeting attended, in addition to (ii) above.
(iv) An NED, who is the Company's nominee on the Board / Committee of Directors of joint venture, subsidiary or associate companies, will receive an additional amount, for every Board / Committee meeting attended.
(v) An NED may further receive an additional amount, if necessary, based on his / her time and involvement with the Company's executives, to strengthen systems and processes, contributions to strategic direction, etc.
(vi) Amounts at (iii), (iv) and (v) will be per diem amounts, based on an assumption of 8 hour day, computed and paid for the actual duration of the Meetings, excluding days for travel and preparatory work.

2. Sitting Fees:

The Non-Executive Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof, provided that, the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee.

3. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

B. CEO AND MANAGING DIRECTOR / WHOLE TIME DIRECTOR

The remuneration paid to the CEO and Managing Director / Whole Time Director and revisions thereto are recommended by the NRC and approved by the Board, within the framework of shareholders' approval. The remuneration to CEO and Managing Director / Whole Time Director shall take into account the Company's overall performance, their contribution towards Company's performance and trends in the industry in general, in a manner, which will ensure and support a high performance culture. Their annual remuneration package will comprises of a fixed salary component, a basket of allowances / reimbursements, performance bonus or incentive / commission, housing and other cash as well as non-cash perquisites as may be decided. The payment of a significant part of the performance bonus or incentive / commission may be delayed over a period of one or more years.

C. KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EXECUTIVES

CG Reward Philosophy

Executive compensation would be guided by the external competitiveness and internal parity through benchmarking surveys.

Fixed and variable pay

Remuneration would comprise of fixed and variable components of the remuneration to ensure that employees are rewarded for professional services rendered in line with the level of expertise and skill required, as well as, to provide an incentive to pursue the goals and interests of the Company. Senior Management compensation shall comprise of a higher component of variable pay as compared to the lower levels. The variable components of the remuneration shall be determined based on the Company's performance, financial performance and individual performance. Company and business performance will be measured on quantitative and financial parameters whilst individual performance will be measured on qualitative attributes. The performance measurement criteria and weightages should be aligned with the benchmark study conducted across the competitive enterprises. The Senior Management compensation and revisions thereto are recommended by the NRC and approved by the Board.

D. ANNUAL REMUNERATION REVIEW

Average increase in remuneration every year would be a result of growth of economy, inflation, mandatory increases, business performance, market surveys for salary projections etc. Once the overall increment budget is decided, the increment matrix would aim at creating a sharper differentiation in pay for individual performance. Internally, performance ratings of all executives would be spread across a normal distribution curve. The rating obtained by an employee will be used as an input to determine the fitment into the increment matrix.

E. WORKMEN

Workmen will be paid wages in accordance to the settlement with the recognized union of the workers as per industry practice, as applicable. Where there is no union, workmen wages are as per the industry practice and applicable law would apply. All remuneration components would be in accordance with applicable statutory compliances.

V. PROVISIONS RELATING TO LOANS AND AVANCES TO EMPLOYEES

The Company may provide loans or advances to its employees. Such loans and advances shall be governed by the provisions of the applicable HR policies, Rules of Procedure for Management and applicable provisions of the Companies Act, 2013 and Rules made thereunder.

VI. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

Annexure 7

Dividend Distribution Policy

1. BACKGROUND

Vide Gazette Notification No. SEBI / LAD-NRO / GN / 2016-17 / 008 dated 8 July 2016, Securities and Exchange Board of India, introduced a new Regulation 43A in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that mandates top 500 listed entities based on the market capitalization (calculated on the basis of 31 March of every financial year) to formulate a Dividend Distribution Policy.

2. EFFECTIVE DATE

The Board of Directors of the Company at its meeting held on 30 August 2016 has adopted the Dividend Distribution Policy of the Company as required in terms of the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The effective date of the Dividend Distribution Policy is 30 August 2016.

3. OBJECTIVE

Appropriation of net earnings and its allocation among the shareholders continues to be one of the important agenda items that Companies discuss at the Board levels. In order to help investors to get a clearer picture on returns from their investments in the listed entities and also identify the stocks matching their investment objectives, the market regulator the Securities and Exchange Board of India has made it mandatory for the top 500 listed entities to have a Dividend Distribution Policy.

4. DEFINITIONS

'Act' means the Companies Act, 2013.
'Board' means Board of Directors of the Company.
'Company' means CG Power and Industrial Solutions Limited.
'Dividend' includes any interim dividend.
'Listing Regulations' means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments thereto.
'Free Reserves' means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend:
Provided that—
(i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or
(ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves.

5. LEGAL FRAMEWORK

The Companies Act, 2013 lays down certain provisions for declaration of dividend, which are:

(i) Section 51 permits Companies to pay dividends proportionately i.e. in proportion to the amount paid-up on each share when all shares are not uniformly paid-up i.e. pro-rata. Pro rata means in proportion or proportionately, according to a certain rate. The Board of Directors of the Company may decide to pay dividends on pro-rata basis if all the equity shares of the company are not equally paid-up. However, in the case of preference shares, dividend shall be paid at a fixed rate as per the terms of issue.
The permission given by this Section is, however, conditional upon the Company's articles of association expressly authorising the Company in this regard.

(ii) Final Dividend is generally declared at an annual general meeting [Section 102(2) of the Act] at a rate not more than what is recommended by the Board in accordance with the articles of association of a Company.

(iii) An interim dividend is declared by the Board at any time before the closure of financial year, whereas a final dividend is declared by the members of a Company at its annual general meeting if and only if the same has been recommended by the Board of Directors of the Company.

(iv) In accordance with Section 134(3)(k) of the Act, the Board of Directors shall state in the Directors' Report the amount of dividend, if any, which it recommends to be paid. The dividend recommended by the Board of Directors in the Board's Report must be 'declared' at the annual general meeting of the Company. This constitutes an item of ordinary business to be transacted at every annual general meeting. This does not apply to interim dividend.

(v) No dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with Section 123(2) of the Act or out of profits of the Company for any previous financial year / years arrived at after providing for depreciation in accordance with the provisions of above sub-Section and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for payment of dividend in pursuance of a guarantee given by the concerned Government [Section 123(1) of the Act].

(vi) The Company may before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company.

(vii) If owing to inadequacy or absence of profits in any year, the Company proposes to declare dividend out of the accumulated profits earned by it in any previous financial years and transferred to reserves, such declaration of dividend shall not be made except in accordance with the Companies (Declaration and Payment of Dividend) Rules, 2014. No dividend shall be declared or paid by the Company from its reserves other than free reserves. Further the Company shall not declare dividend unless carried over previous losses and depreciation not provided in the previous year / years are set off against the profit of the Company for the current year.

(viii) Depreciation, as required under Section 123(1) of the Act has to be provided in accordance with the provisions of Schedule II to the Act.

(ix) If the Company fails to comply with Section 73 and 74 of the Act, relating to acceptance & repayment of deposits, no dividend shall be declared on its equity shares till such default continues.

(x) The amount of dividend (final as well as interim) shall be deposited in a separate bank account within 5 days from the date of declaration. [Section 123(4) of the Act.]

(xi) Dividend has to be paid within 30 days from the date of declaration.

(xii) Section 24 of the Act confers on SEBI, the power of administration of the provisions pertaining to non-payment of dividend.

(xiii) If dividend has not been paid or claimed within the 30 days from the date of its declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account". Such transfer shall be made within 7 days from the date of expiry of the said period of 30 days.

(xiv) Any money transferred to the unpaid dividend account of a Company in pursuance of Section 124 of the Act which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company to the Investor Education and Protection Fund.

(xv) Any dividend payable in cash may be paid by cheque or warrant through post directed to the registered address of the shareholder who is entitled to the payment of the dividend or to his order or in any electronic mode sent to his banker. [Section 123(5) of the Act]

6. PARAMETERS

A. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED

Dividend payout is dependent on various factors, which are enumerated herein below in this policy document and the Board of Directors shall before taking any decision on dividend payout consider these factors in the best interest of the Company and the shareholders.

B. FINANCIAL PARAMETERS FOR DECLARING DIVIDEND

The decision of the dividend payout or retention of the profits by the Board, shall inter-alia depend on the following financial parameters;

(i) Quantum of anticipated Capital expenditure,

(ii) Magnitude of realized profits,

(iii) Operating cash flow & liquidity,

(iv) Investment opportunities,

(v) Capacity to service interest / principal (borrowings),

(vi) Cost of borrowings vis-à-vis cost of capital,

(vii) Sales volume,

(viii) Anticipated expenses,

(ix) Financial ratios (e.g. EPS-post dividend), etc.

C. INTERNAL & EXTERNAL FACTORS

The most important internal and external factors that affect the dividend payout are regulations (taxation, repatriation & accounting policies), industry growth rate, natural calamity, capital investment needs, profitability, earnings variability, liquidity and cash flows, financial leverage and asset characteristics such as the composition of tangible and intangible assets.

D. UTILIZATION OF RETAINED EARNINGS

Considering the cost of the borrowings vis-à-vis available funds (retained earnings), the quantum of reserves and available depreciation fund, the Board may decide to plough back the earnings for a particular financial year / s. The decision of utilization of the retained earnings of the Company shall be based on the following factors;

(i) High financial leverage

(ii) Mitigate dependence on external debts

(iii) Plant expansion & diversification

(iv) Market & product expansion

(v) Replacement of capital assets

(vi) Futuristic (long-term) business strategic plans

(vii) Such other criteria as the Board may deem fit from time to time.

E. ADOPTION OF PARAMETERS FOR DIVIDEND PAYOUT WITH RESPECT TO VARIOUS CLASSES OF SHARES

(i) The factors and parameters for declaration of dividend to different class of shares of the Company shall be in compliance with the existing laws, governing the dividend payout.

(ii) The parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.

(iii) The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

(iv) The dividends shall be paid out of the Company's distributable profits and / or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.

(v) Dividend when declared shall be first paid to the preference shareholders of the Company as per the terms and conditions of their issue.

7. AMOUNT OF DIVIDEND:

The Company shall endeavor to maintain a reasonable dividend payout ratio subject to; a) capital needs of the Company, b) positive operating cash flows and c) other financial parameters enumerated herein above.

8. POLICY EXCLUSION:

The policy shall not be applicable in the following circumstances;

(i) Any distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

(ii) Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities.

(iii) Determination and declaring dividend on preference shares.

9. POLICY AMENDMENTS:

Any change / amendment, if required in terms of any applicable law, the CEO & Managing Director or the Chief Financial Officer of the Company shall be jointly / severally authorized to review and amend the Policy, to give effect to any such changes / amendments. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification immediately after such changes. A dividend payout, in deviation of this policy shall be reported in the Annual Report of the Company.

10.CAUTIONARY STATEMENT:

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy to pay, subject to the circumstances and factors enlisted herein above, which shall be consistent with the performance of the Company over the years.

KN Neelkant
CEO & MANAGING DIRECTOR
Mumbai, 30 August 2016

07

report on corporate governance

Abbreviations 'Act' refers to the Companies Act, 2013 'Listing Regulations' refers to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 'the Company', 'CG' refers to CG Power and Industrial Solutions Limited 'SEBI' refers to the Securities and Exchange Board of India

Philosophy on Corporate Governance

In light of the significant financial irregularities that have occurred in your Company; and the consequential investigations and significant financial restatements that have followed both at the standalone and consolidated levels, your Board has decided to conduct a thorough review of your Company's existing internal controls, policies and processes and where necessary, suggest changes to strengthen the same.

Going forward, your Company will do its utmost to ensure that the systems are designed to provide reasonable assurance with regard to maintaining of proper internal controls, monitoring of operations, protecting assets from unauthorised use or losses, compliances with regulations, and the reliability of financial reporting.

Your present Board is committed to adhere to highest standard of ethics, transparency, disclosures and governance and to protect the long term interest of all its stakeholders.

Board of Directors

COMPOSITION

As on the date of this report, your Company's Board comprises six Directors- one Whole Time Executive Director and five Non-Executive Directors of which four are Independent Directors. Details of the Board composition and representations of the Directors across Board and Committees of other companies are provided in *Table 1* forming part of this Report.

OTHER DIRECTORSHIPS

As on 31 March 2019, as per the disclosures received, none of the members of the Board is a Director in more than 20 companies (including 10 public limited companies) or is an Independent Director in more than seven listed companies. Further, none of the Directors is a member of more than 10 Committees or a chairperson of more than 5 Committees across all public limited companies. For the purpose of reckoning Committee Chairpersonship / Membership only the Audit Committee and the Stakeholders' Relationship Committee have been considered.

Mr K N Neelkant, who was the CEO and Managing Director of the Company up to 30 September 2019, did not hold position as an Independent Director on the Board of any other listed company till that time.

Names of other listed entities where directors of your Company hold directorship and the category of such directorship as on 31 March 2019 are given in *Table 2*.

INDEPENDENT DIRECTORS

In the opinion of the Board, Independent Directors of your Company fulfil the conditions of independence as specified in the Act and Listing Regulations and are independent of the management.

BOARD MEETINGS

Dates of the Board meetings are pre-scheduled and communicated to the Directors in advance. Board meetings are convened at appropriate intervals with a maximum time gap of not more than 120 days between two consecutive meetings by giving advance notice along with agenda papers to the Directors. In case of exigencies or urgency of matters, resolutions are passed by circulation for such matters as permitted by law and are confirmed at the subsequent meeting.

The Board critically evaluates Company's strategic direction, risks and opportunities, key mergers and amalgamations, investments, financial performance, asset optimisation, 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. The Board also has dedicated meetings for review of annual strategic and operating plans, capital allocation and annual budgets of businesses.

During the year, six Board Meetings were held: on 26 April 2018, 30 May 2018, 10 August 2018, 13 November 2018, 12 February 2019 and 8 March 2019. The Company's last Annual General Meeting was held on 28 September 2018.

Details of attendance of Directors at Board meetings held during the year under review and the previous Annual General Meeting are provided in *Table 1* forming part of this Report.

01 Composition, attendance and details of the Board of Directors as on the date of this Report

NAME OF DIRECTOR	CATEGORY	NO. OF REPRESENTATIONS		
		DIRECTORSHIP#	COMMITTEE CHAIRPERSON##	COMMITTEE MEMBERSHIP##
Mr Ashish Kumar Guha*	Non-Executive; Independent, Chairman	3	0	2
Dr Omkar Goswami**	Non-Executive	6	1	6
Mr Jitender Balakrishnan	Non-Executive; Independent	9	2	5
Ms Ramni Nirula***	Non-Executive; Independent	6	1	4
Mr Narayan K Seshadri@	Non-Executive; Independent	18	5	2
Mr Sudhir Mathur^	Whole Time Exective Director	1	0	1
Mr K N Neelkant^^	Executive; CEO and Managing Director	1	NA	NA
Mr Gautam Thapar^^^	Non-Executive ;Chairman	7	NA	NA
Dr Valentin von Massow~	Non-Executive; Independent	NA	NA	NA
Mr B Hariharan$	Non-Executive	NA	NA	NA
Mr Sanjay Labroo$$	Non-Executive; Independent	NA	NA	NA

Notes:

*Mr Ashish Kumar Guha was appointed as a Chairman of the Board of Directors of the Company with effect from 25 September 2019. He was appointed as the Chairman of Nomination and Remuneration Committee (NRC) with effect from 1 October 2018 and ceased to be Chairman of NRC with effect from 25 September 2019. He was appointed as a member of Risk and Audit Committee with effect from 20 August 2019.

**Dr Omkar Goswami was appointed as a member of Corporate Social Responsibility Committee and Chairman of Stakeholders' Relationship Committee with effect from 25 September 2019.

***Ms Ramni Nirula was appointed as a member of Stakeholders' Relationship Committee with effect from 11 June 2019.

@Mr Narayan K Seshadri was appointed as Non-Executive Independent Director with effect from 8 March 2019. He was appointed as a member of Nomination and Remuneration Committee (NRC) with effect from 11 June 2019 and Chairman of NRC with effect from 25 September 2019.

^Mr Sudhir Mathur was appointed as Non-Executive Independent Director with effect from 1 October 2018 and then appointed as Whole Time Executive Director with effect from 10 May 2019. He was appointed as a member of Risk and Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee with effect from 1 October 2018, 8 March 2019, 12 February 2019 and 25 September 2019 respectively and ceased to be member of Risk and Audit Committee and Nomination and Remuneration Committee with effect from 11 June 2019 and 10 May 2019 respectively.

SELECTION AND APPOINTMENT OF DIRECTORS

Your Company has a policy on selection, appointment and remuneration of Directors as well as a policy on remuneration determination of the Directors, Key Managerial Personnel, senior management and other employees of the Company. In terms of the requirement of Regulation 46(2)(b) of the Listing Regulations, 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 *http://www.cgglobal.com/pdfs/BOD/T&C-IndependentDirectorsAppt.pdfIndependentDirectorsAppt.pdf*

INDEPENDENT DIRECTORS' MEETING

During FY2019, a meeting of Independent Directors was held on 19 March 2019. The Independent Directors present at that meeting among other items discussed the outcome of the performance evaluation process and assessed the quality, quantity and timeliness of information flow from the management to the Board.

However, it should be noted that this evaluation occurred on 19 March 2019 — which was before the legal firm appointed by your Board's Risk and Audit Committee submitted its Report on the nine suspicious transactions that it was asked to investigate. Subsequent to submission of this Report, your Board has made the following changes:

a) Removed Mr Gautam Thapar as the Chairman of your Company with effect from 29 August 2019;

b) Accepted the resignation tendered by Mr K N Neelkant the CEO and Managing Director of the Company, as on 30 September 2019. Accordingly, he ceased to be a director on the Board of Directors of the Company with effect from 30 September 2019.

DIRECTORS' SHAREHOLDING AND RELATIONSHIP INTER-SE

As on 31 March 2019,
Dr Valentin von Massow held 2,687 GDRs, convertible in to 13,435 equity shares of your Company. None of the other Directors hold any shares in the Company. Further, none of the Directors on the Board is related to each other.

DIRECTORS' INDUCTION AND FAMILIARISATION

Your Company has in place the practice of familiarising Independent Directors about CG's business through induction and regular updates. These 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 familiarise

ATTENDANCE AT BOARD MEETING AND COMMITTEE MEETINGS					
BOARD MEETINGS	RISK AND AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	STAKEHOLDERS' RELATIONSHIP COMMITTEE	CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	ATTENDED PREVIOUS ANNUAL GENERAL MEETING
6	NA	4	NA	NA	Yes
6	6	NA	NA	NA	No
6	6	4	NA	NA	Yes
6	6	NA	NA	2	No
NA	NA	NA	NA	NA	NA
2	1	NA	NA	NA	NA
6	NA	NA	1	2	Yes
6	NA	4	1	2	Yes
6	NA	NA	NA	2	No
6	NA	NA	1	NA	Yes
2	2	NIL	NA	NA	No

^^Mr K N Neelkant resigned as the CEO and Managing Director of the Company and accordingly ceased to be a director on the Board of the Company with effect from 30 September 2019. He ceased to be member of Stakeholders' Relationship Committee with effect from 20 August 2019 and Corporate Social Responsibility Committee with effect from 25 September 2019.

^^^Mr Gautam Thapar ceased to be a director on the Board of the Company with effect from 9 October 2019. He ceased to be member of Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee with effect from 25 September 2019. He was removed as a Chairman of the Board of Directors of the Company with effect from 29 August 2019.

~Dr Valentin von Massow ceased to be director on the Board of the Company with effect from 5 August 2019 and consequently ceased to be a member of Corporate Social Responsibility Committee.

$Mr B Hariharan resigned from the Company with effect from close of business hours on 8 March 2019 and consequently ceased to be a Chairman of Stakeholders' Relationship Committee.

$$Mr Sanjay Labroo, ceased to be an Independent Director with effect from 1 October 2018 and consequently ceased to be member of Risk and Audit Committee and chairman of Nomination and Remuneration Committee.

#Directorships include directorships as on date in only Indian companies (including CG) but excludes alternate directorships.

##Committee Chairmanship and Membership as on date include only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (including CG). Membership provided in Table 1 does not include holding of position as a Chairperson.

with your Company's procedures and practices. Board Members are appraised on operations, strategic and future plans of your Company through the annual 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 *http://www.cgglobal.com/frontend/finalnonproduct.aspx?cnl2=yrnPqECUvhk=*

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:

- Transformation of stressed businesses
- Supply chain management
- Banking, strategic planning and fund raising
- Understanding of economics, global business and consumers
- Accounting and audit matters
- Leadership and strategy roles
- Corporate Restructuring and Merger & Acquisitions

CODE OF CONDUCT AND BUSINESS PRACTICES

Your Company has adopted 'CG Code of Conduct and Business Practices'. All Directors and Senior Management Personnel of the Company have affirmed their adherence to this Code of Conduct for FY2019.

The certificate required under Regulation 34 of the Listing Regulations stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct was signed by Mr Sudhir Mathur, Whole Time Executive Director and is annexed at the end of this Report.

Committees of the Board

RISK AND AUDIT COMMITTEE (RAC)

As on date of this Report, the RAC consists of four Non-Executive Directors, of whom three are Independent. These are:

- **Mr Jitender Balakrishnan**
  Chairman, Independent Director
- **Dr Omkar Goswami**
  Member, Non-Executive Director
- **Ms Ramni Nirula**
  Member, Independent Director
- **Mr Ashish Kumar Guha**
  Member, Independent Director

02 Directors and their Directorial Positions in other listed companies as on date of this Report

NAME OF DIRECTOR	NAME OF OTHER LISTED COMPANIES	CATEGORY
Mr Ashish Kumar Guha	Lemon Tree Hotels Limited	Independent Director
	Ambuja Cements Limited	Independent Director
	Bajaj Finance Limited	Independent Director
	Bajaj Auto Limited	Independent Director
Dr Omkar Goswami	Godrej Consumer Products Limited	Independent Director
	DCM Shriram Limited	Independent Director
	HEG Limited	Independent Director
	PI Industries Limited	Independent Director
Ms Ramni Nirula	Usha Martin Limited	Independent Director
	India Glycols Limited	Independent Director
	Polyplex Corporation Limited	Independent Director
	Sarda Energy & Minerals Limited	Independent Director
Mr Jitender Balakrishnan	Bharti Infratel Limited	Independent Director
	AstraZeneca Pharma India Limited	Independent Director, Chairman
	Kalpataru Power Transmission Limited	Independent Director
	Magma Fincorp Limited	Independent Director, Chairman
	PI Industries Limited	Independent Director, Chairman
Mr Narayan K Seshadri	Wabco India Limited	Independent Director
Mr Sudhir Mathur	NIL	NIL

During FY2019, the RAC met on six occasions: on 26 April 2018, 30 May 2018, 10 August 2018, 13 November 2018, 22 January 2019 and 12 February 2019. The attendance record of the Committee Members thereat is given in *Table 1* forming part of this Report.

Members of the RAC have wide exposure and knowledge in the area of finance and accounting. The Whole Time Executive Director, CEO and Managing Director, Chief Financial Officer, Chief of Internal Audit and representatives of the Statutory Auditors attended the meetings of RAC as invitees. The Company Secretary is the Secretary to this Committee. The Chairman of the RAC briefs the Board of Directors at every Board meeting on the discussions that have taken place at the RAC meeting. The minutes of meetings are placed before the Board.

CG has an independent in-house internal audit function with adequate professional resources and skills, which is line with the Company's nature, size and complexity of business. The Head of Internal Audit reports to the RAC. The RAC provides assurance to the Board on the effectiveness of the Company's internal control environment. The RAC 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 in compliance with Section 177 of the Act and Regulation 18 of the Listing Regulations.

Your Company's management recognises that internal financial controls were not operating effectively and requires to be strengthened. It is reviewing the internal controls testing and monitoring system. Going forward, your Company will do its utmost to ensure that the systems are designed to provide reasonable assurance with regard to maintaining of proper internal controls, monitoring of operations, protecting assets from unauthorised use or losses, compliances with regulations, and the reliability of financial reporting.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board of Directors has constituted NRC in compliance with the provisions of

CG secured large orders from the Chittaranjan Locomotive Works (CLW), the Diesel Locomotive Works (DLW, Varanasi) and the Diesel-Loco Modernisation Works (DMW, Patiala) for 869 three-phase traction motors.

Section 178 of the Act and Regulation 19 of the Listing Regulations. As of date the NRC consists of the following three Independent Directors. These are:

- **Mr Narayan K Seshadri**
  Chairman, Independent Director
- **Mr Ashish Kumar Guha**
  Member, Independent Director
- **Mr Jitender Balakrishnan**
  Member, Independent Director

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

a) Formulate evaluation policies for the performance appraisal of senior management and remuneration of Directors, Key Managerial Personnel and senior management.

b) Formulate the criteria for evaluation of performance of independent directors and the board of directors.

c) Review and recommend to the Board all remuneration payable to senior management.

d) Review all major aspects of CG's HR processes, including hiring, training, talent management, succession planning and the compensation structure of the Directors and senior management.

e) Identify persons who can be considered as Directors and who may be appointed in senior management.

f) Evaluate each Director's performance.

g) Set up a policy on Board diversity.

During FY2019, the NRC met four times: on 30 May 2018, 13 November 2018, 12 February 2019 and 8 March 2019. The attendance record of the Committee Members is given in *Table 1* forming part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee of the Board consists of the following three Directors among them are two Non-Executive Directors, one of whom is Independent:

- **Ms Ramni Nirula**
  Chairperson, Independent Director
- **Dr Omkar Goswami**
  Member, Non-Executive Director
- **Mr Sudhir Mathur**
  Member, Whole Time Executive Director

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 and preserving the ecosystem that supports your Company.

The CSR Committee recommends, and the Board annually approves, the CSR expenditure budget and project plan. In the course of the year, the Committee reviews CSR expenditure, activities undertaken and milestones achieved.

During FY2019, two CSR Committee Meetings were held: on 30 May 2018 and 8 March 2019. The attendance record of the Committee Members is given in *Table 1* forming part of this Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

As of date of this Report, SRC consists of the following Directors:

- **Dr Omkar Goswami**
  Chairman, Non-Executive Director
- **Mr Sudhir Mathur**
  Member, Whole Time Executive Director
- **Ms Ramni Nirula**
  Member, Independent Director

03 Last three Annual General Meetings held and special resolutions passed

FINANCIAL YEAR	LOCATION	DATE	TIME (IST)	SPECIAL RESOLUTIONS PASSED
2015–16	Swatantryaveer Savarkar Rashtriya Smarak, Dadar (West), Mumbai-400 028	30 August 2016	3:00 p.m.	Sale of Non-India Transmission and Distribution (T & D) Businesses
2016–17	Swatantryaveer Savarkar Rashtriya Smarak, Dadar (West), Mumbai-400 028	22 September 2017	3:00 p.m.	None
2017–18	Swatantryaveer Savarkar Rashtriya Smarak, Dadar (West), Mumbai-400 028	28 September 2018	3:00 p.m.	Remuneration of Mr K N Neelkant, CEO and Managing Director

During FY2019, the SRC met on 12 February 2019. The attendance record of the Committee Members is given in *Table 1* forming part of this Report.

The role of the SRC inter-alia includes the following:

01 Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

02 Review of measures taken for effective exercise of voting rights by shareholders.

03 Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.

04 Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

In addition to a review by this Committee, your Company continues its practice of reporting to the Directors at each Board meeting, the number and category of shareholder complaints received and the status of their resolution. The Company received 20 shareholders' complaints during the financial year under review, which were of a routine nature and were satisfactorily resolved. There are no outstanding complaints pending as on 31 March 2019.

In order to expedite the process, the Board of Directors has also delegated authority to the Company Secretary to approve the share transmission, sub-division, consolidation etc.

The Board of Directors has appointed Ms Shikha Kapadia, Company Secretary, as the Compliance Officer in compliance with Regulation 6 of the Listing Regulations. Ms Kapadia also acts as a Secretary to all the Statutory Committees of the Board.

Remuneration of Directors

Your Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of sitting fees for attending the Board and Committee meetings and profit based commission subject to the net profits of the standalone entity and within the limits as approved by the Members.

Executive Directors are paid remuneration as per the terms and conditions of their appointment in compliance with the Company's Remuneration Policy, and subject to applicable provisions of the Act and Rules made thereunder, read with Schedule V of the Act and approval of the Shareholders. As of date, your Company does not have any employee stock option plan or scheme.

Details of the criteria for making payments to Non-Executive Directors, remuneration paid to all Directors and the other disclosures required to be made under Schedule V of the Listing Regulations have been provided in the Directors' Report of this Annual Report.

Information on General Body Meetings

Details of the last three Annual General Meetings of the Company held along with Special Resolutions passed are indicated in *Table 3* forming part of this Report.

During FY2019, your Company had sought approval from the shareholders for appointment of M/s K K Mankeshwar & Co., Chartered Accountants as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Chaturvedi & Shah, Chartered Accountants, previous Statutory Auditors of the Company by way of passing ordinary resolution, through Postal Ballot on 29 May 2018.

The voting period (through e-voting and postal ballot) commenced from 9:00 a.m. (IST) on 30 April 2018 and ended at 5:00 p.m. (IST) on 29 May 2018.

Mr Manish L. Ghia (Membership No. FCS 6252) of Manish Ghia & Associates, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Your Company complied with the procedures for the Postal Ballot, stated in Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India and Regulation 44 of the Listing Regulations, as amended from time to time. Results of

04 Results of Postal Ballot

PARTICULARS	Ordinary Resolution for appointment of M/s K. K. Mankeshwar & Co., Chartered Accountants (Firm Regn. No.106009W) as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Chaturvedi & Shah, Chartered Accountants to hold office upto the conclusion of the ensuing 81st Annual General Meeting of the Company.								
CATEGORY	**MODE OF VOTING**	**NO. OF SHARES HELD**	**NO. OF VALID VOTES POLLED**	**% OF VOTES POLLED ON OUTSTANDING SHARES**	**NO. OF VOTES IN FAVOUR**	**NO. OF VOTES AGAINST**	**%. OF VOTES IN FAVOUR ON VOTES POLLED**	**% OF VOTES AGAINST ON VOTES POLLED**
PROMOTER AND PROMOTER GROUP	E-Voting		215,451,070	100.0000	215,451,070	0	100.0000	0.0000
	Ballot Forms	215,451,070	0	0.0000	0	0	0.0000	0.0000
	Total (A)	**215,451,070**	**215,451,070**	**100.0000**	**215,451,070**	**0**	**100.0000**	**0.0000**
PUBLIC INSTITUTIONS	E-Voting		234,916,822	75.9041	234,916,822	0	100.0000	0.0000
	Ballot Forms	309,491,814	0	0.0000	0	0	0.0000	0.0000
	Total (B)	**309,491,814**	**234,916,822**	**75.9041**	**234,916,822**	**0**	**100.0000**	**0.0000**
PUBLIC NON INSTITUTIONS	E-Voting		5,795,587	5.6929	5,767,054	28,533	99.5077	0.4923
	Ballot Forms	101,803,258	89,520	0.0879	74,397	15,123	83.1066	16.8934
	Total (C)	**101,803,258**	**5,885,107**	**5.7809**	**5,841,451**	**43,656**	**99.2582**	**0.7418**
TOTAL (A+B+C)		**626,746,142**	**456,252,999**	**72.7971**	**456,209,343**	**43,656**	**99.9904**	**0.0096**

Postal Ballot, indicated in *Table 4*, were declared on 29 May 2019.

Means of Communication

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 standalone and consolidated financial results of your Company to the National Stock Exchange of India Limited and BSE Limited through their designated web portals. These results are simultaneously published in two leading newspapers: Financial Express (in English) and Loksatta (in Marathi). The Company also files online information on financial results and other specified matters on the 'PN Newswire' website, as approved by the London Stock Exchange.
- Conducts analyst interactions to provide greater transparency and clarifications on your Company's financial and operational performance.
- Promptly reports all material information including official press releases etc. to all 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*
- Supports Shareholders through the CG's Investor Query System, a web-based system for sending queries relating to any processing activity concerning their shareholding in your Company.
- 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. In case any Member desires to receive a physical copy of the Annual Report or other correspondence, your Company provides the same upon request.

Members who have not registered their e-mail address may do so by submitting a duly filled 'E-mail Registration Form', enclosed with the Notice accompanying this Annual Report, to the Company / Depository Participant.

General Shareholder Information

82ND ANNUAL GENERAL MEETING

Date: 14 December 2019
Time: 2:00 p.m.
Venue: Patkar Hall, SNDT Women's University, 1 Nathibai Thackersey Road, Mumbai 400 020

FINANCIAL YEAR AND TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING 31 MARCH 2020

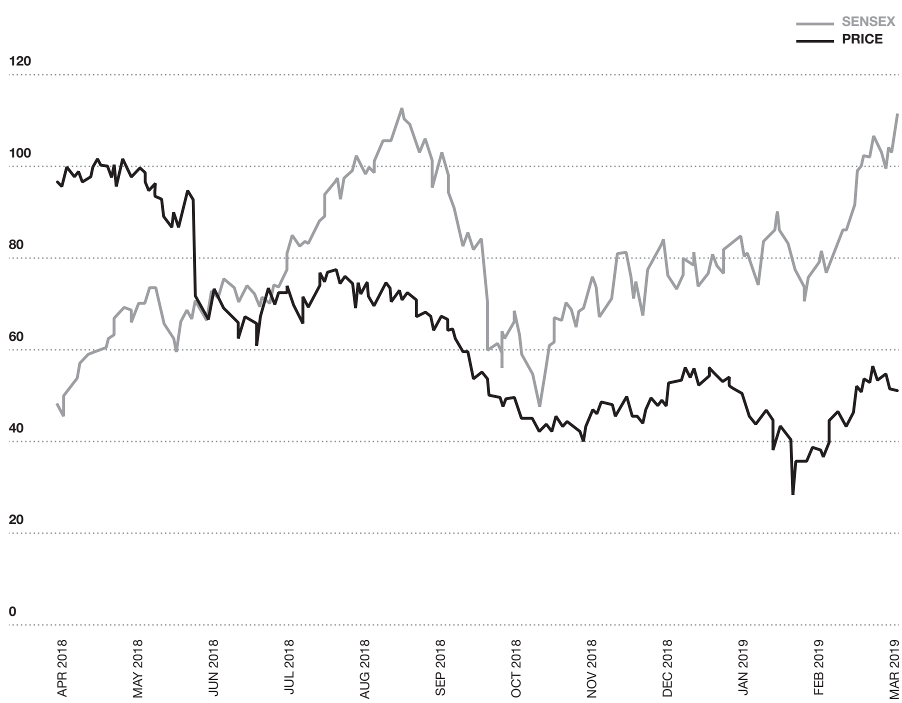
Your Company's accounting year comprises of twelve months period from 1 April to 31 March.

Your Company's financial results for the year ended 31 March 2019 as well as for the quarter ended 30 June 2019 were

05 Market Price Data: BSE Limited

MONTH	HIGHEST (₹) OF THE MONTH	LOWEST (₹) OF THE MONTH	CLOSING (₹) (1ST TRADING DAY OF THE MONTH)	SENSEX (1ST TRADING DAY OF THE MONTH)
April 2018	84.70	77.00	78.79	33,255.36
May 2018	84.40	60.80	81.65	35,176.42
June 2018	66.90	46.75	59.10	35,227.26
July 2018	65.20	53.40	58.90	35,264.41
August 2018	65.10	56.35	63.15	37,521.62
September 2018	59.80	44.15	58.65	38,312.52
October 2018	46.15	34.60	45.55	36,526.14
November 2018	41.30	32.85	35.55	34,431.97
December 2018	46.40	36.00	41.15	36,241.00
January 2019	47.25	35.75	45.85	36,254.57
February 2019	38.70	21.40	37.95	36,469.43
March 2019	47.35	32.25	36.60	36,063.81
			Share Price	**Sensex**
As on 31 March 2019			42.75	38,672.91

A CG share price on BSE vs BSE-Sensex
as on 1 April 2018



delayed beyond the statutory timelines. The Company published its audited financial results both standalone and consolidated for the year ended 31 March 2019 by its disclosure dated 30 August 2019.

Tentative calendar of Board Meetings for consideration of financial results for remaining part of financial year ending 31 March 2020 is given below:

Third quarter results: On/before 14 February 2020

Last quarter results and annual audited results: On/before 30 May 2020

NAME AND ADDRESS OF THE STOCK EXCHANGES

BSE LIMITED:
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai-400001
Stock Code: 500093

NATIONAL STOCK EXCHANGE OF INDIA LIMITED:
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai-400 051

Stock Code: CGPOWER
ISIN: INE067A01029
Depository: National Securities Depository Limited and Central Depository Services (India) Limited
GDR Code: 5090318
Your Company has paid the annual listing fees to each Stock Exchange on which its securities are listed.

Market Price Data: BSE Limited

The market price data for BSE Limited is given in *Table 5* and *Chart A* forming part of this Report.

Distribution and Categories of Shareholding

Data on the distribution and categories of shareholders is given in *Table 6* and *Table 7* respectively, forming part of this Report.

As on 1 April 2018 the Promoters were holding 21,54,51,070 equity shares constituting 34.38% of total share capital of your Company, of which 21,54,42,496 equity shares were pledged by the Promoters to their lenders.

On 8 March 2019, Vistra ITCL India Limited, acting on behalf of BOI AXA Mutual Fund, KKR India Debt Opportunies Fund II and KKR India Financial Services Private Limited, invoked its pledge on 6,76,96,248 equity shares constituting 10.8% shareholding in your Company held by Avantha Holdings Limited (Promoter). Further, on 20 March 2019, Vistra ITCL India Limited, acting on behalf of L&T Finance Limited, invoked its pledge on 6,76,96,248 equity shares constituting 10.8% shareholding in the Company held by Avantha Holdings Limited (Promoter).

Consequently on 31 March 2019 the promoters shareholding decreased to 8,00,58,574 equity shares in the Company constituting 12.77% of total share capital of the Company.

Thereafter on 6 May 2019, Yes Bank Limited invoked its pledge on 8,00,50,000 equity shares of the Company, constituting 12.77% shareholding held by Avantha Holdings Limited (Promoter) in the Company. After this, shareholding of the Promoters of the Company decreased to 8,574 equity shares, constituting 0.001% of total share capital of your Company as of date.

06 Distribution of shareholding as on 31 March 2019

NO. OF SHARES	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS
Upto 500	117,954	83.07
501–1,000	10,769	7.58
1,001–2,000	6,369	4.49
2,001–3,000	2,262	1.59
3,001–4,000	1,184	0.83
4,001–5,000	865	0.61
5,001–10,000	1,361	0.96
10,001–above	1,238	0.87
Total	**142,002**	100.00

07 Categories of shareholders as on 31 March 2019

CATEGORY	NO. OF SHARES OF ₹ 2 EACH	% OF SHAREHOLDINGS
Promoters	80,058,574	12.77
Financial Institutions	2,051,141	0.33
Banks	613,798	0.10
Insurance Companies	22,426,075	3.58
Mutual Funds	176,043,357	28.09
Foreign Investors	73,404,897	11.71
Directors	0	0
Domestic Companies	189,232,930	30.19
Individuals	82,915,370	13.23
Total	**626,746,142**	**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
(Formerly known as Datamatics Financial Services Limited)
Unit: CG Power and Industrial Solutions Limited
Plot No B-5, Part B Cross Lane,
MIDC, Andheri (East) Mumbai 400 093
Tel: + 91 (0) 22 6671 2001 to 6671 2006
Fax: + 91 (0) 22 6671 2011
Email: *cginvestors@datamaticsbpm.com*

CG manufactures Traction Motors and Alternators for Electrical and Diesel Locos, DEMUs, SPICs & DETCs at its State-of-the-art facility located in Mandideep.

Share Transfer System

Your Company's shares are compulsorily traded in dematerialised form. During FY2019 all share transfers and other share related issues were approved by Securities Transfer Committee / Company's Official duly authorised by the Board of Directors in this regard, 29 such approvals were granted. The Securities Transfer Committee was dissolved on 21 June 2019.

Dematerialisation of Shares

As on 31 March 2019, 99.38% of the total equity shares of your Company were held in dematerialised form, compared to 99.27% in the previous year.

As per the amendment made to Regulation 40 of Listing Regulations, it is mandatory to transfer the securities of the Company in dematerialised form. Accordingly, shareholders of the Company who continue to hold shares in physical form are advised to dematerialize their shares otherwise transfer of securities in physical form will not be permitted.

Global Depository Receipts (GDRs)

The Company issued GDRs in 1996 and the underlying shares for each GDR were issued in the name of The Bank of New York (the Depository). Each GDR is equivalent to five shares. As on 31 March 2019, 155,190 GDRs were outstanding, which represented 775,949 underlying equity shares.

Plant locations

Detailed information on plant locations, products, establishments and service centres 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, our Corporate Secretarial Department, is happy to assist, if investors experience any difficulties in their interaction with Datamatics Business Solutions Limited.
Time: 2.00 p.m. to 5.00 p.m. (IST) (Monday to Friday)
Tel: +91 (0) 22 2423 7806
Fax: +91 (0) 22 2423 7545
E-mail: *invertorservices@cgglobal.com*

Other Disclosures

DISCLOSURE OF MATERIAL RELATED PARTY TRANSACTIONS

The related party transactions of your Company during the year are disclosed in the financial statements in this Annual Report (refer note no.46 and 41 of standalone and consolidated financial statements respectively).

It should be understood that the nature of related party transactions undertaken during the year are under review as part of the Forensic Investigation. Therefore, pending the findings of the Forensic Investigation and the findings of forensic audit being currently undertaken by M/s MSA Probe Consulting Private Limited, appointed by BSE Limited pursuant to the ad-interim ex-parte order dated 17 September 2019 passed by the SEBI ("BSE Forensic Audit"), the Company

08 Details of unclaimed shares

BEGINNING OF THE YEAR				END OF THE YEAR	
NO. OF SHAREHOLDERS	NO. OF SHARES	NO. OF SHAREHOLDERS WHO APPROACHED FOR TRANSFER	NO. OF SHAREHOLDERS TO WHOM SHARES WERE TRANSFERRED	NO. OF SHAREHOLDERS*	NO. OF SHARES
1,411	345,568	9	9	1,215	265,274

Note:
*During the year 73,018 equity shares held by 187 shareholders were transferred to the Investor Education and Protection Fund (IEPF) Authority

is unable to confirm the completeness of the nature of related party transactions and whether the related party transactions identified by the Company were undertaken at an arm's length basis and/or in the ordinary course of business.

The Company's India Related Party Transactions Policy can be downloaded from the website of the Company under *http://www.cgglobal.com/pdfs/policies/India%20Related%20Party%20Transactions%20Policy.pdf*

The RAC in its meeting on 30 August 2019, has suggested that a new related party policy should be framed — or appropriate amendments be made in the existing related party transactions policy. While doing such amendments or framing the new policy, the requirements at the respective entity levels, the nature and frequency of such transactions should be kept under consideration. It was also suggested that such policy should not be limited to the requirement of law but that it should be able to address all relevant issues in order to strengthen the process.

The RAC also suggested that the related party transactions should be audited every quarter by the Company's internal auditor; and once in six (6) months by the external auditor.

DISCLOSURE OF PENDING CASES AND INSTANCES OF NON-COMPLIANCE

As disclosed in this Report, your Company's financial results for the year ended 31 March 2019 as well as for the quarter ended 30 June 2019 were delayed beyond the statutory timelines under Listing Regulations for submission of such results. The Company published its audited financial results both standalone and consolidated basis for the year ended 31 March 2019 by its disclosure dated 30 August 2019.

The details of penalty paid to the stock exchanges for non compliance of Regulation 33 of Listing Regulations are as under:

- Rs. 1,097,400/- to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for late submission of financial results for the 4th quarter and year ended 31 March 2019.
- Rs. 548,700/- paid to BSE and NSE for non-submission of financial results for the 1st quarter ended 30 June 2019.

In relation to the related party transactions, pending the potential findings of the Forensic Investigation and the BSE Forensic Audit, the Company is unable to confirm the completeness of the nature of related party transactions and whether the related party transactions identified by the Company were undertaken at an arm's length basis and/or in the ordinary course of business.

Your Board believes that it is prudent to await the completion of the Forensic Investigation that has been initiated by the Company and the BSE Forensic Audit. Based on findings of the Forensic Investigation and the BSE Forensic Audit, your Company should arrive at a clearer picture of instances of non-compliances.

Kindly also refer to the section titled 'Material Orders of Regulators / Courts / Tribunals' of the Directors' Report forming part of this Annual Report.

CEO / CFO CERTIFICATION

While placing the financial results before the Board for the quarter and year ended 31 March 2019, Mr K N Neelkant, the erstwhile Managing Director and CEO of the Company and Mr V R Venkatesh, the erstwhile Chief Financial Officer of the Company, did not provide the requisite certifications required under proviso to Regulation 33(2)(a) of the Listing Regulations.

Please note that the Board had terminated the services of Mr V R Venkatesh as the Chief Financial Officer of the Company on 30 August 2019.

Further, Mr K N Neelkant has resigned as the Managing Director and CEO of the Company with effect from 30 September 2019.

WHISTLE BLOWER POLICY

Your Company has set up a vigil mechanism, i.e. a Whistle Blower Policy, for employees to report concerns of unethical behaviour and violation of the Company's Code of Business Practices. Details of the policy are contained in the Directors' Report and are also posted on the website of the Company. Whistle blowers are not denied access to the Risk and Audit Committee.

GOVERNANCE OF SUBSIDIARIES

Your Company's subsidiaries are adequately empowered through delegation of the operational powers to local management at all locations. Management(s) of the subsidiary companies are responsible for statutory compliances, health and safety concerns, integrity of accounts and assurance on internal controls. Material contents of the minutes of the Board Meetings of all Indian as well as overseas subsidiaries are placed before the Board of Directors of your Company. The Company has also established a mechanism through which financial concerns, material defaults, show cause notices, dangerous occurrences, product liability claims, significant developments in human resources, major financial decisions and similar significant actions / decisions of all subsidiary companies are reported to the Company's Board of Directors. In addition, financial statements, compliance issues, internal control procedures and operational risks of these subsidiaries are also reviewed by the Risk and Audit Committee of the Company, as applicable.

The Company has a policy on material subsidiaries which is available on the weblink *http://www.cgglobal.com/pdfs/policies/Policy-determining-Mat-Subsidiaries.pdf*

Significant transactions entered into by the material subsidiaries are monitored on a quarterly basis by the Risk and Audit Committee and the Board.

In light of the ongoing investigations and significant financial restatements that have occurred both at the standalone and consolidated levels, your Board has decided to conduct a thorough review of your Company's existing internal controls, policies and processes at global level and where necessary, suggest changes to strengthen the same.

COMMODITY 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.

COMPLAINTS RELATING TO SEXUAL HARASSMENT

The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in the Directors' Report.

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 2019, is as follows:

(in ₹ crore)

PARTICULARS	SRBC & CO LLP AND THEIR NETWORK ENTITIES	KK MANKESHWAR & CO AND THEIR NETWORK ENTITIES
Fees for audit and related services	5.62	0.43
Other Fees	2.60	0.56
Total	8.22	0.99

Unclaimed Shares

Regulation 39 of the Listing Regulations 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. This Regulation requires a Company to send three reminders in this regard before the transfer. During FY2019, nine shareholders claimed 7,276 shares, which were transferred to their respective demat account.

Details of unclaimed shares at the beginning of the year and at the end of the year and requests processed during the year are given in *Table 8*.

Transfer of unclaimed dividends to the investor education and protection fund (IEPF)

During the FY 2019, 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 dividend(s) which have remained unclaimed / unpaid for a period of seven consecutive years have been transferred to the IEPF. Details of the due dates for transfer of dividends pertaining to the financial years 2012–13 to 2014–15 which, if remain, unclaimed / unpaid for a period of seven consecutive years are given below.

DATE OF DECLARATION OF DIVIDEND	DUE DATE FOR TRANSFER TO IEPF
1 November 2012	30 November 2019
6 August 2013	5 September 2020
8 November 2013	7 December 2020
29 January 2014	28 February 2021
5 August 2014	4 September 2021
1 October 2014	15 November 2021
3 February 2015	2 March 2022

Non-mandatory Requirements

The Company had implemented the following non-mandatory requirements recommended under Regulation 27 of the Listing Regulations:

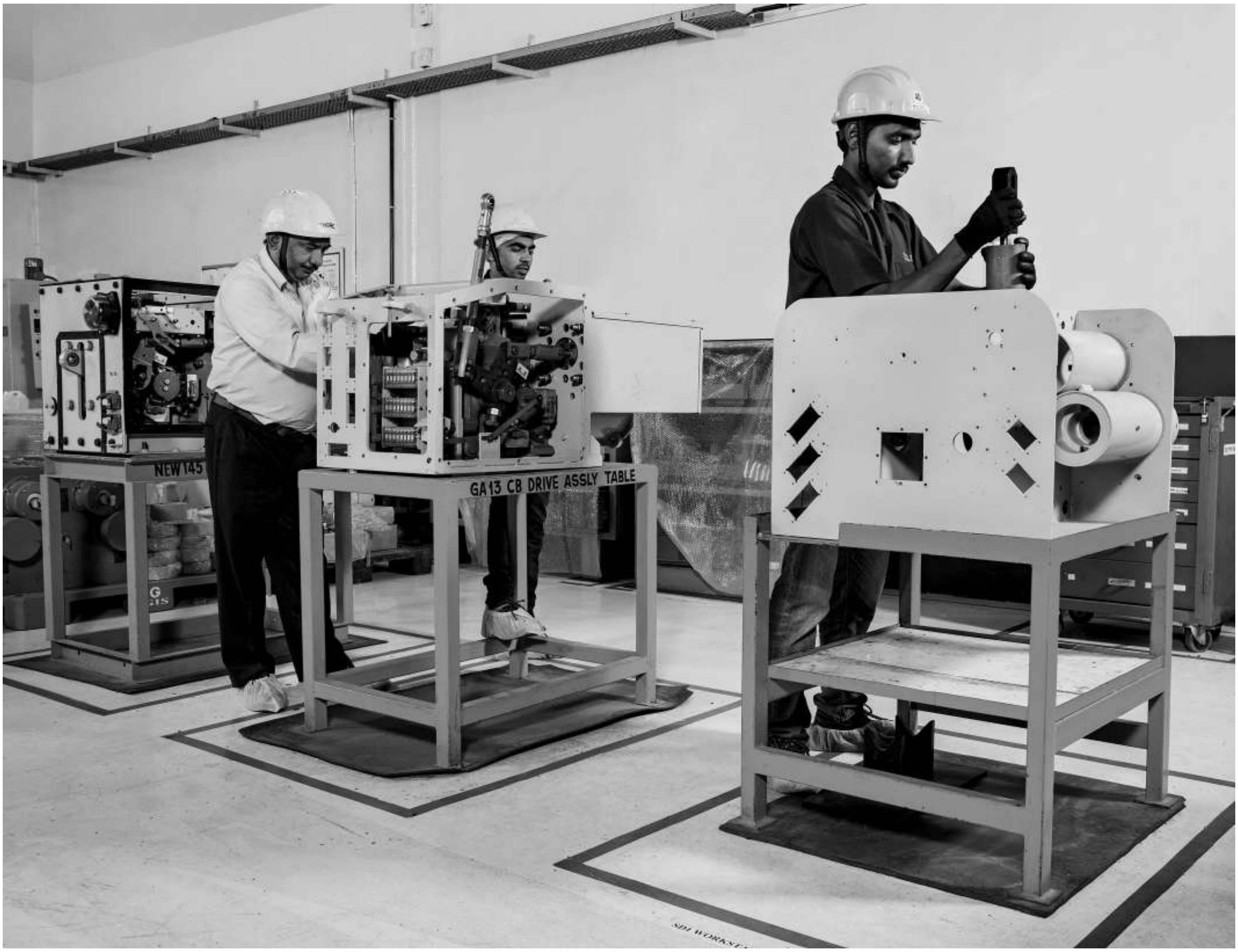
a) Office with requisite facilities were provided and maintained at the Company's expense for use by Mr Gautam Thapar, the erstwhile Chairman of the Company. The Company also reimbursed all expenses incurred by him in furthering the Company's business interests.

b) The offices of the Chairman and Chief Executive Officer were separately held by two different individuals who were not related to each other.

c) The Internal Auditor of the Company functionally reports to the Risk and Audit Committee of the Board.

Having said so, in (a) above, your Board of Directors, through a circular resolution dated 29 August 2019, passed by majority consent, resolved to remove Mr Gautam Thapar as the Chairman of the Board with immediate effect. This decision has been taken in the interests of your Company and its stakeholders in discharge of the fiduciary responsibilities of your Board. Further Mr Thapar ceased to be a director on the Board of Directors of the Company with effect from 9 October 2019.

At a Board meeting held on 25 September 2019, the Board, unanimously, appointed Mr Ashish Kumar Guha as the Chairman of the Board of Directors.



Additional Information

MANAGEMENT DISCUSSION AND ANALYSIS

The Report on Management Discussion and Analysis is given as a separate chapter in the Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for FY2019 under Regulation 34 of the Listing Regulations is available on website of the Company at *http://www.cgglobal.com/frontend/finalnonproduct.aspx?cnl2=Nu/tTrrPlMI=*

ACCOUNTING POLICIES

The Company has adopted accounting treatments which are in conformance with those prescribed by the applicable Accounting Standards.

Given the nature and financial magnitude of the observations that are listed in the Auditors Report forming part of this Annual Report, neither your Board nor the statutory auditors can presently claim that the standalone and consolidated financial statements for the financial year ended 31 March 2019, represent a true and fair view of the financial position of your Company

We urge upon the Members to carefully read the Auditors' Reports, including the "Basis for Disclaimer of Opinion", as well as the Notes to Accounts of both the standalone and consolidated financial results of your Company for the financial year ended 31 March 2019.

IT ACTIVITIES

As permitted under the Act, CG maintains its books of accounts in electronic form. As of date your Company hosts and manages all business applications and data in its own Tier 3 data centre located at Mumbai, and does not utilise any cloud or third party hosted environments for this service.

Going forward, the Company has decided to migrate its business applications at third party hosted private cloud environment.

INSIDER TRADING

Your Company has comprehensive guidelines in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and, in this regard, advises and cautions Directors, Management, employees and their connected persons on the procedures to be followed, while dealing with the securities of the Company. The Code on Insider Trading framed by the Company helps in ensuring compliance with these requirements.

QUIET PERIOD POLICY

CG follows a Quiet Period Policy during which the Company does not engage in any discussions, communications or other interaction with analysts, investors or media. This 'Quiet Period' commences on 1st day of the following month from the end of each quarter and continues up to the conclusion of the Board Meeting at which the financial results for each quarter are announced to the Stock Exchanges on which the Company's shares are listed. However, during the Quiet Period, the Company continues to address investor related issues and communications with the Stock Exchanges and other Regulatory Authorities as required by law.

CERTIFICATE FROM COMAPNY SECRETARY IN PRACTICE

Certificate from M/s Parikh & Associates, Practising 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 Listing Regulations, is attached to this Report.

However, kindly note that pursuant to SEBI Order dated 17 September 2019 Mr Gautam Thapar is restrained from being associated with any listed entity or its material subsidiary.

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 Listing Regulations, which forms part of this Report.

On behalf of the Board of Directors
Ashish Kumar Guha
CHAIRMAN
(DIN: 00004364)
Mumbai, 10 November 2019

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 2019.

Mr Sudhir Mathur
WHOLE TIME EXECUTIVE DIRECTOR
(DIN: 01705609)
Mumbai, 10 November 2019

Certificate Regarding Compliance of Conditions of Corporate Governance

To,
The Members,
CG Power and Industrial Solutions Limited
CIN: L99999MH1937PLC002641
6th Floor, CG House,
Dr Annie Besant Road, Worli,
Mumbai 400 030

We have examined the compliance of the conditions of Corporate Governance by CG Power and Industrial Solutions Limited for the financial year ended 31 March 2019, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D, and 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 and our examination was limited to the procedure and implementation thereof as adopted by the Company. 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 subject to the disclosures made by the management in the Corporate Governance Report and to the stock exchanges, the findings in the phase I investigation report dated 5 August 2019 conducted by independent law firm and the potential findings of the ongoing forensic investigation/audit, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') for the year ended 31 March 2019.

We further state that such compliance 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
Practising Company Secretaries

P N Parikh
PARTNER
FCS: 327 CP No.: 1228
Mumbai, 10 November 2019

Certificate from Company Secretary in Practice

To,
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 me/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, 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 2019 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.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY *
1	Mr Omkar Goswami	00004258	27/01/2004
2	Mr Ashish Kumar Guha	00004364	09/11/2017
3	Mr GautamThapar	00012289	07/08/2005
4	Ms Ramni Nirula	00015330	06/04/2016
5	Mr Jitender Balakrishnan	00028320	02/05/2017
6	Mr Narayan Keelveedhi Seshadri	00053563	08/03/2019
7	Mr Valentin Albrecht Herwart	00239314	25/01/2006
8	Mr Sudhir Mathur	01705609	01/10/2018
9	Mr Neelkant Kollengode Narayanan	05122610	03/02/2016

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

Ensuring the eligibility of 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
Practising Company Secretaries

Jigyasa N Ved
FCS: 6488 CP: 6018
Mumbai, 29 May 2019

financials

06

standalone financials

Report on the Audit of Standalone Financial Statements

Opinion

We were engaged to audit the accompanying standalone financial statements of the CG Power and Industrial Solutions Limited which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

We do not express an opinion on the accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

As given in Note 2.1 of the Standalone Financial Statement in relation to the Basis of Preparation, the Board of Directors of the Company have stated that the financial statements of earlier years ended March 31, 2018 and Opening Balance Sheet as at April 1, 2017 (hereinafter referred to as prior years) have been adjusted for various transactions following an independent investigation carried out on the directions of the Board of Directors. The Board of Directors have communicated to us that pending outcome of the investigation, the financial statements of prior years and consequentially for the year ended March 31, 2019 could be revised / restated.

In view of the proposed voluntary revision / restatement of the financial statements of prior years, which may result in revision / restatement of financial statements for the year ended March 31, 2019 and also considering the significance of certain transactions / specific matters described herein below, we are unable to determine the consequential impact of the proposed revisions / restatements and the impact of certain transactions / specific matters on the Standalone Financial Statements as at March 31, 2019. Such specific matters / transactions include:

1. We draw your attention to the transactions identified in Note 3A (a) and Note 3A (b) of the Standalone Financial Statements which were not recorded by the Company for the financial year ended March 31, 2017 and with consequent effect on the balances of March 31, 2018.

   The Board of Directors have initiated independent investigation in respect of these unauthorized transactions in the nature of loans. As explained to us such transactions were misrepresented and were not approved by the Board of Directors of the Company.

   Pending outcome of such investigation, we were unable to obtain sufficient and appropriate audit evidence to verify basis and rationale of such unauthorized transactions. Further, these Standalone Financial Statements for the year ended March 31, 2019 along with the reinstated financial statements for the years ended March 31, 2018 and April 1, 2017 were recently provided to us for audit and hence we were unable to obtain independent balance confirmations and we were not provided with reconciliation of balances in respect of such unauthorized transactions/loans. Accordingly, we are unable to comment on the completeness, and appropriateness, of the prior year balances in relation to these unauthorized transactions and the consequential impact of such reinstatement on the Statement of Profit and Loss and related disclosures in the notes to the Standalone Financial Statements.

2. We draw your attention to Note 3A of the Standalone Financial Statements which describes the nature of certain transactions entered into by the Company with the related and unrelated parties and Note 3A (q) of the Standalone Financial Statements which states that the Company has various amounts of loans receivables and advances recoverable including interest accrued on such balances from related and unrelated companies as reinstated on March 31, 2019 aggregating to INR 2,439.94 crores, for which further interest income aggregating to INR 337.61 crores is currently not recorded in the Standalone Financial Statements.

   The management is in the process of investigating and confirming various related party transactions and has not concluded its investigation and determination of related party balances. On the outcome of the investigation and confirmation and reconciliation process of such transactions, these balances may be restated by the Company.

   Pending outcome of the investigation and inability of the management to provide the underlying contractual agreements, business rationale, and requisite approvals by the Board of Directors to extend such balances to the related and unrelated companies, we were unable to obtain sufficient and appropriate audit evidence regarding the accuracy and completeness of the balances, existence and recoverability of the outstanding balances. Further we are unable to determine the consequential impact on the Company's Statement of Profit and Loss and Net-worth arising from such related and unrelated companies' transactions, balances and the completeness of disclosures in the notes to the Standalone Financial Statements of the Company.

3. We draw your attention to Note 3A (k) and Note 3A (n) of the Standalone Financial Statements wherein the Company has written back certain amounts which were written off in year ended March 31, 2018 towards inventories/trade advances/unbilled dues from customers/loans given to subsidiaries aggregating to INR 634.40 crores.

   During the current year, on the basis of Independent investigation carried out by the Board of Directors of the Company, it has come to light that facts were misrepresented to us in relation to these balances during our audit for financial year ended March 31, 2018.

   a. The total inventory valued at INR 257.69 crores as on March 31, 2017 were in reality advances to related and unrelated parties, which were misrepresented as inventory lying with third parties in the previous year. Out of this total inventory, inventory costing INR 102.02 crores was sold for INR 120 crores to specific customers during the year ended March 31, 2018. These debtors were written off during quarter ended December 31, 2018.

   b. The remaining balance of INR 478.73 crores written off during financial year ended March 31, 2018 was on account of long outstanding trade advances. Subsequently, in the current year, we have been informed by the management that these were misrepresented in the previous year and that these amounts were actually advances to related and unrelated parties.

   As informed by the management, these balances written off in the previous year, were also misrepresented to the Board of Directors and wrongly stated in the financial statements under various heads of financial statements instead of Group Company receivables for the financial year ended March 31, 2017. Further, such advances extended and recoverable from related and unrelated companies were not approved by the Board of Directors. The Company has initiated independent investigation to assess the underlying basis and nature of such transactions and we are informed that such investigation is in process.

Pending outcome of investigation, and in the absence of sufficient and appropriate audit evidence about the appropriateness of reinstatement of such transactions and the recoverability of such balances, we are unable to comment on the appropriateness and completeness of the opening balances and related disclosures in the Standalone Financial Statements.

4. We draw your attention to Note 3A (m) of the Standalone Financial Statements which describes certain financing transactions entered into by the related parties of the Company with the bank ('lender bank') wherein certain identified senior personnel of the management, had provided post-dated cheques and a comfort letter in relation to certain borrowings availed by the related parties in the prior years.

   Following a default in terms of such borrowings availed by the related party, the lender bank attempted to encash the PDCs of INR 210 crores which were dishonoured by the Company's bank upon presentation. The lender bank has issued a notice to the Company to accept the liabilities in relation to such borrowings and have claimed the repayment of the outstanding amount INR 391.88 crores as at March 31, 2019.

   As explained by the Board of Directors of the Company, issuance of such PDCs, comfort letters and entering into put option were not informed and were done in violation of Rules of Procedure (RoP) established by the Board of Directors of the Company. These transactions do not appear to be in normal course of business and are subjected to further investigation to ascertain the legality of these claims on the Company. Pending such investigation, the said claim is disclosed as a contingent liability by the Company.

   Pending outcome of the investigation, we are unable to obtain sufficient and appropriate audit evidence to verify the basis, rationale and completeness of such transactions and the subsequent disclosure by the Company of such liability.

5. We draw your attention to Note 3A [(c) i] of the Standalone Financial Statements, wherein the Company states that it has not charged and accrued contractual royalty expense payable to the promoter company for six months ending March 31, 2019. Further management has put the royalty agreement in abeyance pending determination of legal obligation of royalty agreement and the conclusion of settlement with the promoter company.

   Pending management evaluation, we are unable to comment upon the completeness of royalty expense in the Statement of Profit and Loss and consequential impact on the related party balances as at March 31, 2019. Further we are unable to comment on appropriateness of management's action to hold the agreement in abeyance and the proposed settlement with the promoter company, pending legal assessment by the management.

6. We draw your attention to Note 3A (g) and Note 3A (j) of the Standalone Financial Statements, wherein the Company has stated that it had inappropriately continued to classify advances to a related party as current advance as on March 31, 2018.

   As we are unable to obtain sufficient and appropriate audit evidence in relation to these reclassifications, we are unable to verify the appropriateness of this reclassification and restatement of previous year balance by the management.

7. We draw your attention to Note 48 of the Standalone Financial Statements, the Company has performed impairment testing in relation to its investment and advances given to its subsidiaries. The Company has accounted for the impairment allowances of INR 1,325 crores during the current year.

   The management is in the process of investigating various related party transactions and has not concluded its investigation and determination of related party balances. Pending the outcome of the investigation, the management has not determined the impact of impairment in the respective prior years.

   Pending completion of investigation by the Company in relation to above stated related party transactions and advances to be recovered from group companies, we are unable to comment on the completeness and appropriateness of impairment charge in the Standalone Financial Statements for the year ended March 31, 2019 and possible impact on the opening balances as at April 1, 2018, if any.

8. Balances with respect to borrowings, trade receivables, loans & advances, tax balances, group companies and connected parties are subject to confirmations. Further we have not received sufficient appropriate audit evidence or explanations from the management in relation to the reconciliations and balance confirmation process, followed by the management. Hence we are unable to comment on the completeness and valuation of these balances in respect of the year ended March 31, 2019 and restated March 31, 2018.

9. As stated in Note 3A (a) and Note 3A (b) of the Standalone Financial Statements, the Company has entered into various transactions with companies (termed as 'Connected parties') wherein certain employees of the Company owned beneficial ownerships and some senior management personnel of the Company are directors of these connected parties. The Company has not completed its assessment to determine the nature of its relationship with these connected parties and consequently has not identified these parties as related parties.

   Pending outcome of management's assessment, we are unable to obtain sufficient and appropriate audit evidence with respect to completeness of the list of related parties and the completeness of disclosure of related party transactions for the prior years and current year in the Standalone Financial Statements.

10. Further, pending outcome of independent investigation and the management's assessments thereof, we are unable to comment on the appropriateness and completeness of the reinstated financial statements for the financial years ended March 31, 2018 and April 1, 2017.

11. We draw your attention to Note 3A (p) of the Standalone Financial Statements, the Company is undertaking a detailed investigation in relation to the matters of possible non compliances with respect to provisions of Section 185 and Section 186 and certain other applicable sections of the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Income tax 1961, and other statutes and regulations applicable to the Company. The Company is in the process of evaluating the implications of the potential non-compliances.

    Pending outcome of the investigation, we are unable to determine the potential impact of non-compliances and to comment on any further adjustment that would be required as a result of the investigation on these Standalone Financial Statements and disclosures thereon.

12. We draw your attention to Note 59 of the Standalone Financial Statements which, indicate that (a) the Company has incurred a net loss during the current and previous years; (b) the Company's current liabilities exceeded its current assets as at the Balance Sheet date; (c) the Company has short term outstanding borrowings repayable over next 12 month aggregating to INR 1400 crores approximately; and (d) pending outcome of investigation initiated, the management has not concluded on the recoverability of loans and advances from related and unrelated parties.

With reference to above, pending completion of investigation of matter stated in (1) to (12) above and determination of recoverability of loans and advances from related and unrelated parties, we are unable to obtain sufficient and appropriate audit evidence as to whether the Company will be able to service its debt, realize its asset and discharge its liabilities as and when they become due over the period of next 12 months. Accordingly, we are unable to comment on whether the Company will be able to continue as Going Concern over the period of next 12 months.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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 statement 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.

However, the Board of Directors taking into consideration the matters stated in Note 3A & Note 60 of the Standalone Financial Statements, intends to revise these Standalone Financial Statements after making necessary adjustments to give a true and fair view of Standalone Financial Statements 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.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our responsibility is to conduct an audit of the Company's Standalone Financial Statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Standalone Financial Statements.

We are independent of the Company in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Company.

Other Matter

1. We have been appointed as Joint Auditors of the Company along with M/s S R B C & Co. LLP Chartered Accountants (Joint Statutory Auditor). We are issuing separate audit report in accordance with the requirement of SA 299 "Responsibility of Joint Auditors" in view of the difference in the Basis for Disclaimer of Opinion provided by the Joint Statutory Auditor regarding matter reported in paragraph (3) under the Basis for Disclaimer of Opinion. Our audit report issued on these Standalone Financial Statements is separate and independent from the opinion issued by the Joint Statutory Auditor and we did not share any joint responsibilities in relation to the statutory audit of the Company, the year ended March 31, 2019.
2. The comparative Standalone Financial Statements for the year ended March 31, 2018 have been restated. These restated financial statements represents management's estimates and its assessment of the investigation outcome so far. Considering that the investigation process is yet to be concluded, and considering the matters as stated above in Basis of Disclaimer of Opinion section of our report, we are unable to comment on the appropriateness and completeness of the restatements and reinstatements to comparative figures of year ended on March 31, 2018 in the accompanying financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

a) Due to the possible effects of the matters stated in the Basis for Disclaimer of Opinion paragraph, we are unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the audit;

b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;

c) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether 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) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether such matter have any adverse effect on the functioning of the Company;

f) On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' to this report;

h) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the managerial remuneration for the year ended March 31, 2019 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 and

i) 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 knowledge and belief and according to explanations given to us:

   i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 39 to the Standalone Financial Statements;

   ii. Pending the year-end balance confirmation process, as stated in point 8 of Basis for Disclaimer of Opinion section of this report, we are unable to comment on whether the Company have any long-term contracts including derivative contracts as at March 31, 2019; Further due to the possible effects of the matters described in the Basis for Disclaimer of Opinion we are unable to state whether adequate provisions have been made for material foreseeable losses in respect of long term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

For K.K. Mankeshwar & Co.,
Chartered Accountants
ICAI Firm registration number: 106009W

Ashwin Mankeshwar
Partner
Membership No. 046219

Place: Mumbai
Date: August 30, 2019

UDIN: 19046219AAAAGG3078

ANNEXURE 'A' REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (REFERRED TO IN "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" PARAGRAPH OF OUR REPORT OF EVEN DATE)

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except for certain assets where quantitative details were not maintained.

b) Fixed assets have been physically verified by the management during the year and material discrepancies were identified on such verification. These have been properly dealt with in the books of accounts.

c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment were not available with the Company and hence we are unable to comment on the same.

ii. The inventory has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2019 and no material discrepancies were noticed in respect of such confirmations.

iii. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.

v. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

vi. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has maintained the specified accounts and records pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013.

vii. a) Undisputed statutory dues including provident fund, employee' state insurance and goods and service tax have generally been regularly deposited with the appropriate authorities though there has been slight delay in a few cases. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, duty of custom, cess and other statutory dues applicable to it.

b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether any undisputed amounts payable in respect of income-tax, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.

c) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether any dues of income-tax, duty of custom, cess and other statutory dues which have not been deposited on account of any dispute.

viii. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank.

ix. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has raised any money by way of term loans and whether the moneys so raised from the term loan has been utilized for the purposes for which it was obtained.

x. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report and the significance of amounts involved, it appears that material fraud has been perpetrated, however pending further investigation we are not able to quantify the amounts involved.

xi. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirement under clause 3(xiv) are not applicable to the Company and, not commented upon.

xv. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For K.K. Mankeshwar & Co.,
Chartered Accountants
ICAI Firm registration number: 106009W

Ashwin Mankeshwar
Partner
Membership No. 046219

Place: Mumbai
Date: August 30, 2019

UDIN: 19046219AAAAGG3078

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of CG Power and Industrial Solutions Limited ("the Company") as of March 31, 2019, 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 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 Act. However due to nature of transactions described in Note 3A of the Standalone Financial Statements and with reference to Note 2.1 relating to the Basis of Preparation of Standalone Financial Statements, management recognizes that internal financial controls were not operating effectively and requires to be strengthened.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over financial reporting with reference to these Standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting 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.

Because of the matters prescribed in the Basis for Disclaimer of Opinion in the main audit report we were not able to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls over financial reporting with reference to these Standalone financial statements and whether such internal financial controls were operating effectively.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

A company's internal financial control over financial reporting with reference to these 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 control over financial reporting with reference to these 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 Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these Standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements as at March 31, 2019 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements.

For K.K. Mankeshwar & Co.,
Chartered Accountants
ICAI Firm registration number: 106009W

Ashwin Mankeshwar
Partner
Membership No. 046219

Place: Mumbai
Date: August 30, 2019

UDIN: 19046219AAAAGG3078

Report on the Audit of the Standalone Ind AS Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying standalone Ind AS financial statements of CG Power and Industrial Solutions Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2019, the Standalone Statement of Profit and Loss, including the Standalone Statement of Other Comprehensive Income, the Standalone Cash Flow Statement, the Standalone Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements').

We do not express an opinion on the accompanying Standalone Financial Statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Standalone Financial Statements.

Basis for Disclaimer of Opinion

As given in Note 2.1 of the Standalone Financial Statements the Board of Directors of the Company have stated that these financial statements would undergo a change consequent to the proposed revision of the financial statements of the Company for the year ended March 31, 2018 and prior ('prior years'), as per the provisions of Section 131 of the Companies Act, 2013 and Rules prescribed thereunder, based on their investigation of certain transactions relating to unrecorded liabilities and accounting of certain transactions in the periods prior to April 1, 2018, which are explained in detail below.

In view of the proposed voluntarily revision of the financial statements of prior years, which may result in revision of Standalone Financial Statements and also considering the significance of certain transactions / specific matters described herein below, we are unable to determine the consequential impact of the proposed revision and the impact of certain specific transactions / matters on the Standalone Financial Statements. Such specific transactions / matters include:

1. We draw your attention to notes 3A(a), 3A(b) and 3A(f) of the Standalone Financial Statements which describes the reinstatements of certain liabilities by the Company in relation to prior years. Certain unauthorized / unapproved banking transactions in the nature of loans (unauthorized transactions/ loans) taken from banks / financial institutions (lenders)/ a connected party (as termed in paragraph 9 below) aggregating to ₹ 635 crores were not disclosed in the Standalone Financial Statements of prior years by off-setting against certain related and unrelated party balances. Further, as explained by the management in note 3A(b), interest expenses of ₹ 90.93 crores which were serviced by the Company in relation to these unauthorized loans were accounted under different heads in the Standalone Statement of Profit and Loss and were mispresented in the financial statements.

   The Board of Directors have initiated independent investigation in respect of theses unauthorized transactions in the nature of loans. As explained to us such transactions were misrepresented and were not approved by the Board of Directors of the Company.

   The Company has now recorded these loans in earlier years and restated those interest expenses as finance expense with the consequential impact to different heads in the Standalone Statement of Profit and Loss for the year ended March 31, 2018.

   Pending outcome of such investigation, we were unable to obtain sufficient and appropriate audit evidence to verify basis and rational of such unauthorized transactions. We were also not provided with reconciliation of balances in respect of such unauthorized transactions / loans. Accordingly, we are unable to comment on the completeness, classification between current and non-current and appropriateness, of the prior year balances in relation to these unauthorized transactions and the consequential impact of such reinstatement on the Standalone Statement of Profit and Loss and related disclosures in the notes to the Standalone Financial Statements.

2. We draw your attention to notes 3A(a), 3A(b) and 3A(f) of the Standalone Financial Statements, which describes the nature of certain transactions entered into by the Company with the related and unrelated parties aggregating to ₹ 635 crores and which were not disclosed in the financial statements of prior years, by off-setting such transactions against certain undisclosed borrowings and have now been recorded and reinstated in the respective prior years.

   As explained in note 3A(q) of the Standalone Financial Statements, the Company also has loans including interest receivables and advances recoverable from related and unrelated parties, as reinstated on March 31, 2019, aggregating to ₹ 2439.94 crores for which further interest income aggregating to ₹ 337.61 crores is currently not recorded as at March 31, 2019.

   As informed by the management of the Company, the Company is in the process to further investigate the commercial substance, nature and business rationale of said transactions. Further the Company is in the process to obtain the balance confirmations and complete reconciliation procedures with these related and unrelated parties as at March 31, 2019 and in respect of prior years. Accordingly, these balances may be restated by the Company upon completion of such investigation, reconciliation and confirmation process.

   In the absence of underlying contractual agreements, business rationale, confirmation of balances, reconciliation with these related and unrelated parties and requisite approvals by the Board of Directors of the Company we were unable to obtain sufficient and appropriate audit evidence regarding the completeness of the said transactions, existence, classification between current and non-current balances and recoverability of outstanding amounts. Further we were unable to determine the consequential impact of such transactions, if any, on the Company's Standalone Statement of Profit and Loss for the year ended and Equity as at March 31, 2019 and the completeness of disclosures in the notes to the Standalone Financial Statements of the Company.

3. We draw your attention to note 3A(e) of the Standalone Financial Statements which describes that bank balances were overstated and advances receivable from related parties were understated by ₹ 400 crores and ₹ 300 crores as at March 31, 2018 and April 1, 2017, respectively, which have now been restated by the Company.

   Pending outcome of investigation, we are unable to obtain sufficient and appropriate audit evidence whether all such balances which have been offset, have been restated and further we were not provided explanation about the underlying rationale to off-set these balances. Consequently, we are unable to comment on the appropriateness and completeness of opening balances as at April 1, 2018, the closing balances as at March 31, 2019 and related disclosures in the Standalone Financial Statements.

4. We draw your attention to notes 3A(k) and 3A(n) of the Standalone Financial Statements which describes that the Company has written back in the Standalone Statement of Profit and Loss certain amounts which were previously expensed off. These amounts were presented as amounts charged off in relation to inventories/ trade advances / unbilled dues from customers/ loans given to related, unrelated parties and connected parties aggregating to ₹ 634.40 crores.

As informed by management, these amounts written off in the prior years were misrepresented to the Board of Directors and were wrongly grouped in the financial statements of prior years under various heads, instead of related and unrelated party balances being written off. The amounts written off were extended to and are considered recoverable from related and unrelated parties. The Board of Directors of the Company has initiated independent investigation to assess the underlying basis, nature and amounts of such transactions.

Pending outcome of such investigation, we are unable to obtain sufficient and appropriate audit evidence about the underlying commercial purpose for such transactions relative to the size and scale of the business activities of the Company and the recoverability of such balances. Further we are unable to comment on the appropriateness and completeness of opening balances as at April 1, 2018, consequential impact on the Standalone Statement of Profit and Loss for the year ended March 31, 2019 and disclosures in the Standalone Financial Statements.

5. We draw your attention to note 3A(m) of the Standalone Financial Statements which describes that Certain Identified Senior Personnel of the management had provided post-dated cheques (PDCs) and comfort letters to bank in relation to certain borrowings availed by the related parties in the prior years.

   Following a default in the contractual and repayment terms of such borrowings availed by the related parties, one of the bank's attempted to encash the PDCs of ₹ 210 crores which were dishonored upon presentation by another bank of the Company. The bank has issued a notice to the Company to accept the liabilities and have claimed repayment on those liabilities. The total outstanding amount of such borrowings as on March 31, 2019 is ₹ 392 crores.

   As explained by the Board of Directors of the Company, issuance of such PDCs and comfort letter were not informed and were done in violation of Rules of Procedure (RoP) established by the Board of Directors of the Company. These transactions are subject to further investigation to ascertain the legality of these claims on the Company. Pending such investigation, the said claim is disclosed as contingent liability by the Company and not accounted in the books of accounts of the Company.

   Pending outcome of the investigation, we were unable to obtain sufficient and appropriate audit evidence to verify the basis, rational and completeness of disclosing of such transactions/ balances as contingent liabilities in the Standalone Financial Statements.

6. We draw your attention to Note 3A(k) of the Standalone Financial Statements which describes that during our audit, we identified certain trade receivables balances amounting to ₹ 120 crores against which provision for doubtful trade receivable of ₹ 108 crores was made in the current year and ₹ 12 crores was made in the prior years. The underlying sale transactions and recording of provisions were found to be suspicious in nature and not in the normal course of business of the Company.

   Based on the interim response received from the Board of Directors of the Company, we filed our preliminary response to the Central Government reporting the suspected fraudulent transactions and balances.

   We were unable to satisfy ourselves as regards the commercial nature of the underlying transactions. On further independent investigation by the Board of Directors, we are informed, that these transactions appear to be fraudulently accounted as trade receivables instead of being accounted as advances to related parties. The Board of Directors have reinstated opening balances in prior years.

   We are further informed by the Board of Directors that detailed investigation is in process to assess the underlying basis and rationale of such transactions. However, considering the significance of amounts and that these transactions were approved by certain Key Managerial Persons, company personnel and certain non-executive directors it appears that material fraud has been perpetrated. However, pending further investigation, identification and conclusion on the culpability of the personnel we are unable to comment on who were involved in the fraud and the amounts which could be involved.

7. As explained in Note 48 of the Standalone Financial Statements, the Company has performed impairment testing in relation to its investments and advances in its subsidiaries and has accounted for impairment allowances of ₹ 1325 crores during the year ended March 31, 2019.

   The management has initiated investigation into various related party transactions and is currently not concluded its assessment of amounts owed to / receivable from related parties. In the absence of the such assessment, the management has not determined the impact of impairment in the respective prior years.

   Pending completion of investigation by the Company, we are unable to comment on the completeness and appropriateness of impairment charge in the Standalone Statement of Profit and Loss and related disclosures in the Standalone Financial Statements for the year ended March 31, 2019 and possible impact on prior years.

8. We draw attention to Note 3A(c(i)) of the Standalone Financial Statements which states that management has not accounted contractual royalty expense amounting to ₹ 27.88 crores for the six months period ended March 31, 2019. Further, management has put the royalty agreement in abeyance pending conclusion on the royalty settlement and determination of legality of royalty contract.

   Pending management evaluation, we are unable to obtain sufficient and appropriate audit evidence and hence unable to comment upon completeness of royalty expense in the Standalone Statement of Profit and Loss and consequential impact on the related party balances as at March 31, 2019. Further, we are unable to comment upon the enforceability of Royalty Agreement along with proposed settlement, pending legal assessment by the management.

9. As explained in Notes 3A(a), 3A(b), 3A(i), 3A(n) and 3A(q) of the Standalone Financial Statements, the Company has entered into various transactions with certain identified group companies (termed as connected parties) wherein some of the Company's employees own beneficial ownership in such connected parties and further certain senior management personnel of the Company are directors of these connected parties. The Company has not identified these connected parties as related parties and has not yet completed its assessment to determine the nature of its relationship with these connected parties.

   Pending completion of management's assessment, we were unable to obtain sufficient and appropriate evidence with respect of completeness of the list of related parties and the completeness of disclosure of related party transactions in these Standalone Financial Statements.

10. As at year end, we have sent independent balance confirmation to banks / financial institutions for borrowings, bank balances and certain trade receivables selected on sample basis. We have not received responses to our request for such balance confirmations towards borrowings of ₹ 263.09 crores, bank balances of ₹ 3.13 crores and trade receivables of ₹ 1035.43 crores and confirmation from banks / financial institutions in respect of the details of securities, lien, collaterals, guarantees etc.

In the absence of sufficient and appropriate evidence in relation to the unconfirmed balances and in view of proposed restatement of prior years, we are unable to determine whether any adjustments are required to the said balances as on March 31, 2019 and related disclosures in these Standalone Financial Statements.

11. As stated in note 3A(p) to the Standalone Financial Statements, the Board of Directors have instructed the management to undertake a detailed investigation in relation to the matters of possible non-compliance with respect to the Section 129, 134, 166, 180, 185, 186, 188, 197 and other related provision of the Companies Act 2013, the Income Tax 1961, the Foreign Exchange Management Act 1999, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and other regulations, as applicable to the Company (Applicable Laws). The Board of Directors of the Company has also instructed the management to engage external consultants and specialists as required for the investigation.

    Pending outcome of the investigation, we are unable to determine the potential impact of non-compliances with Applicable Laws and determine any further adjustments that may be necessary to these Standalone Financial Statements.

12. We draw attention to note 59 in the Standalone Financial Statements which indicate that (a) the Company has incurred net losses during the current and previous years; (b) the Company's current liabilities exceeded its current assets as at the balance sheet date; (c) the Company has the short term outstanding borrowings repayable over next 12 months aggregates to ₹ 1411.55 crores; and (d) pending outcome of investigation initiated, the management has not concluded on the recoverability of loans and advances from related and unrelated parties.

    With reference to above, pending completion of investigation of matter stated in paragraphs 1 to 11 above and determination of recoverability of loans and advances from related and unrelated parties and classification between current and non-current balances of the financial liabilities, we are unable to obtain sufficient and appropriate audit evidence as to whether the Company will be able to service its debts, realize its assets and discharge its liabilities as and when they become due over the period of next 12 months. Accordingly, we are unable to comment on whether the Company will be able to continue as Going Concern.

Responsibilities of Management and Those Charged with Governance 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 charged with governance are also responsible for overseeing the Company's financial reporting process.

However, the Board of Directors taking into consideration the matters stated under the heading Basis of Disclaimer of Opinion, intends to revise these Standalone Financial Statements after making necessary adjustments to give a true and fair view of Standalone Financial Statements 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.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our responsibility is to conduct an audit of the Company's Standalone Financial Statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Standalone Financial Statements.

We are independent of the Company in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Company.

Other Matter

(i) The Standalone Financial Statements of the Company for the year ended March 31, 2018, included in these Standalone Financial statements as comparative financial information, had been solely audited by the joint statutory auditor who expressed an unmodified opinion on those statements, on May 30, 2018. Also refer our Basis for Disclaimer of Opinion paragraph 1 to 12 above with respect to effect of ongoing investigation on opening balances and re-opening of books of accounts by the management of the Company in respect of prior years.

(ii) We have been appointed as Joint Auditors of the Company along with M/s K K Mankeshwar & Co., Chartered Accountants (Joint Statutory Auditor). We are issuing separate audit report in accordance with the requirement of SA 299 "Responsibility of Joint Auditors" in view of the difference in the Basis for Disclaimer of Opinion against the Basis for Disclaimer of Opinion provided by the Joint Statutory Auditor. Further our audit report issued on these Standalone Financial Statements is separate and independent from the opinion issued by the Joint Statutory Auditor and we did not share any joint responsibilities in relation to the audit of the Standalone Financial Statements of the Company.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the audit;

(b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether 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) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether 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) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether 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) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether such matters have any adverse effect on the functioning of the Company;

(f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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;

(h) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the managerial remuneration for the year ended March 31, 2019 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;

(i) 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. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements;

    ii. Pending the year-end balance confirmation process, as stated in paragraph 10 of this report, we are unable to comment on whether the Company have any long-term contracts including derivative contracts as at March 31, 2019; Further due to the possible effect of matter described in Basis for Disclaimer of Opinion we are unable to state whether adequate provisions have been made for material foreseeable losses in respect of long term contracts including derivative contracts.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Shyamsundar Pachisia
Partner
Membership Number: 49237
UDIN:19049237AAAAAX9510

Place of Signature: Mumbai
Date: August 30, 2019

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except for certain items of plant and machinery situated at 3 units of the Company where quantitative details were not maintained.

b) All fixed assets have not been physically verified by the management during the year but there is a regular 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 noticed on such verification.

c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment were not available with the Company and hence we are unable to comment on the same.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2019 and no material discrepancies were noticed in respect of such confirmations.

(iii) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has complied with the provisions of section 185 and 186 of the Companies Act 2013.

(v) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

(vi) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has maintained the specified accounts and records pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013.

(vii) a) Undisputed statutory dues including provident fund, employees' state insurance and goods and service tax have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, duty of custom, cess and other statutory dues applicable to it.

b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether any undisputed amounts payable in respect of income-tax, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether any dues of income tax, duty of customs and cess which have not been deposited on account of any dispute.

(viii) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has raised any money by way of term loans and whether the moneys raised from the term loan has been utilized for the purposes for which it was obtained.

(x) With respect to our reporting on whether any fraud on or by the Company has been noticed or reported during the year, we refer to notes 3A of the financial statements which states that the Company has, based on investigation performed for certain transactions entered into by or on behalf of the Company, noted that there are several unrecorded loans and transactions accounted incorrectly in the prior years which were approved by certain Key Managerial Persons, Company Personnel and certain non-executive directors. Based on the investigations completed till date and information and explanations provided by management, it appears that a material fraud was perpetrated on the Company by the officers and employees of the Company. The Company's detailed investigations are still in progress with respect to such transactions and the Company is yet to identify and conclude on the culpability of the personnel who were involved in the fraud and the amounts which could be involved.

(xi) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in main report, we are unable to comment whether the Company has entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Shyamsundar Pachisia
Partner
Membership Number: 49237
UDIN:19049237AAAAAX9510

Place of Signature: Mumbai
Date: August 30, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of CG Power and Industrial Solutions Limited ("the Company") as of March 31, 2019, in conjunction with our audit of the Standalone Ind AS 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 over financial reporting with reference to these Standalone Ind AS 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India.

Because of the matters described in the Basis for Disclaimer of Opinion in the main audit report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements as at March 31, 2019 and whether such internal financial controls were operating effectively.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

A Company's internal financial control over financial reporting with reference to these Standalone Ind AS 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 control over financial reporting with reference to these Standalone Ind AS 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.

Disclaimer of Opinion

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements as at March 31, 2019 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls Over Financial Reporting with reference to these Standalone Ind AS financial statements.

Explanatory Paragraph

We were engaged to audit, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the Standalone Ind AS financial statements of CG Power and Industrial Solutions Limited, which comprise the Balance Sheet as at March 31, 2019, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. We have considered the disclaimer of opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 Standalone Ind AS financial statements of CG Power and Industrial Solutions Limited and this report affects our report dated August 30, 2019 which expressed an disclaimer of opinion on those Standalone Ind AS financial statements.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Shyamsundar Pachisia
Partner
Membership Number: 49237
UDIN:19049237AAAAAX9510

Place of Signature: Mumbai
Date: August 30, 2019

₹ crores

BALANCE SHEET AS AT 31 MARCH, 2019

	Note No.	As at 31-03-2019		As at 31-03-2018*		As at 1-04-2017*	
ASSETS							
(1) Non-current assets							
(a) Property, plant and equipment	4	**967.21**		1287.69		1232.78	
(b) Capital work-in-progress	4	**11.37**		8.19		8.23	
(c) Intangible assets	5	**39.69**		49.18		46.23	
(d) Intangible assets under development	5	**23.42**		32.19		28.01	
(e) Financial assets							
(i) Investments	6	**898.86**		1028.51		440.65	
(ii) Trade receivables	7	**6.24**		-		-	
(iii) Loans	8	**1399.44**		2391.58		473.88	
(iv) Others	9	**1433.06**		1291.94		1542.84	
(f) Other non-current assets	10	**1.88**		2.09		3.18	
			4781.17		6091.37		3775.80
(2) Current assets							
(a) Inventories	11	**531.16**		414.05		493.07	
(b) Financial assets							
(i) Investments	12	**0.01**		0.01		5.22	
(ii) Trade receivables	13	**1178.53**		1599.88		1480.37	
(iii) Cash and cash equivalents	14	**104.04**		193.15		254.48	
(iv) Bank balances other than (iii) above	15	**16.37**		0.98		1.27	
(v) Loans	16	**40.18**		30.20		1199.61	
(vi) Others	17	**40.72**		45.55		204.27	
(c) Current tax assets (net)		**32.41**		64.65		61.60	
(d) Other current assets	18	**249.92**		290.75		326.40	
			2193.34		2639.22		4026.29
(3) Assets classified as held for sale and discontinued operations	47		**280.43**		52.12		160.63
TOTAL ASSETS			**7254.94**		8782.71		7962.72
EQUITY AND LIABILITIES							
EQUITY							
(a) Equity share capital	19	**125.35**		125.35		125.35	
(b) Other equity	20	**2387.82**		4029.09		4043.70	
			2513.17		4154.44		4169.05
LIABILITIES							
(1) Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	21	**751.16**		1011.65		698.60	
(ii) Other financial liabilities	22	**298.27**		391.46		391.10	
			1049.43		1403.11		1089.70
(b) Provisions	23		**54.83**		53.30		59.77
(c) Deferred tax liabilities (net)	24		**131.81**		235.68		226.58
(2) Current liabilities							
(a) Financial liabilities							
(i) Borrowings	25	**1036.61**		876.14		710.23	
(ii) Trade payables							
(A) Total outstanding dues of micro enterprises and small enterprises; and	26	**123.73**		81.55		59.88	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	26	**1430.91**		1171.28		1031.45	
(iii) Other financial liabilities	27	**672.47**		431.59		260.36	
			3263.72		2560.56		2061.92
(b) Other current liabilities	28		**166.15**		273.62		285.97
(c) Provisions	29		**75.83**		101.12		68.75
(3) Liabilities associated with group of assets classified as held for sale and discontinued operations	47		**-**		0.88		0.98
TOTAL EQUITY AND LIABILITIES			**7254.94**		8782.71		7962.72
CONTINGENT LIABILITIES AND COMMITMENTS	39						
SIGNIFICANT ACCOUNTING POLICIES	2						

The accompanying notes form an integral part of standalone financial statements

*Restated

For and on behalf of the Board

K.N. Neelkant
CEO & Managing Director
(DIN: 05122610)

Sudhir Mathur
Whole Time Executive Director
(DIN: 01705609)

Jitender Balakrishnan
Independent Director
(DIN: 00028320)

As per our report of even date
For K. K. MANKESHWAR & CO.
Chartered Accountants
ICAI Firm Registration No. 106009W

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Narayan K. Seshadri
Independent Director
(DIN: 00053563)

Omkar Goswami
Non Executive Director
(DIN: 00004258)

Ashish Kumar Guha
Independent Director
(DIN: 00004364)

per Ashwin Mankeshwar
Partner
Membership No. 046219
Mumbai : 30 August, 2019

per Shyamsundar Pachisia
Partner
Membership No. 049237
Mumbai : 30 August, 2019

Ramni Nirula
Independent Director
(DIN: 00015330)
Mumbai : 30 August, 2019

Shikha Kapadia
Company Secretary

Susheel Todi
General Manager - Accounts

₹ crores

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

	Note No.	2018-19		2017-18*	
Income					
Revenue from operations	30		**5355.60**		5106.14
Other income	31		**276.00**		270.44
Total income			**5631.60**		5376.58
Expenses					
Cost of materials consumed	32	**3728.56**		3368.27	
Purchases of stock-in-trade	33	**34.79**		46.65	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	34	**(72.35)**		90.67	
Excise Duty		**-**		98.40	
Employee benefits expense	35	**372.46**		327.98	
Finance costs	36	**337.02**		301.88	
Depreciation and amortisation expense	37	**103.90**		102.10	
Foreign exchange (gain) / loss (net)		**62.95**		(131.26)	
Other expenses	38	**930.41**		876.95	
Total expenses			**5497.74**		5081.64
Profit before exceptional items and tax			**133.86**		294.94
Exceptional items (net)	48		**(1518.27)**		(132.94)
Profit / (loss) before tax			**(1384.41)**		162.00
Tax expense:					
Current tax	24	**50.21**		29.37	
Deferred tax / (credit)	24	**(39.17)**		46.51	
			11.04		75.88
Profit / (loss) from continuing operations after tax			**(1395.45)**		86.12
Loss from discontinued operations before tax	47	**(33.72)**		(102.24)	
Tax expense / (credit) on discontinued operations	24	**(11.78)**		(35.37)	
Loss from discontinued operations after tax			**(21.94)**		(66.87)
Profit / (loss) for the year			**(1417.39)**		19.25
Other comprehensive income:					
A (i) Items that will not be reclassified to profit or loss in subsequent periods					
(a) Remeasurement gain / (loss) on defined benefit plans		**(3.45)**		(5.90)	
(b) Equity Instruments through other comprehensive income		**(121.80)**		(30.00)	
(ii) Income tax relating to items that will not be reclassified to profit or loss		**1.21**		2.04	
B (i) Items that will be reclassified to profit or loss in subsequent periods		**-**		-	
(ii) Income tax relating to items that will be reclassified to profit or loss		**-**		-	
Total other comprehensive income for the year			**(124.04)**		(33.86)
Total comprehensive income for the year			**(1541.43)**		(14.61)
Earnings per share for continuing operations (basic and diluted) (₹) (Face value of ₹ 2 each)	53		**(22.27)**		1.38
Earnings per share for discontinued operations (basic and diluted) (₹) (Face value of ₹ 2 each)	53		**(0.35)**		(1.07)
Earnings per share (basic and diluted) (₹) (Face value of ₹ 2 each)	53		**(22.62)**		0.31
SIGNIFICANT ACCOUNTING POLICIES	2				

The accompanying notes form an integral part of standalone financial statements

*Restated

For and on behalf of the Board

K.N. Neelkant
CEO & Managing Director
(DIN: 05122610)

Sudhir Mathur
Whole Time Executive Director
(DIN: 01705609)

Jitender Balakrishnan
Independent Director
(DIN: 00028320)

As per our report of even date
For K. K. MANKESHWAR & CO.
Chartered Accountants
ICAI Firm Registration No. 106009W

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Narayan K. Seshadri
Independent Director
(DIN: 00053563)

Omkar Goswami
Non Executive Director
(DIN: 00004258)

Ashish Kumar Guha
Independent Director
(DIN: 00004364)

per Ashwin Mankeshwar
Partner
Membership No. 046219
Mumbai : 30 August, 2019

per Shyamsundar Pachisia
Partner
Membership No. 049237
Mumbai : 30 August, 2019

Ramni Nirula
Independent Director
(DIN: 00015330)
Mumbai : 30 August, 2019

Shikha Kapadia
Company Secretary

Susheel Todi
General Manager - Accounts

₹ crores

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

			2018-19	2017-18*
[A]	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit / (Loss) before tax from continuing operations		**(1384.41)**	162.00
	Adjustments for:			
	Depreciation and amortisation expense		**103.90**	102.10
	Allowances for doubtful receivables		**14.54**	16.44
	Bad debts written off		**25.36**	44.63
	Provision for diminution in value of investments		**7.85**	-
	Finance costs		**337.02**	301.88
	Interest income		**(211.68)**	(210.70)
	Dividend income from investment in subsidiary		**(0.38)**	(0.38)
	Profit on sale of investments (net)		**-**	(0.41)
	Unrealised exchange (gain) / loss (net)		**50.89**	(94.38)
	(Profit) / loss on sale of property, plant and equipment (net)		**7.27**	4.36
	Exceptional items (net)		**1518.27**	105.00
			1853.04	268.54
	Operating profit before working capital changes		**468.63**	430.54
	Adjustments for:			
	(Increase) / Decrease in trade and other receivables		**446.02**	(723.22)
	(Increase) / Decrease in inventories		**(117.11)**	79.02
	Increase / (Decrease) in trade and other payables		**209.88**	160.63
	Increase / (Decrease) in provisions		**(10.04)**	19.99
			528.75	(463.58)
	Cash (used in) / from operations		**997.38**	(33.04)
	Direct taxes paid (net of refunds)		**(16.81)**	(32.41)
	Net cash (used in) / from continuing operating activities		**980.57**	(65.45)
	Net cash (used in) / from discontinued operating activities		**2.08**	6.15
	Net cash (used in) / from continuing and discontinued operating activities	**[A]**	**982.65**	(59.30)
[B]	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Add: Inflows from investing activities			
	Sale of property, plant and equipment		**3.56**	0.85
	Sale of investments		**-**	32.43
	Loans recovered from subsidiaries and related parties		**658.65**	370.82
	Interest received		**211.37**	218.06
	Dividend income from investment in subsidiary		**0.38**	0.38
			873.96	622.54
	***Less:* Outflows from investing activities**			
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances) and intangible assets		**(73.05)**	(170.40)
	Conversion of loans and advances into equity		**-**	(644.68)
	Loans given to subsidiaries and related parties		**(1408.94)**	-
	Loans given to other than related parties		**(33.48)**	(147.26)
			(1515.47)	(962.34)
	Net cash (used in) / from continuing investing activities		**(641.51)**	(339.80)
	Net cash (used in) / from discontinued investing activities		**-**	-
	Net cash (used in) / from continuing and discontinued investing activities	**[B]**	**(641.51)**	(339.80)

₹ crores

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019 (Contd.)		2018-19	2017-18*
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from long-term borrowings		**72.20**	582.36
Proceeds from short-term borrowings		**1390.57**	876.14
		1462.77	1458.50
***Less:* Outflows from financing activities**			
Repayment of long-term borrowings		**(353.92)**	(110.13)
Repayment of short-term borrowings		**(1240.14)**	(710.23)
Interest paid		**(298.96)**	(300.37)
		(1893.02)	(1120.73)
Net cash (used in) / from continuing financing activities		**(430.25)**	337.77
Net cash (used in) / from discontinued financing activities		**-**	-
Net cash (used in) / from continuing and discontinued financing activities	**[C]**	**(430.25)**	337.77
NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES (A+B+C)		**(89.11)**	(61.33)
Cash and bank balances at beginning of the year		**193.15**	254.48
Cash and bank balances at end of the year		**104.04**	193.15
Cash and cash equivalents from continuing operations (Refer note 14)		**104.04**	193.15
Cash and cash equivalents from discontinued operations		**-**	-
Cash and cash equivalents from continuing and discontinued operations		**104.04**	193.15

*Restated

Notes:

1(a) Cash and cash equivalents at the end of the year represent cash and bank balances and include unrealised loss of ₹ 0.18 crores (Previous year loss of ₹ 6.84 crores) on account of translation of foreign currency bank balances.

1(b) In respect of disclosure for changes in liabilities arising from financing activities in accordance with Indian Accounting Standard (Ind AS 7) Statement of Cash Flows, refer note 52.

2 Purchase of property, plant and equipment and intangible assets include movements of capital work-in-progress and intangible assets under development respectively during the year.

3 The 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.

For and on behalf of the Board

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per Ashwin Mankeshwar
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Mumbai : 30 August, 2019

per Shyamsundar Pachisia
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Mumbai : 30 August, 2019

Shikha Kapadia
Company Secretary

Susheel Todi
General Manager - Accounts

₹ crores

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

(A) EQUITY SHARE CAPITAL

For the year ended 31 March, 2019

Balance as at 1-04-2018	Changes in equity share capital during the year	Balance as at 31-03-2019
125.35	-	125.35

For the year ended 31 March, 2018

Balance as at 1-04-2017	Changes in equity share capital during the year	Balance as at 31-03-2018
125.35	-	125.35

(B) OTHER EQUITY

For the year ended 31 March, 2019

Particulars	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	FVOCI Reserve	Total equity
Balance as at 1 April, 2018	**2700.94**	**415.89**	**672.49**	**12.95**	**18.29**	**(105.20)**	**3715.36**
Prior period errors (Refer note 3A)	**313.73**	**-**	**-**	**-**	**-**	**-**	**313.73**
Restated balance as at 1 April, 2018	**3014.67**	**415.89**	**672.49**	**12.95**	**18.29**	**(105.20)**	**4029.09**
Loss for the year	**(1417.39)**	**-**	**-**	**-**	**-**	**-**	**(1417.39)**
Changes in accounting policy as per Ind AS 115 (Refer note 57)	**(99.84)**	**-**	**-**	**-**	**-**	**-**	**(99.84)**
Other comprehensive income for the year							
- Remeasurements gains / (loss) on defined benefit plans	**(2.24)**	**-**	**-**	**-**	**-**	**-**	**(2.24)**
- Fair value loss on FVOCI financial asset	**-**	**-**	**-**	**-**	**-**	**(121.80)**	**(121.80)**
Balance as at 31 March, 2019	**1495.20**	**415.89**	**672.49**	**12.95**	**18.29**	**(227.00)**	**2387.82**

For the year ended 31 March, 2018

Particulars	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	FVOCI Reserve	Total equity
Balance as at 1 April, 2017	3029.52	415.89	672.49	12.95	18.29	(75.20)	4073.94
Prior period errors (Refer note 3A)	(30.24)	-	-	-	-	-	(30.24)
Restated balance as at 1 April, 2017	2999.28	415.89	672.49	12.95	18.29	(75.20)	4043.70
Profit for the year	19.25	-	-	-	-	-	19.25
Other comprehensive income for the year							
- Remeasurements gains / (loss) on defined benefit plans	(3.86)	-	-	-	-	-	(3.86)
- Fair value loss on FVOCI financial asset	-	-	-	-	-	(30.00)	(30.00)
Balance as at 31 March, 2018	3014.67	415.89	672.49	12.95	18.29	(105.20)	4029.09

For and on behalf of the Board

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Company Secretary

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General Manager - Accounts

1 CORPORATE INFORMATION

CG Power and Industrial Solutions Limited (the 'Company') 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 has changed its name from Crompton Greaves Limited to CG Power and Industrial Solutions Limited w.e.f. 27 February, 2017.

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, 2019.

The standalone financial statements of the Company for the year ended 31 March, 2019 were authorised for issue in accordance with a resolution of the directors on 30 August, 2019.

2 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 (refer accounting policy regarding financial instruments).

Further, these standalone financial statements have been prepared after incorporating requisite adjustments in respect of various transactions following first phase of investigation, which have been disclosed by the Company in its press release dated 19 August, 2019. Some of these adjustments relate to previous years and therefore they have been adjusted in the respective years / opening balances for the preparation of standalone financial statements for the year ended 31 March, 2019. Besides these adjustments, certain reclassifications have also been carried out to appropriately present amounts in the various accounts captions in the standalone financial statements. Details in respect of each of the adjustment are provided in note 3A.

Further, in order to ascertain completeness of all such reinstatements / restatements and also to establish the underlying business rationale, recoverability of assets and the obligation in relation to liability for the Company, management has initiated the second phase of investigation. Consequently, to the extent such investigation reveals any requirements of further reinstatement / reclassification, the standalone financial statements could undergo change in line with explanation provided in note 3A of these standalone financial statements.

In respect of certain assets and liabilities which have been recognised consequent to aforementioned reinstatements / restatements, possible adjustments are being evaluated by independent legal and other consultants. Hence, no provisions have been made against such assets nor has final inclusion of liabilities against the Company has been determined. Basis the outcome of second phase of investigation, management will make an assessment in relation to the extent of required provision against the assets and / or recognition of further liabilities.

Taking into consideration the explanation as provided above, the management believes that the standalone financial statements to that extent do not represent true and fair view as per section 129 of the Companies Act, 2013.

The standalone financial statements are presented in Indian Rupees ('INR') 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 tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value 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. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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.

Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are derecognised from the standalone financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on the property, plant and equipment is provided on straight-line method over the useful life of assets as specified in Schedule II to the Companies Act, 2013 which is in line the management estimate of the useful life of the assets. On property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion. However, in case of the following category of property, plant and equipment, the depreciation has been provided based on the technical evaluation of the remaining useful life which is different from the one specified in Schedule II to the Companies Act, 2013.

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.

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
- Leasehold land – 24 to 999 years

Leased assets

Leasehold lands are amortised over the period of lease. 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.

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 are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Revenue expenses incurred for internally generated intangibles are not capitalised and the same expenditure is reflected in the Statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Amortisation expense on intangible assets recognized 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.

Research and development cost:

- Research cost:

  Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

- Development cost:

  Development expenditure on new product is capitalised 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 including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;

  (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 measure the expenditure attributable to the intangible asset during the development reliably.

  Development costs on the intangible assets, fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred. Amortisation of the assets begins when development is complete and the asset is available in use.

  Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

  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.

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.

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.

2.4 Impairment of non-financial assets:

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. 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 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. 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of profit and loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (the 'OCI'), if any. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

2.5 Inventories:

Inventories are carried in the balance sheet as follows:

- Raw materials, packing materials, construction materials, stores and spares and loose tools : At lower of cost, on weighted average basis and net realisable value.
- Work -in-progress and Finished goods – Manufacturing: At lower of cost of material, labour and a proportion of manufacturing overhead based on normal operating capacity and net realisable value.
- Finished goods – Trading: At lower of cost, on weighted average basis and net realisable value.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and Materials in transit are valued at actual cost incurred upto the date of balance sheet. 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, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.7 Foreign currency transactions:

The Company's standalone financial statements are presented in Indian Rupees ('₹'), which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised in the statement of profit and loss in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

2.8 Revenue recognition:

(a) Sale of goods and services

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentive or other similar items in a contract when they are highly probable to be provided. The Company recognises revenue generally at the point in time when the products are delivered to customer which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as separate performance obligations and revenue is recognised when such freight services are rendered.

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.

Contract balances:

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 that is conditional.

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 performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(b) Dividend 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.

(c) Lease income

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised in the statement of profit and loss on straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(d) Interest income

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 the applicable 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.

Retirement benefits costs

Payments to defined contribution retirement plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

Defined Contribution Scheme:

Provident Fund:

Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company makes contribution to CG Provident Fund towards provident fund which is administered by the trustees. The Rules of the Company's Provident Fund administered by a trust, require that if the Board of the Trustees are unable to pay interest at the rate declared by the Government under Para 60 of the Employees Provident

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Fund Scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company obtains actuarial valuation and based on the valuation if there is no deficiency as at the balance sheet date then, the liability is restricted towards monthly contributions only.

Defined Benefit Plans:

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling and the return on plan assets, excluding amounts included in net interest on the net defined benefit liability / (asset) are recognised immediately in the balance sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognised in the statement of profit and loss in the period of plan amendment or when the Company recognized related re-structuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine 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 recognized in full in the statement of 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 recognized in full in the statement of profit and loss.

Termination benefits:

Termination benefits are recognised as an expense at the earlier of when the entity can no longer withdraw the offer of the termination benefits and when the entity recognise any related restructuring cost.

2.10 Borrowing costs:

Borrowing cost consists of interest and other costs that Company incurs in connection with borrowing of funds. Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as expense in the period in which they are incurred.

2.11 Segment accounting:

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 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.

Inter-Segment transfer pricing:

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are determined at arm’s length basis.

2.12 Leases:

Company as a lessee

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, an asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset 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.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. 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.

2.13 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.

2.14 Taxes:

Current Income tax

(i) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.

(ii) Current income tax are recognised in statement of profit and loss except when they are relating to items that are recognized in OCI or directly in equity, in which case, the current tax is also recognized in relating to items recognised directly in OCI or equity respectively. 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 is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. 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.

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.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and levied by same taxation authority.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Minimum alternate tax (MAT) credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

2.15 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, when 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible; and
- a possible obligation arising from past events, whose occurrence not yet certain and is based on one or more future event unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for purchase of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Liquidated damages

Provision for liquidated damages is recognised on contracts for which delivery dates are exceeded and computed in reasonable manner.

Other Litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

Onerous contracts

A provision for onerous contracts is recognised when expected benefits to be derived by the Company are lower than unavoidable costs of meeting future obligation under contract. Provision is measured at the present value of the lower of expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognises impairment on the assets pertaining to the contract.

2.16 Exceptional items:

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company 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 in the notes accompanying to the standalone financial statements.

2.17 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 one year. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised / paid within one year, have been classified as current. For all other activities, operating cycle is twelve months.

2.18 Fair value measurement:

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuation is used for valuation of unquoted financial assets. Involvement of external valuer is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company external valuer, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of fair value hierarchy as explained above.

2.19 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. This condition 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.

A disposal group qualifies as discontinued operation if it is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, Or
- is a subsidiary acquired exclusively with a view to resale.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.20 Financial instruments:

(i) Financial assets:

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where 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 recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding."

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, 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'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement and either;
  (a) The Company has transferred substantially all the risks and rewards of the asset, or
  (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Investment in associates, joint venture and subsidiaries

The Company has accounted for its investment in subsidiaries, joint venture and associates, at cost as per Ind AS 27 and Ind AS 28, except where investments accounted for at cost shall be 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 assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost; and
- Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-month 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).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made 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 are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported 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.

(iv) Derivative financial instruments and hedge accounting:

The Company enters into derivative contracts 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 on the date on which a derivative contract is entered into 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.

3 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, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

Discontinued operations:

Power distribution business

In pursuant to the certain unresolved disputes arising out of the Distribution Franchisee Agreement (DFA) of the Company with Maharashtra State Electricity Distribution Company Limited (MSEDCL) at Jalgoan in Maharashtra, MSEDCL has exercised its step in rights and taken over the Distribution Franchisee in Jalgoan from the Company with effect from 12 August, 2015. The operations were terminated with immediate effect and the final claim settlement between the Company and MSEDCL is in progress. The Company have classified the Power distribution segment as held for disposal from 12 August, 2015 for the following reasons:

- Power distribution segment represents a separate major line of business of operations
- The operations were abandoned with immediate effect from 12 August, 2015 and hence the carrying amount will not be recovered principally through continuing use.

Assets held for sale – Land and Building at Kanjurmarg

The carrying value of land and building at Kanjurmarg has been classified as 'Asset held for sale'. The Company based on its internal assessment determined the fair value of such land and building to be in excess of the carrying amount and hence, in accordance with the relevant accounting standard has recognized such assets at the carrying amount in the standalone financial statements.

The expected cost towards closure / shifting of the said manufacturing facility at Kanjurmarg is recognised in the standalone financial statements as an exceptional item.

Lease of equipment not in legal form of lease

Significant judgment is required to apply lease accounting rules under Appendix C to Ind AS 17: Determining whether an Arrangement contains a Lease. 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 Appendix C to Ind AS 17.

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. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd.)

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that 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 together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Development costs

The Company capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

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.

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.

3A RESTATEMENTS TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017

With an aim of value preservation and enhancement in the interest of all stakeholders, an Operations Committee ('Ops Committee') under the Chairmanship of one of the independent directors of the Company was constituted in March 2019. While working on one of its priority tasks of seeking refinancing of certain facilities and as a part of conducting financial analysis in this regard, the Ops Committee was made aware of some unauthorised transactions by certain employees of the Company.

The Ops Committee was also made aware of the letter received by the Company from a particular financing company regarding a certain interest payment failure which the Ops Committee was unable to trace or ascertain from the financials of the Company. Further, the Managing Director on getting a request by a bank to replace cheques, the validity of which was about to expire, he immediately brought the same to the notice of the Ops Committee. The Ops Committee and the Managing Director could not relate this to any obligation of the Company.

Accordingly, an independent law firm was appointed to conduct an investigation on certain transactions entered into by/on behalf of the Company. Additionally, during the course of limited review for the quarter ended 31 December, 2018, one of joint statutory auditors had sought detailed information and explanations in relation to certain transactions and during the course of audit of the Company for the year ended 31 March, 2019, the same joint statutory auditors of the Company, sought information and explanations from the Company regarding those certain transactions as part of the notice issued to the Company under 143(12) of the Companies Act, 2013. These additional transactions were also included in the scope of review of the legal firm. Pursuant to the said investigation, the legal firm submitted their phase I report in August 2019 to the Ops Committee. As per the said investigation, many of these transactions were entered into by identified "Company personnel (both current and past), including certain non-executive directors, certain Key Managerial Personnel (KMPs) and other identified employees" ("CIP"). Further as per Phase 1 investigation, these transactions were unauthorised and had not been brought to the notice of the Board of Directors.

The Ops Committee in turn provided an analysis of the investigation report to the Risk and Audit Committee ('RAC') along with its recommendations regarding the transactions set out in the report. Moreover, certain additional suspect, unauthorised and undisclosed transactions and entries identified during further verifications have been brought to the attention of the RAC.

The facts disclosed or disclosure made or provisions made as below are subject to admission of liability by the Company and the Company reserves all its rights under law to evaluate legality and to further contest the same, as necessary.

₹ crores

3A RESTATEMENTS TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

The following tables summarize the transactions identified and as presented to the RAC along with the Ops committee analysis and impact of the adjustments reinstating each of the line items of the financial statements for previous years ended 31 March, 2018 and 1 April, 2017:

(i) Changes in Balance Sheet as at 31 March, 2018:

Sr. No.	Particulars	Note No.	Reported As at 31-03-2018	Discontinued operations	Restatements	Restated As at 31-03-2018
(1)	**Non-current assets**					
	(a) Property, plant and equipment		1287.69	-	-	1287.69
	(b) Capital work-in-progress		8.19	-	-	8.19
	(c) Intangible assets		49.18	-	-	49.18
	(d) Intangible assets under development		32.19	-	-	32.19
	(e) Financial assets					
	(i) Investments		1028.51	-	-	1028.51
	(ii) Loans	(d), (e), (f) (g), (j)	6.87	-	2384.71	2391.58
	(iii) Others	(a), (b), (e), (i), (k), (n)	19.55	-	1272.39	1291.94
	(f) Other non-current assets		2.09	-	-	2.09
(2)	**Current assets**					
	(a) Inventories		414.05	-	-	414.05
	(b) Financial assets					
	(i) Investments		0.01	-	-	0.01
	(ii) Trade receivables	(k)	1719.88	-	(120.00)	1599.88
	(iii) Cash and cash equivalents	(e)	593.15	-	(400.00)	193.15
	(iv) Bank balances other than (iii) above		0.98	-	-	0.98
	(v) Loans	(g), (j)	1569.55	-	(1539.35)	30.20
	(vi) Others		45.55	-	-	45.55
	(c) Current tax assets (net)	(o)	84.27	-	(19.62)	64.65
	(d) Other current assets	(a), (b), (e), (i), (k)	478.93	-	(188.18)	290.75
(3)	**Assets classified as held for sale and discontinued operations**	(l)	74.80	(22.68)	-	52.12
	TOTAL ASSETS		**7415.44**	**(22.68)**	**1389.95**	**8782.71**
	EQUITY AND LIABILITIES					
	EQUITY					
	(a) Equity share capital		125.35	-	-	125.35
	(b) Other equity	(a), (b), (d), (e), (k), (l), (n), (o)	3715.36	(14.84)	328.57	4029.09
	LIABILITIES					
(1)	**Non-current liabilities**					
	(a) Financial liabilities					
	(i) Borrowings	(d)	836.65	-	175.00	1011.65
	(ii) Other financial liabilities	(a), (b)	1.46	-	390.00	391.46
	(b) Provisions		53.30	-	-	53.30
	(c) Deferred tax liabilities (net)	(o)	12.14	(7.84)	231.38	235.68
(2)	**Current liabilities**					
	(a) Financial liabilities					
	(i) Borrowings	(f)	631.14	-	245.00	876.14
	(ii) Trade payables					
	(A) Total outstanding dues of micro enterprises and small enterprises; and		81.55	-	-	81.55
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises; and		1171.28	-	-	1171.28
	(iii) Other financial liabilities	(d)	411.59	-	20.00	431.59
	(b) Other current liabilities		273.62	-	-	273.62
	(c) Provisions		101.12	-	-	101.12
(3)	**Liabilities associated with group of assets classified as held for sale and discontinued operations**		0.88	-	-	0.88
	TOTAL EQUITY AND LIABILITIES		**7415.44**	**(22.68)**	**1389.95**	**8782.71**

₹ crores

3A RESTATEMENTS TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

(ii) Changes in Balance Sheet as at 1 April, 2017:

Sr. No.	Particulars	Note No.	Reported As at 1-04-2017	Restatements	Restated As at 1-04-2017
(1)	**Non-current assets**				
	(a) Property, plant and equipment		1232.78	-	1232.78
	(b) Capital work-in-progress		8.23	-	8.23
	(c) Intangible assets		46.23	-	46.23
	(d) Intangible assets under development		28.01	-	28.01
	(e) Financial assets				
	(i) Investments		440.65	-	440.65
	(ii) Loans	(d), (e), (f) (g), (j)	6.64	467.24	473.88
	(iii) Others	(a), (b), (e), (i), (k), (n)	46.89	1495.95	1542.84
	(f) Other non-current assets		3.18	-	3.18
(2)	**Current assets**				
	(a) Inventories		750.76	(257.69)	493.07
	(b) Financial assets				
	(i) Investments		5.22	-	5.22
	(ii) Trade receivables	(k)	1480.37	-	1480.37
	(iii) Cash and cash equivalents	(e)	554.48	(300.00)	254.48
	(iv) Bank balances other than (iii) above		1.27	-	1.27
	(v) Loans	(g), (j)	1466.97	(267.36)	1199.61
	(vi) Others		204.27	-	204.27
	(c) Current tax assets (net)	(o)	51.86	9.74	61.60
	(d) Other current assets	(a), (b), (e), (i), (k)	902.69	(576.29)	326.40
(3)	**Assets classified as held for sale and discontinued operations**		160.63	-	160.63
	TOTAL ASSETS		**7391.13**	**571.59**	**7962.72**
	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity share capital		125.35	-	125.35
	(b) Other equity	(a), (b), (d), (e), (k), (l), (n), (o)	4073.94	(30.24)	4043.70
	LIABILITIES				
(1)	**Non-current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	(d)	503.60	195.00	698.60
	(ii) Other financial liabilities	(a), (b)	1.10	390.00	391.10
	(b) Provisions		59.77	-	59.77
	(c) Deferred tax liabilities (net)	(o)	214.75	11.83	226.58
(2)	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings		710.23	-	710.23
	(ii) Trade payables				
	(A) Total outstanding dues of micro enterprises and small enterprises; and		59.88	-	59.88
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises; and		1031.45	-	1031.45
	(iii) Other financial liabilities	(d)	255.36	5.00	260.36
	(b) Other current liabilities		285.97	-	285.97
	(c) Provisions		68.75	-	68.75
(3)	**Liabilities associated with group of assets classified as held for sale and discontinued operations**		0.98	-	0.98
	TOTAL EQUITY AND LIABILITIES		**7391.13**	**571.59**	**7962.72**

(iii) Changes in the Statement of Profit and Loss for the year ended 31 March, 2018:

Particulars	Note No.	Reported 2017-18	Discontinued operations	Restatements	Restated 2017-18
Income					
Revenue from operations	(h), (k)	5079.41	-	26.73	5106.14
Other income	(d), (h)	198.08	-	72.36	270.44
Total Income		**5277.49**	**-**	**99.09**	**5376.58**
Expenses					
Cost of materials consumed	(h), (k)	3452.99	-	(84.72)	3368.27
Purchases of stock-in-trade		46.65	-	-	46.65
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(k)	179.07	-	(88.40)	90.67
Excise Duty		98.40	-	-	98.40
Employee benefits expense	(h)	363.44	-	(35.46)	327.98
Finance costs	(b), (d)	213.98	-	87.90	301.88
Depreciation and amortisation expense		102.10	-	-	102.10
Foreign exchange (gain) / loss (net)	(b), (h)	-	-	(131.26)	(131.26)
Other expenses	(b), (h), (k)	593.64	-	283.31	876.95
Total Expenses		**5050.27**	**-**	**31.37**	**5081.64**
Profit before exceptional items and tax		**227.22**	**-**	**67.72**	**294.94**
Exceptional items (net) (Refer Note 48)	(h), (k), (n), (o)	(453.40)	-	320.46	(132.94)
Profit / (loss) before tax	(a), (b), (d), (k), (n), (o)	**(226.18)**	**-**	**388.18**	**162.00**
Tax expense :					
Current tax	(o)	-	-	29.37	29.37
Deferred tax / (credit)		46.51	-	-	46.51
Total Tax		**46.51**	**-**	**29.37**	**75.88**
Profit / (loss) from continuing operations after tax	(a), (b), (d), (k), (n), (o)	**(272.69)**	**-**	**358.81**	**86.12**
Loss from discontinued operations before tax	(l)	**(79.56)**	**(22.68)**	**-**	**(102.24)**
Tax expense / (credit) on discontinued operations		(27.53)	(7.84)	-	(35.37)
Loss from discontinued operations after tax		**(52.03)**	**(14.84)**	**-**	**(66.87)**
Profit / (loss) for the year		**(324.72)**	**(14.84)**	**358.81**	**19.25**
Other comprehensive income					
A (i) Items that will not be reclassified to profit or loss in subsequent periods		(35.90)	-	-	(35.90)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.04	-	-	2.04
B (i) Items that will be reclassified to profit or loss in subsequent periods		-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
Other comprehensive income for the year		(33.86)	-	-	(33.86)
Total comprehensive income for the year	(a), (b), (d), (k), (l), (n), (o),	**(358.58)**	**(14.84)**	**358.81**	**(14.61)**

(a) In May 2016, pursuant to an execution of an assignment agreement, leasehold land along with factory building of the Company at Nashik was assigned for a consideration of ₹ 264.00 crores to Blue Garden Estates Private Limited ("BGEPL"), a subsidiary of Acton Global Private Limited ("AGPL"). Both BGEPL and AGPL shares were owned by certain employees of the Company, who had not declared such ownership, when the transaction had occurred and hence, these companies have been termed as connected parties. Such an assignment was not in accordance with the terms of the leasehold land agreement. Further, no disclosure was made in the financial statements for FY 2016-17 and thereafter for such an assignment. Certain CIP's who executed the assignment agreement on behalf of the Company agreed to an obligation under the assignment agreement for payment of interest @15% p.a. basis monthly intervals to BGEPL until execution and registration of deed of assignment cum sale.

3A RESTATEMENTS TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

The Company received ₹ 200.00 crores from BGEPL as initial advance consideration for the assignment of land and building. Of the amount received from BGEPL, ₹ 145.00 crores was advanced to Avantha Holdings Limited ("AHL"), the promoter of the Company and ₹ 53.00 crores to AGPL. In respect of the advances to AGPL and AHL, no loan or other agreements were entered into. Further, no interest payments were made by the two entities to the Company.

It was noted that the above two advances of ₹ 198.00 crores were inappropriately netted off against the payable to BGEPL and both the asset and liability were not disclosed in the financial statements of the Company for the year ended 31 March, 2017 and thereafter. Accordingly, the assets and liabilities to the extent of ₹ 198.00 crores were understated in the financial statements of the Company for FY 2016-17 and FY 2017-18. The netted out amounts have been grossed up and have been restated to reflect separately the receivables from AHL and AGPL and a payable to BGEPL as at 1 April, 2017 and subsequent years. Interest payments by the Company on the amount received from BGEPL were disguised and concealed under different accounting heads including professional fees, exchange losses and supplier advances, some of which were subsequently written off to statement of Profit and Loss account of the Company.

Further, AHL issued a corporate guarantee on behalf of the Company in favor of BGEPL providing assurance for repayment of proceeds received by the Company in the event of a default of the conditions of assignment. Also, a Power of Attorney ('POA') was issued in an unauthorized manner by certain CIPs in favor of BGEPL empowering BGEPL to take actions with respect to the property at Nashik in the event of default of the conditions of assignment by the Company.

In February 2018, an undertaking was given by certain CIPs on behalf of the Company along with BGEPL to the lender to create a charge on leasehold land and building in favor of the lender in the event of default by BGEPL of terms of loan availed by BGEPL from the lender. In December 2018, BGEPL defaulted in the payment of interest on its loan and the lender issued a letter in January 2019 to the Company to create a charge on the leasehold land and building. No disclosure was made relating to the requirement for creation of charge in the Company's financial statements for prior years. Subsequently, the Company has received a letter from the lender to discharge the outstanding liability. The Company is examining the matter with its legal counsel and is in discussion with the BGEPL's lender with regard to the legality of this liability whether to be honoured by the Company. Also, the Company plans to initiate a process for recovering dues from AHL and AGPL.

(b) In October 2015, an agreement was entered into on behalf of the Company for sale ("First Sale") of freehold land to Evie Real Estates Private Limited ("Evie") at Kanjurmarg ("Plot"). The consideration for sale of such plot of ₹ 498.00 crores was payable in two tranches with an initial consideration of ₹ 11.00 crores was payable immediately. The time period to fulfill the conditions precedent was four years from the agreement date. Apart from the initial consideration of ₹ 11.00 crores, no further consideration was received by the Company.

In February 2017, a Memorandum of Understanding (MOU) with BGEPL was entered by certain CIPs on behalf of the Company for second sale of the Plot to BGEPL, in the event the First Sale does not go through. Under the MOU with BGEPL, part of the sale consideration of ₹ 190.00 crores was payable before registration of the deed of assignment cum sale ("Second Sale") and the balance after successful completion of the transaction. Further, no disclosure was made in the financial statements for FY 2016-17 and no approval from the Board of Directors was sought for such an assignment. The Company had to pay interest @15% p.a. basis monthly intervals to BGEPL from the date of receipt until registration of deed of assignment cum sale or till the termination of MOU and refund by the Company, whichever happens later.

The Company received ₹ 190.00 crores from BGEPL as initial consideration for the assignment/sale of land and in the same month, in February 2017, the Company transferred ₹ 192.00 crores to AGPL in multiple tranches. In respect of these advances to AGPL, no loan or other agreements were entered into. Further, no interest payments were made by AGPL to the Company.

The amount received from BGEPL and the advances made to AGPL of ₹ 192.00 crores were inappropriately netted off and no disclosure of any part of the transaction and related amounts were made in the financial statements of the Company. Accordingly, the assets and liabilities to the extent of ₹ 192.00 crores were understated in the financial statements of the Company for FY 2016-17 and FY 2017-18.

The Company has now grossed up the amounts and disclosed receivable from AGPL and the amount received from BGEPL as a liability as at 1 April, 2017 and carried this forward in the following years.

Interest payments by the Company on the amount received from BGEPL were disguised and concealed under different accounting heads including professional fees, exchange losses and supplier advances, some of which were subsequently written off to the Profit and loss account of the Company.

Further, as a part of the transaction, AHL issued a corporate guarantee on behalf of the Company in favor of BGEPL providing assurance for repayment of proceeds received by the Company in the event of a default of the conditions of assignment/ sale. Also, a Power of Attorney ('POA') was issued in favor of BGEPL empowering BGEPL to create a charge with respect to the freehold land in the event of default of the conditions of assignment / sale by the Company.

In February 2017, certain CIPs executed an undertaking on behalf of the Company in favor of BGEPL and the BGEPL's lender that the Company will become a co-borrower for the loan availed by BGEPL in the event of default by BGEPL. In December 2018, BGEPL defaulted on payment of interest on its loan and the lender issued a letter in January 2019 to the Company asserting that the Company is a co-borrower for the loan availed by BGEPL and requested to create a charge on the freehold land together with the structure thereon. No disclosure was made of the notice seeking creation of charge in financial statements. Subsequently, the Company has received a letter from the lender to discharge the outstanding liability. The Company is examining the matter with its legal counsel and is in discussion with the lender with regard to the legality of this liability whether to be honoured by the Company and also plans to initiate a process of recovering dues from AGPL.

The aforementioned interest paid on BGEPL amounts has now been reclassified as finance cost restating from professional fees amounting to ₹ 15.59 crores and exchange gain and loss amounting to ₹ 33.13 crores and advance to AHL amounting to ₹ 14.19 crores in FY 2017-18. Additionally, interest amounting to ₹ 28.02 crores pertaining to FY 2016-17 had been recognized under Advance to supplier and was not recognized in the Statement of Profit and Loss. Hence, such amount has been recognized in retained earnings as at 1 April, 2017 with a corresponding restatement to advance to suppliers.

3A RESTATEMENTS TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

(c) (i) The Company entered into a Brand license and support agreement with AHL for use of 'Avantha' brand for a consideration which was based on certain specified percentage of its annual consolidated net operating revenues (ANOR) as defined in that agreement ("Royalty"). This agreement was amended from time to time and till September 2018 the specified percentage was 1% of ANOR. Royalty amounting to ₹ 25.68 crores was accrued until September 2018 and no further accrual was made. Subsequently, discussions with AHL were held to further revise the terms of Royalty along with proposed settlement against the royalty settlement, as disclosed by the Company in the financial results published for the quarter ended 31 December, 2018 but subsequently could not reach a consensus on the terms and hence, the Company did not accrue royalty to AHL from October 2018.

An assignment cum put agreement was entered by certain CIPs on behalf of the Company without the approval of Board of Directors, with AHL, Solaris Industrial Chemicals Limited ("SICL") - a related party, and the bank in September 2018 ("SICL Assignment") under which the Royalty payable by Company to AHL was assigned over to the bank. At this point in time, an amount of ₹ 78.25 crores was already paid in advance to AHL by the Company against Royalty to AHL by the Company.

(ii) Further, in September 2018, the Company received ₹ 294.00 crores from CG Power Solutions Limited ("CGPSOL") (which in turn had been given to CGPSOL by AHL) and adjusted this amount against the CGPSOL receivable. Further the Company placed out of these, an amount of ₹ 229.00 crores as fixed deposits with the bank and assigned as collateral against the royalty commitment. One of the conditions of this arrangement with AHL was that if the Company does not pay royalty before 20 March, 2019 in escrow account of SICL, the deposit will be refunded by the Company. On 20 March, 2019, the Company did not pay any royalty to this escrow account as amount of ₹ 78.25 crores was already paid in advance as royalty. Hence, the Company refunded the deposit amount along with interest to CGPSOL in March 2019 which was in turn refunded by CGPSOL to AHL.

Subsequent to the balance sheet date, the bank has issued a communication to the Company of its intent to exercise the put option as per the aforementioned assignment and has asked the Company to discharge the liability outstanding of ₹ 71.00 crores. The Company is in discussion with the lender as well as with its independent legal counsel with respect to tenability of this liability. However, considering the uncertainty involved in the matter, the Board having considered all necessary facts and based on its own internal assessment has decided to record a liability towards the Bank amounting to ₹ 72.20 crores (including interest amount to ₹ 1.20 crores) and a corresponding receivable from SICL in the financial statements for the FY 2018-19.

(d) In February 2017, CGPSOL availed a loan from the lender amounting to ₹ 200.00 crores. Out of these proceeds, an amount of ₹ 185.00 crores was immediately transferred to the Company as a settlement of the advance due from CGPSOL. The Company was a co-borrower to this loan availed by CGPSOL. However, this arrangement was not disclosed in the prior year financial statements.

CGPSOL was unable to service the loan and hence, the Company being the co-borrower in the said arrangement has decided to record the loan liability to the lender in its opening balance sheet as at 1 April, 2017. The Company had serviced the installments and interest on this loan before recording loan liability in its financial statements.

The outstanding co-borrowed loan as at 1 April, 2017 was ₹ 200.00 crores and as at 31 March, 2018 was ₹ 195.00 crores. Accordingly, the Company restated its balances as on 1 April, 2017 and 31 March, 2018 by disclosing liability to the lender in its financial statements. Consequent to the recording of loan liability in the financial statements, the Company has also recognized incremental differential interest (difference between interest charged by the Company to CGPSOL and interest payable by the Company to the lender) which has resulted in a decrease in retained earnings as at 1 April, 2017 of ₹ 0.13 crores and decrease in profits before tax of ₹ 2.72 crores for FY 2017-18.

During the previous quarters of the current year, the Company recorded the aforementioned loan in its financial statements and the same was inappropriately adjusted against retained earnings. This was subsequently rectified and disclosed as receivable from CGPSOL as a part of the restatement.

(e) AHL and CGPSOL issued cheques in favor of the Company for settlement of the advances / dues to the Company inspite of having insufficient funds. These cheques were not presented to the bank for payment until the sufficiency of funds was confirmed by those group entities. Such cheques were included as a part of bank balances before being presented for payment and were inappropriately disclosed as a part of balances with banks in the financial statements of the Company by reducing the amounts receivable from these parties.

These were amounting to ₹ 300.00 crores as on 31 March, 2017 and ₹ 400.00 crores as on 31 March, 2018. Subsequently, fresh money was advanced to such group entities so that sufficient funds were available with such group entities to meet the liability towards the cheques issued. These cheques were then presented for payment post funding and were realized in due course.

The Company has now appropriately reinstated the receivables balance of such group entities and accordingly, reduced the balances with banks for the respective periods.

Further, the Company has also accrued interest income of ₹ 8.22 crores on such restated receivable balances for FY 2017-18 and ₹ 16.40 crores for the current year.

(f) The Company had taken short-term borrowings from certain banks amounting to ₹ 245.00 crores in FY 2017-18. These borrowings were inappropriately netted off against receivable from CGPSOL. The Company has reinstated the requisite balances in the financial statements for FY 2017-18.

(g) The Company had made advances to CG International B.V. ("CGIBV"), a wholly-owned subsidiary of the Company. CGIBV had entered into an agreement with a third party for selling the power transformer business of its subsidiaries. Accordingly, the proceeds expected to be received from the sale of the subsidiaries' business were to be utilized by CGIBV to repay the advance.

As on 1 April, 2017, the advance was classified as current advance as the Company expected to realize the asset within twelve months from the reporting period. During March 2018, the agreement for sale of such power transformer business got terminated. Hence, CGIBV was not in a position to repay the advance. However, the Company continued to classify the advance to CGIBV as current advance in FY 2017-18 financial statements even though the Company's expectation with respect to realization of advance had changed i.e. the same would not be realized within twelve months from the end of reporting period. The Company has now reinstated the advance to CGIBV of ₹ 1150.31 crores as non-current advances for FY 2017-18.

(h) During the year ended 31 March, 2019, the Company noted that certain income and expenses were incorrectly disclosed or set off in the Statement of Profit and Loss. Accordingly, the same have been reclassified in the FY 2017-18 in the following manner:

3A RESTATEMENTS TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

- Sales of raw material and scrap sale had been incorrectly presented as reduction in the cost of goods sold in prior years. The Company has accordingly restated the sales and cost of goods sold of ₹ 78.87 crores for the previous year.
- Corporate Guarantee fees income of ₹ 45.61 crores were disclosed under the head "Bank charges" in prior years. The same has now been restated to "Other income".
- Sub-contracting charges of ₹ 215.48 crores was part of "Cost of material consumed" and Contract Employees cost of ₹ 35.45 crores which were part of "Employee cost" in prior years has now been reclassified to "Other expenses".
- Foreign exchange (gain) / losses were previously disclosed under the head "Other Income" amounting to ₹ 3.74 crores and "Exceptional items" amounting to ₹ 94.38 crores. The same have been reclassified and presented as single line item on the face of the Statement of profit and loss account under the head "Foreign exchange (gain) / loss". There will be no impact of the above reclassification on profit before or after tax.

(i) Advances amounting to ₹ 332.00 crores were made to AHL in FY 2016-17 and subsequently inappropriately assigned to third parties. The Company has restated its receivable from AHL amounting to ₹ 332.00 crores as at 1 April, 2017 and ₹ 263.47 crores as at 31 March, 2018.

Also, in the current year, advances of ₹ 44.33 crores and ₹ 26.00 crores were paid to BGEPL and SICL respectively. The aforementioned advances were also inappropriately assigned to CGPSOL in the current year ended 31 March, 2019. Accordingly, the Company has now reversed the effect of such assignment. Hence, the receivable balance from CGPSOL has been reduced by ₹ 70.33 crores and advance to BGEPL and SICL has been increased by ₹ 44.33 crores and ₹ 26.00 crores respectively as at 31 March, 2019.

(j) The Company had advanced loan to CGPSOL which was inappropriately presented as current in accordance with the defined repayment schedule for the period ending 31 March, 2018 and 1 April, 2017. The Company has now restated the advances as non-current for the prior periods (₹ 1223.57 crores – 31 March, 2018, and ₹ 459.32 crores – 1 April, 2017) as well as in the current year amounting to ₹ 1226.15 crores.

The Company had outstanding receivables from CG Power System Belgium NV (₹ 7.65 crores as at 31 March, 2018 and ₹ 7.23 crores as at 1 April, 2017) and from CG International Holdings Singapore Pte. Limited ("CG Singapore") (₹ 3.18 crores as at 31 March, 2018 and ₹ 0.69 crores as at 1 April, 2017). These balances were previously classified as current receivables. The management based on its revised evaluation has now decided to classify such receivables as non-current and accordingly has restated the balances for prior years.

(k) It was noted that certain sales transactions were inappropriately recorded with certain specific customers amounting to ₹ 120.00 crores during the period from April 2017 to June 2017.

The Company had made a provision for liquidated damages of ₹ 12.00 crores in the previous period and a provision for balance receivables of ₹ 108.00 crores during the quarter ended 31 December, 2018. In January 2017, the Company entered into a tripartite assignment agreement with CGPSOL, a subsidiary of the Company, and specified vendors to assign the liability from the Company to CGPSOL and the transaction was recorded as such.

The purchases pertaining to aforementioned sales transactions were also inappropriately recorded during January 2017 to March 2017 from those specified vendors for ₹ 257.69 crores and recorded as a part of inventory.

The Company recorded the above transactions in the FY 2017-18 as follows: - Out of the sales of ₹ 120.00 crores, ₹ 52.14 crores were recorded as revenue, ₹ 2.35 crore were recognized as Central Sales Tax and ₹ 65.51 crores were recorded as reduction in cost of goods sold. The cost of goods sold of ₹ 102.02 crores was recognized in respect of aforementioned sales. A provision for slow moving inventory of ₹ 155.67 crores was recorded under "Exceptional items". The Company did not have sufficient documentation evidencing the receipt and dispatch of goods and requisite approvals for the aforementioned transactions. There were several discrepancies in the documents available pertaining to these transactions. The Company also attempted tracing these parties and was unable to establish the existence of those parties. The management noted significant control lapses in these transactions resulting in significant accounting irregularities which have now been reinstated in the financial statements.

The Company will continue its efforts to trace these parties and will initiate appropriate action basis consultation with legal counsel.

Consequently, as at 1 April, 2017, Inventory of ₹ 257.69 crores has been reversed and receivable from CGPSOL has been restated by ₹ 257.69 crores. Subsequently, the receivable from CGPSOL was transferred and shown as a receivable from AHL.

Further for FY 2017-18, the following reversals have been recorded: - Revenue of ₹ 52.14 crores, ₹ 2.35 crores of Central Sales Tax and cost of goods sold of ₹ 65.51 crores pertaining to sales made to specific customers; - Cost of goods sold amounting to ₹ 102.02 crores; and - Provision for slow moving inventory amounting to ₹ 155.67 crores. This has resulted in an increase in reinstated Profit Before Tax (PBT) by ₹ 137.69 crores for FY 2017-18.

The Company has reversed the provision recognized in December 2018 on the above receivables amounting to ₹ 120.00 crores by adjusting ₹ 12.00 crores to the opening balances as at 1 April, 2018 and ₹ 108.00 crores during the year ended 31 March, 2019.

(l) The Company had discontinued Distribution Franchise business (Jalgaon) and has entered into final settlement on 16 February, 2018 with Maharashtra State Electricity Distribution Company Limited ("MSEDCL"). Considering the non-recoverability of dues as per the settlement agreement, the Company has further written off amount of ₹ 33.72 crores towards receivable from MSEDCL during the year ended 31 March, 2019, which is disclosed under Discontinued Operations.

The financial statements for the year ended 31 March, 2018 have been restated to reflect the fair value of receivables as per "Indian Accounting Standard 109 Financial Instruments" in relation to assets classified as discontinued operation. Accordingly, the results of discontinued operations and retained earnings for the year ended 31 March, 2018 have been restated by ₹ 22.68 crores, not accounted earlier.

(m) AHL had obtained a loan of ₹ 500.00 crores from a bank in October 2015 for the purpose of making advance payments to Solaris ChemTech Industries Limited ("SCIL"), a promoter affiliate and a related party, for purchase of SCIL's bromine production facilities and to meet certain working capital and capital expenditure requirements. A comfort letter was issued on behalf of the Company by a CIP and without the knowledge of the Board of Directors in November 2015 to discharge AHL's pecuniary obligations jointly undertaken by the Company. The existence of comfort letter was not known to the Board of Directors until it was brought to the attention of the Board of Directors by the bank in the year ended 31 March, 2019. No disclosure was made in the financial statements of prior years.

3A RESTATEMENTS TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

One of the conditions for granting of the loan was submission of post-dated cheques ("PDCs") by the Company for repayment purposes. PDCs were provided on behalf of AHL in accordance with the Comfort Letter issued. The PDCs were replaced from time to time by CIP on account of the previous cheques becoming time-barred/stale. Such PDCs issued were not in accordance with the Company's policies and without the knowledge of the Board of Directors. Last PDC was issued on 15 January, 2019 for ₹ 210.00 crores. The same was presented by the bank on 11 April, 2019 and was returned as dishonored due to insufficient funds. The bank issued notice under section 138 of Negotiable Instruments Act, 1881 dated 30 April, 2019 to the Company on account of such default.

The Board of the Company has made a comprehensive submission to the bank denying the knowledge of existence of the alleged comfort letter. The Board also mentioned in its response that PDC cheques were signed by certain CIPs in violation of ROPs and without the knowledge of the Board of Directors. The Company is seeking suitable legal advice from an independent external law firm on the legality of the transaction. However, considering the uncertainty involved in the matter, the Board having considered all necessary facts and based on its own internal assessment, that no amount was received by the Company from these borrowings which could have led to an obligation on the Company to repay, the Board has decided to disclose this as a contingent liability amounting to ₹ 391.88 crores in the current year.

(n) Advances were given amounting to ₹ 175.28 crores to BGEPL, ₹ 202.45 crores to AHL and ₹ 101.00 crores to other third parties. The Company had fully written-off the said advances in absence of sufficient documentary evidence amounting to ₹ 478.73 crores as on 31 March, 2018. This was recognized under "Exceptional items" in the financial statements. The Company plans to investigate the nature and business rationale and initiate the recovery process for these advances and hence, the Company has reinstated these advances to give effect as follows:

- It was determined that the receivable from BGEPL amounting to ₹ 175.28 crores was inappropriately written off and hence, the Company has now reinstated the previous years by reversing the write off previously recognized;
- ₹ 101.00 crores which was inappropriately written off has now been reinstated as a receivable in previous years ; and
- ₹ 202.45 crores which had been written off inappropriately has now been reinstated as receivables from AHL and accordingly, the Company has restated the balances in previous years.

The Company has restated the advances to promoter affiliate companies as it plans to initiate recovery process for these advances through legal proceedings. Further, the Company attempted tracing the aforementioned third parties and was unable to establish the existence of those parties. In the year 2019-20, the Company will continue its efforts to trace these parties and recover the advances paid and is in the process of consultation with independent legal counsel to take appropriate action.

(o) Consequential tax effects on account of reinstatements have been duly recorded in the respective years. Further, the Company in the earlier years disclosed the exceptional items in the Statement of Profit and Loss net of deferred tax. The Company has now reinstated the balances by increasing exceptional items and deferred tax expense amounting to ₹ 219.55 crores for FY 2017-18.

(p) As a result of these transactions, the Company has potentially not complied with the provisions of Section 185, Section 186 and certain other applicable sections of the Companies Act, 2013. The Company also believes that there may be potential non-compliances under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Income Tax Act, 1961 and other statutes and regulations. The Company is in the process of evaluating the implications of these potential non-compliances and potential remedies available.

(q) The Company has certain receivables from various subsidiaries, promoter affiliate companies and connected parties as at 31 March, 2019, 31 March, 2018 and 1 April, 2017. Considering the above transactions, the Company has estimated the timing of recovery of outstanding balances from such Companies and accordingly has classified the balances as non-current. The Company also believes that interest on such receivables is also recoverable from those affiliate companies and connected parties amounting to ₹ 337.61 crores approximately till 31 March, 2019 which has currently not been considered in the financial statements. The Company plans to initiate the recovery proceedings for these receivables based on consultation with independent legal counsel. Following are the receivables balances from various subsidiaries, promoter affiliate companies and connected parties (Also refer note 46 for balances and transactions entered into with related parties):

Name of the entity	Relationship	As at 31-03-2019	As at 31-03-2018 (Restated)	As at 31-03-2018 (Reported)	As at 1-04-2017 (Restated)	As at 1-04-2017 (Reported)
A) Advance / Loan given						
CG Power Solutions Limited	Subsidiary	**1226.15**	1223.57	378.21	459.32	259.44
Avantha Holdings Limited	Promoter Company	**685.32**	700.40	116.93	1068.89	102.70
Avantha Realty Limited	Promoter Company	**10.66**	10.23	10.23	12.56	12.56
Acton Global Private Limited	Connected party	**175.00**	245.00	-	245.00	-
Ballarpur Industries Limited	Related party	**68.50**	68.50	-	68.50	-
Blue Garden Estate Private Limited	Connected party	**176.11**	147.26	-	-	-
Solaris Industrial Chemicals Limited	Related party	**98.20**	-	-	-	-
Total		**2439.94**	**2394.96**	**505.37**	**1854.27**	**374.70**
B) Loan payable						
Blue Garden Estate Private Limited	Connected party	**320.00**	390.00	-	390.00	-
Total		**320.00**	**390.00**	**-**	**390.00**	**-**

4. PROPERTY, PLANT AND EQUIPMENT

₹ crores

Particulars	Freehold land	Leasehold land	Buildings	Plant and machinery	Furniture and fittings	Office equipments	Vehicles	Total	Capital work -in-progress
Deemed cost:									
As at 1-04-2017	**192.63**	**209.54**	**635.92**	**382.36**	**19.95**	**13.84**	**6.96**	**1461.20**	**8.23**
Additions	-	-	2.35	95.78	34.55	4.65	2.01	139.34	7.58
Disposals / transfers	-	-	4.57	3.62	0.68	0.54	0.72	10.13	7.62
As at 31-03-2018	**192.63**	**209.54**	**633.70**	**474.52**	**53.82**	**17.95**	**8.25**	**1590.41**	**8.19**
Additions	-	-	4.30	37.85	5.51	3.40	3.19	54.25	10.72
Disposals / transfers	8.34	-	-	0.56	1.63	1.94	2.42	14.89	7.54
Transferred to discontinued operation (Refer note 47)	134.87	123.51	21.56	-	-	-	-	279.94	-
As at 31-03-2019	**49.42**	**86.03**	**616.44**	**511.81**	**57.70**	**19.41**	**9.02**	**1349.83**	**11.37**
Accumulated depreciation:									
As at 1-04-2017	**-**	**7.67**	**82.26**	**121.13**	**6.93**	**7.81**	**2.62**	**228.42**	**-**
Depreciation charge for the year	-	3.56	28.33	39.73	2.90	2.46	2.24	79.22	-
Disposals / transfers	-	-	0.87	2.59	0.64	0.47	0.35	4.92	-
As at 31-03-2018	**-**	**11.23**	**109.72**	**158.27**	**9.19**	**9.80**	**4.51**	**302.72**	**-**
Depreciation charge for the year	-	3.55	24.42	45.54	5.81	3.14	1.50	83.96	-
Disposals / transfers	-	-	-	0.22	0.46	1.44	1.94	4.06	-
As at 31-03-2019	**-**	**14.78**	**134.14**	**203.59**	**14.54**	**11.50**	**4.07**	**382.62**	**-**
Net book value									
As at 1-04-2017	192.63	201.87	553.66	261.23	13.02	6.03	4.34	1232.78	8.23
As at 31-03-2018	192.63	198.31	523.98	316.25	44.63	8.15	3.74	1287.69	8.19
As at 31-03-2019	**49.42**	**71.25**	**482.30**	**308.22**	**43.16**	**7.91**	**4.95**	**967.21**	**11.37**

₹ crores

5. INTANGIBLE ASSETS

Particulars	Computer software	Technical know-how	Commercial rights	Development cost #	Total	Intangible assets under development #
Deemed cost:						
As at 1-04-2017	**55.67**	**10.27**	**31.09**	**73.26**	**170.29**	**28.01**
Additions	14.66	1.99	-	9.18	25.83	13.36
Disposals / transfers	-	-	-	-	-	9.18
As at 31-03-2018	**70.33**	**12.26**	**31.09**	**82.44**	**196.12**	**32.19**
Additions	1.67	0.04	-	7.94	9.65	14.12
Disposals / transfers	-	-	-	-	-	7.94
Impairment for the year (Refer note 48)	-	-	-	-	-	14.95
As at 31-03-2019	**72.00**	**12.30**	**31.09**	**90.38**	**205.77**	**23.42**
Accumulated amortisation:						
As at 1-04-2017	**40.85**	**10.27**	**27.39**	**45.55**	**124.06**	**-**
Amortisation charge for the year	8.91	0.25	1.11	12.61	22.88	-
As at 31-03-2018	**49.76**	**10.52**	**28.50**	**58.16**	**146.94**	**-**
Amortisation charge for the year	8.00	0.40	1.11	9.63	19.14	-
As at 31-03-2019	**57.76**	**10.92**	**29.61**	**67.79**	**166.08**	**-**
Net book value						
As at 1-04-2017	14.82	-	3.70	27.71	46.23	28.01
As at 31-03-2018	20.57	1.74	2.59	24.28	49.18	32.19
As at 31-03-2019	**14.24**	**1.38**	**1.48**	**22.59**	**39.69**	**23.42**

Refer note 42 for expenses capitalised during the year

₹ crores

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

	Face value per unit in ₹ unless otherwise specified	No. of shares / units					
		As at 31-03-2019	As at 31-03-2018	As at 1-04-2017	**As at 31-03-2019**	As at 31-03-2018	As at 1-04-2017
Details of investments:							
A) Quoted investments							
Government and trust securities							
Central Government Securities 10.18% GOI 2026 of ₹ 100 each	100	**39000**	39000	39000	**0.39**	0.44	0.44
(Carried at amortised cost)							
Total (A)					**0.39**	0.44	0.44
B) Unquoted investments							
Investments in equity instruments (carried at cost)							
Investment in subsidiary companies							
Fully paid equity shares							
1. CG International B.V.	EUR 100	**1530000**	1530000	730000	**1190.54**	1190.54	545.86
Less : Provision for diminution in value of investment					**(545.86)**	(545.86)	(545.86)
					644.68	644.68	-
2. CG Power Equipments Limited	2	**250000**	250000	250000	**0.05**	0.05	0.05
(*Formerly* Crompton Greaves Consumer Products Limited)							
Less : Provision for diminution in value of investment					**(0.05)**	(0.05)	(0.05)
					-	-	-
3. CG International Holdings Singapore Pte. Limited	USD 1	**44121460**	44121460	44121460	**238.29**	238.29	238.29
4. CG PPI Adhesive Products Limited	10	**3175520**	3175520	3175520	**13.03**	13.03	13.03
5. CG Power Solutions Limited	10	**50000**	50000	50000	**0.05**	0.05	0.05
6. PT Crompton Prima Switchgear Indonesia					**1.15**	-	-
Partly paid equity shares							
CG Power Equipments Limited	0.20	**156436537**	156436537	156436537	**3.13**	3.13	3.13
(*Formerly* Crompton Greaves Consumer Products Limited)							
Less : Provision for diminution in value of investment					**(3.13)**	(3.13)	(3.13)
					-	-	-
					897.20	896.05	251.37
Carried at fair value							
Through other comprehensive income							
Avantha Power & Infrastructure Limited	10	**213300228**	213300228	213300228	**151.80**	151.80	151.80
Less: Provision for Impairment #					**151.80**	30.00	-
					-	121.80	151.80

₹ crores

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

	Face value per unit in ₹ unless otherwise specified	No. of shares / units					
		As at 31-03-2019	As at 31-03-2018	As at 1-04-2017	**As at 31-03-2019**	As at 31-03-2018	As at 1-04-2017
B) Unquoted investments (Contd.)							
Through profit or loss							
1. Dinette Exclusive Club Private Limited	100	**500**	500	500	**0.01**	0.01	0.01
2. Radiant Electronics Limited	100	**190000**	190000	190000	**0.00**	0.00	0.00
					0.01	0.01	0.01
Investments in debentures or bonds							
Carried at fair value through profit and loss							
1. Avantha Holdings Limited	100	**800000**	800000	800000	**8.00**	8.00	8.00
(Optionally Convertible, Zero Coupon, Non-marketable, transferable Debentures)							
Less : Provision for diminution in value of investment					**(8.00)**	-	-
					-	8.00	8.00
2. Dinette Exclusive Club Private Limited	100	**5000**	5000	5000	**0.05**	0.05	0.05
(0% Unsecured Irredeemable Non-convertible Debentures of ₹ 100 each)							
					0.05	8.05	8.05
Other non-current investments							
1. UTI Hybrid Equity Fund - Dividend Plan - Payout	10	**55909**	55909	55909	**0.15**	0.16	0.12
2. Power Equipment Limited	USD 10	**20600**	20600	20600	**0.00**	0.00	0.00
3. Exide Life Traditional Employee Benefits Plan Scheme		**1**	1	1	**0.26**	0.10	15.81
4. HDFC Life Secure Managed Fund		**313224**	313393	4811334	**0.76**	0.71	10.40
5. IndiaFirst Employee Benefit Plan Equity Advantage Fund		**23171**	23171	870887	**0.04**	0.04	1.50
					1.21	1.01	27.83
Investment in Joint Venture							
PT Crompton Prima Switchgear Indonesia					**-**	1.15	1.15
					-	1.15	1.15
Total (B)					**898.47**	1028.07	440.21
Total (A+B)					**898.86**	1028.51	440.65
Notes:							
Quoted investments							
Book value					**0.39**	0.44	0.44
Market value					**0.39**	0.37	0.44
Unquoted investments							
Book value					**898.47**	1028.07	440.21

The investment in Avantha Power & Infrastructure Limited was reviewed by the management and carrying amount of ₹ 151.80 crores of which ₹ 121.80 crores has been fully provided in the current financial year (₹ 30.00 crores as at 31 March, 2018) as the same has been considered to be non-recoverable based on the management evaluation.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
7. NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLE			
Unsecured			
Considered good (Refer note 57)	**6.24**	-	-
	6.24	-	-

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
8. NON-CURRENT FINANCIAL ASSETS - LOANS			
Unsecured, considered good, unless otherwise stated			
Deposits	**6.96**	6.87	6.64
Loans to Subsidiaries (Refer note 46)	**2863.09**	2489.71	467.24
Less: Impairment on loans to subsidiary (Refer note 48)	**1470.61**	105.00	-
	1399.44	2391.58	473.88

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
9. NON-CURRENT FINANCIAL ASSETS - OTHERS			
Deposits with banks (with maturity period of more than 12 months)	**5.06**	-	-
Financial guarantee fees receivable (Refer note 46)	**38.58**	19.55	46.89
Advance to others #	**526.74**	493.26	346.00
Advance to other related parties (Refer note 46)	**862.68**	779.13	1149.95
	1433.06	1291.94	1542.84

Includes receivable from connected parties (as termed in Note 3A (a)) of ₹ 351.11 crores as at 31-03-2019 (₹ 392.26 crores as at 31 March, 2018 and ₹ 245.00 crores as at 1 April, 2017)

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
10. NON-CURRENT ASSETS - OTHERS			
Unsecured, considered good, unless otherwise stated			
Capital advances	**1.88**	2.09	3.18
	1.88	2.09	3.18

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
11. INVENTORIES						
Raw materials (at cost)	**199.60**		172.34		160.99	
Add: Goods-in-transit (at cost)	**22.72**		4.64		5.50	
		222.32		176.98		166.49
Work-in-progress (at cost)		**199.88**		191.65		201.31
Finished good (at lower of cost or net realisable value)		**102.55**		40.45		121.63
Stock-in-trade (at lower of cost or net realisable value)		**2.62**		0.60		0.43
Stores, spares and packing materials (at cost)		**3.68**		4.24		3.18
Loose tools (at cost)		**0.11**		0.13		0.03
		531.16		414.05		493.07

₹ crores

12. CURRENT FINANCIAL ASSETS - INVESTMENTS

	Face value per unit in ₹ unless otherwise specified	No. of shares / units					
		As at 31-03-2019	As at 31-03-2018	As at 1-04-2017	**As at 31-03-2019**	As at 31-03-2018	As at 1-04-2017
Details of investments:							
Investments in equity instruments							
1 Nicco Corporation Limited	2	**330390**	330390	330390	**0.01**	0.01	0.02
2 JCT Electronics Limited	1	**250000**	250000	250000	**0.00**	0.00	0.00
3 IDBI Bank Limited	10	**-**	-	127720	**-**	-	0.96
					0.01	0.01	0.98
Investments in mutual funds							
Birla Sunlife Saving Fund Growth Direct Plan		**-**	-	132319.51	**-**	-	4.24
					-	-	4.24
					0.01	0.01	5.22
Note:							
Quoted investments							
Book value					**0.01**	0.01	5.22
Market value					**0.01**	0.01	5.22

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
13. TRADE RECEIVABLES						
Unsecured:						
Considered good (Refer note 57)	**1135.81**		1572.23		1443.00	
Credit impaired	**152.24**		102.25		91.85	
	1288.05		1674.48		1534.85	
Less: Allowance for credit impaired	**152.24**		102.25		91.85	
		1135.81		1572.23		1443.00
Receivables from related parties		**42.72**		27.65		37.37
		1178.53		1599.88		1480.37

Note :

Refer note 46 for trade receivables from related parties.

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
14. CASH AND CASH EQUIVALENTS						
Cash and cash equivalents:						
Balances with banks:						
On current accounts	**66.07**		186.18		99.52	
On deposit accounts with maturity of less than 3 months (Refer note below)	**37.92**		6.91		154.90	
		103.99		193.09		254.42
Cash on hand		**0.05**		0.06		0.06
		104.04		193.15		254.48

Note:

Deposits of ₹ 37.92 crores (₹ 3.00 crores as at 31 March, 2018 and ₹ 32.90 crores as at 1 April, 2017) are held as margin money, security against borrowings, guarantees, other commitments and under lien with banks.

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS						
Other balance:						
Earmarked balances with banks for:						
Unpaid dividends		**0.72**		0.98		1.27
Fixed deposits with banks		**15.65**		-		-
		16.37		0.98		1.27

Earmarked balances are restricted for use. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March, 2019 and 31 March, 2018.

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
16. CURRENT FINANCIAL ASSETS - LOANS						
Unsecured, considered good, unless otherwise stated						
Loans to Subsidiaries (Refer note 46)		**8.45**		0.41		1170.50
Security deposits:						
Considered good	**31.73**		29.79		29.11	
Considered doubtful	**0.52**		0.05		0.05	
	32.25		29.84		29.16	
Less: Allowance for bad and doubtful deposits	**0.52**		0.05		0.05	
		31.73		29.79		29.11
		40.18		30.20		1199.61

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
17. CURRENT FINANCIAL ASSETS - OTHERS			
Bank Deposits (Refer note below)	**-**	-	149.03
Financial guarantee fees receivable (Refer note 46)	**35.20**	45.23	30.99
Derivative instruments	**4.89**	-	16.29
Other financial receivables	**0.63**	0.32	7.96
	40.72	45.55	204.27

Note:

Deposits of ₹ Nil (₹ Nil as at 31 March, 2018 and ₹ 149.03 crores as at 1 April, 2017) are held as margin money, security against borrowings, guarantees, other commitments and under lien with banks.

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
18. OTHER CURRENT ASSETS			
Advance to suppliers	**32.11**	44.51	47.41
Prepaid expenses	**11.16**	5.89	22.73
Due from customer (constructions and project related activity)	**1.53**	7.52	17.93
Gratuity fund	**9.26**	-	-
Statutory and other receivables	**195.86**	232.83	238.33
	249.92	290.75	326.40

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
19. SHARE CAPITAL			
Authorised			
2,03,80,00,000 Equity Shares of ₹ 2 each	**407.60**	407.60	407.60
(2,03,80,00,000 Equity Shares of ₹ 2 each as at 31 March, 2018 and 1 April, 2017)			
Issued			
(62,67,88,442 Equity Shares of ₹ 2 each as at 31 March, 2018 and 1 April, 2017)	**125.35**	125.35	125.35
Subscribed and paid-up			
(62,67,46,142 Equity Shares of ₹ 2 each as at 31 March, 2018 and 1 April, 2017)	**125.35**	125.35	125.35
Forfeited shares:			
42,300 Equity Shares of ₹ 2 each, partly paid (Amount paid-up ₹ 32,175)	**0.00**	0.00	0.00
(42,300 Equity Shares of ₹ 2 each, partly paid as at 31 March, 2018 and 1 April, 2017)			
	125.35	125.35	125.35

Notes:

(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:

Authorised share capital	As at 31-03-2019		As at 31-03-2018	
	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 31-03-2019		As at 31-03-2018	
	No of Shares	**₹ crores**	No of Shares	₹ crores
Balance at the beginning of the year	**626788442**	**125.35**	626788442	125.35
Balance at the end of the year	**626788442**	**125.35**	626788442	125.35

Subscribed and paid-up	As at 31-03-2019		As at 31-03-2018	
	No of Shares	**₹ crores**	No of Shares	₹ crores
Balance at the beginning of the year	**626746142**	**125.35**	626746142	125.35
Balance at the end of the year	**626746142**	**125.35**	626746142	125.35

The Company has not issued any equity shares during the current and in the previous year.

(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:

Issued share capital		As at 31-03-2019		As at 31-03-2018	
		%	**No of Shares**	%	No of Shares
1	Vistra ITCL India Limited	**21.60**	**135392496**	-	-
2	Avantha Holdings Limited	**12.77**	**80050000**	34.37	215442496
3	HDFC Trustee Company Limited - HDFC Equity Fund	**9.17**	**57451000**	9.22	57788500
4	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Frontline Equity Fund	**8.93**	**55960974**	6.84	42898617

(d) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

Particulars	As at 31-03-2019	As at 31-03-2018
	No. of Shares	No. of Shares
Shares bought back	**-**	14745394

(e) Aggregate number of shares issued as GDRs

Particulars	As at 31-03-2019		As at 31-03-2018	
	%	**No of Shares**	%	No of Shares
The Bank of New York	**0.12**	**775949**	0.13	822504

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
20. OTHER EQUITY			
Retained earnings	**1495.20**	3014.67	2999.28
General reserve	**415.89**	415.89	415.89
Capital reserve	**672.49**	672.49	672.49
Capital redemption reserve	**12.95**	12.95	12.95
Securities premium	**18.29**	18.29	18.29
FVOCI reserve	**(227.00)**	(105.20)	(75.20)
	2387.82	4029.09	4043.70

(a) Dividend paid and proposed:

No dividends have been proposed, declared or paid during the financial year 2018-19 (2017-18 ₹ Nil) or after the financial year but before the financial statements were approved for issue.

(b) Nature and purpose of reserves:

(1) Capital redemption reserve:

Capital redemption reserve was created on buy back of shares. The Company may issue fully paid-up bonus shares to its members out of the capital redemption reserve account.

(2) Securities premium:

Securities premium is created when shares are issued at premium. Securities premium can be utilized only for limited purpose such as issuance of bonus shares in accordance with provisions of the Companies Act, 2013.

(3) Capital reserve:

The Company had paid certain deferred sales tax liabilities in accordance with the scheme formulated by the State Government of Maharashtra for such optional prepayments. The resultant surplus of ₹ 19.12 crores, representing the excess of the recorded liability over the amount paid was credited to Capital reserve.

During the financial year ended 31 March, 2016, the capital reserve of ₹ 652.53 crores is recognised due to demerger of consumer products segment pursuant to the transfer of all assets and liabilities to the resulting company i.e. Crompton Greaves Consumer Electricals Limited

(4) General reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

(5) FVOCI reserve:

The Company has elected recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
21. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS			
Secured loans			
Term loans from banks / financial Institutions (Refer note (a), (b) below)	**678.96**	974.80	585.41
Unsecured loans			
Term loans from banks (Refer note (c) below)	**72.20**	36.85	113.19
	751.16	1011.65	698.60

21. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS (Contd.)

Notes:

Security created to the extent of :

(a) Secured term loans from banks:

1) The term loan of ₹ 367.66 crores (as at 31 March, 2018 ₹ 402.02 crores and as at 1 April, 2017 ₹ 412.71 crores) at an interest rate of 1 year Bank's MCLR plus a spread of 1.55% p.a. payable monthly. The loan is repayable within five years from the date of disbursement i.e. 3 August, 2016, in 18 structured quarterly payments with a moratorium of 6 months. The loan is secured by First exclusive charge on plant and machinery and fixed assets with minimum value of ₹ 297.00 crores. (Current maturity pertaining to the said term loan is ₹ 151.63 crores (as at 31 March, 2018 ₹ 44.60 crores and as at 1 April, 2017 ₹ 22.30 crores), Refer note 27).

2) The term loan of ₹ 139.56 crores and ₹ Nil respectively (as at 31 March, 2018 ₹ 159.51 crores and ₹ 43.50 crores respectively) (as at 1 April 2017 ₹ Nil) at an interest rate of 6 months bank MCLR. The loan tenure is 42 months for ₹ 159.51 crores and 13 months for ₹ 43.50 crores respectively. The loan is secured by First charge on movable and immovable property of ₹ 69.70 crores of specified location. Subservient charges on identified assets having market value of minimum ₹ 100.00 crores (Current maturity pertaining to the said term loan is ₹ 45.38 crores (as at 31 March, 2018 ₹ 65.63 crores and as at 1 April, 2017 ₹ Nil), Refer note 27).

3) The term loan of ₹ 305.00 crores (as at 31 March, 2018 ₹ 305.00 crores and as at 1 April, 2017 ₹ Nil) at an interest rate of 1 year Bank's MCLR plus 1.75% p.a. payable at monthly interval. The loan is repayable within five years from the date of disbursement i.e. 24 July, 2017, in 36 equal monthly installments after a moratorium of 2 years from the date of first disbursement. The loan is secured by second charge on identified plant and machinery and immovable fixed assets. (Current maturity pertaining to the said term loan is ₹ 76.25 crores (as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ Nil), Refer note 27).

(b) Secured term loan from financial institutions:

The term loan of ₹ 175.00 crores (as at 31 March, 2018 ₹ 195.00 crores and as at 1 April, 2017 ₹ 200.00 crores). The Facility (together with all interests, liquidated damages, fees, costs, charges, expenses and other monies and all other amounts stipulated and payable by the borrower to the lender)(whether expended by the Lender itself or not) shall be secured by (a) Exclusive charge on movable and immovable fixed assets of the co-borrowers, both current and future (b) Demand Promissory Note.

Nature of Repayment: (a) Door-to-door tenor of 5 years, Principles moratorium for 12 months from the date of disbursement (b) 20% of total repayment will be paid in second & third year of loan in 8 quarterly installments and the balance 80% will be paid in forth & fifth year of the loan in 8 equal quarterly installments.

Rate of Interest: The Borrower shall, until the Facility amount is fully paid off, pay to the Lender, interest at the rate, equivalent to the Benchmark Rate (BR) + Spread. BR + Spread = Applicable Interest Rate % per annum.

Interest rate will be fixed till the moratorium period and then will linked to Benchmark Rate 1 year HDFC Bank MCLR Rate. The spread shall be defined on the date of first disbursement in a manner such that the applicable interest rate works out to 12.50% per annum payable monthly.

The spread shall remain fixed for 1 year from the date of first disbursement. Thereafter, the spread shall be reset annually and in case the increased spread is not acceptable, the Borrower shall have the right to prepay the facility in full within a period of 30 days from such Reset date, with a prior written notice of not less than 15 days. However, such increased rate shall be payable till the date of repayment. [Current maturity pertaining to the said term loan is ₹ 35.00 crores (as at 31 March, 2018 ₹ 20.00 crores and as at 1 April, 2017 ₹ 5.00 crores), Refer note 27].

(c) Unsecured term loans from banks:

1) The term loan of ₹ 24.36 crores (as at 31 March, 2018 ₹ 119.30 crores and as at 1 April, 2017 ₹ 210.63 crores) at an interest rate linked to Bank's 1 year MCLR (Floating rate). The loan is repayable within 2.75 years from the date of disbursement i.e. 11 July, 2016, in 10 equal quarterly installments with first installment starting after 6 months from the date of disbursement. [Current maturity pertaining to the said term loan is ₹ 24.36 crores (as at 31 March, 2018 ₹ 97.44 crores and as at 1 April, 2017 ₹ 97.44 crores), Refer note 27].

2) The term loan of ₹ 15.00 crores (as at 31 March, 2018 ₹ 71.24 crores and as at 1 April, 2017 ₹ Nil) at an interest rate of bank MCLR plus applicable margin payable at monthly intervals. The loan is repayable within 2 years from the date of disbursement i.e. 16 May, 2017, in 15 structured monthly installments with first starting after 9 months from the date of disbursement. [Current maturity of the said term loan is ₹ 15.00 crores (as at 31 March, 2018 ₹ 56.25 crores and as at 1 April, 2017 ₹ Nil), Refer note 27].

3) Refer note 3A (c) for the term loan of ₹ 72.20 crores.

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
22. NON-CURRENT OTHER FINANCIAL LIABILITIES			
Deposits payable	**5.59**	1.46	1.10
Term loans from others	**292.68**	390.00	390.00
	298.27	391.46	391.10

22. NON-CURRENT OTHER FINANCIAL LIABILITIES (Contd.)

Notes:

Security created to the extent of:

Secured term loan from others:

1 The term loan of ₹ 165.00 crores (as at 31 March, 2018 ₹ 200.00 crores and as at 1 April, 2017 ₹ 200.00 crores) was availed by Blue Garden Estates Private Limited (BGEPL), the borrower, from Aditya Birla Finance Limited (ABFL), for tenure of five years with moratorium of 3 years and repayable in 8 quarterly installments after moratorium period. BGEPL in turn lent the said term loan amount to the Company. The terms and conditions of this loan for the borrower are as under :

i) The borrower for the first three years from the date of first disbursement shall pay fixed interest rate of 12.50% p.a. Thereafter until the facility amount is fully paid off, borrower shall pay to ABFL, interest equivalent to the Benchmark Rate (BR) + Spread.

ii) The loan is secured by:

(a) Exclusive charge on all the movable and immovable assets of the borrower, both present and future.

(b) Facility DSRA of ₹ 10.00 crores (Debt Service Reserve Account) will be maintained through the facility of the loan either in funded form or to be kept as undisbursed amount of the facility as may be acceptable to ABFL. Funded DSRA to be created by way of lien marked fixed deposit / debt mutual fund (with Birla Sunlife MF) / cash equivalent, to the satisfaction of ABFL.

(c) Pledge of 100% shares of the borrower.

(d) Assignment of all rights and benefits under the interest bearing advance made to the vendor and escrow of all proceeds (including interests) from vendor on which ABFL shall have an exclusive charge.

(e) Corporate Guarantee of Avantha Holdings Limited in favor of BGEPL.

(f) Cross Collateral with existing facilities extended by BGEPL.

(g) Demand Promissory Note

(h) First right on receivables of the sale proceeds from the land and property located at Kanjurmarg in Mumbai shall be routed through designated Escrow Account and shall be utilized for liquidation of facilities extended by ABFL to the Company.

BGEPL has extended this loan facility to the Company at interest rate of 15% p.a.

(Current maturity pertaining to the said term loan is ₹ 3.57 crores (as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ Nil), Refer note 27).

Also refer note 3A (a).

2 The term loan of ₹ 155.00 crores (as at 31 March 2018 ₹ 190.00 crores and as at 1 April, 2017 ₹ 190.00 crores respectively) was availed by Blue Garden Estates Private Limited (BGEPL), the borrower, from Aditya Birla Finance Limited (ABFL), for tenure of 120 months from first disbursement. The loan is repayable in 28 equal quarterly installments after the moratorium period of 36 months. BGEPL in turn lent the said term loan amount to the Company. The terms and conditions of this loan for the borrower are as under :

i) Interest to be serviced on monthly basis @ 12.50% p. a. fixed rate upto 36 months from the end of the month in which last disbursement happens. After 36 months, interest rate to be reset as per mutually agreed terms.

ii) The loan is secured by:

a) Corporate Guarantee of Holding Company of borrower viz. M/s. Acton Global Pvt. Ltd.

b) Pledge of 100% shares of Borrower i.e. BGEPL in favour of ABFL

c) Creation of Escrow account and Lien on such account in favor of ABFL towards credit proceeds of interest payment on monthly basis (if any) from vendor towards advance received by it from borrower.

iii) Right on land and building A-3, MIDC Ambad, Nasik, Maharashtra 422010 or any other alternate security offered to BGEPL.

BGEPL has extended this loan facility to the Company at interest rate of 15% p.a.

(Current maturity pertaining to the said term loan is ₹ 23.75 crores (as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ Nil), Refer note 27).

Also refer note 3A (b).

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
23. NON-CURRENT PROVISIONS			
Provision for post retirement medical benefit	**10.37**	10.18	23.39
Provision for leave encashment	**23.86**	22.09	20.31
Other provisions (Refer note 29)	**20.60**	21.03	16.07
	54.83	53.30	59.77

₹ crores

24. TAXATION

Income tax related to items charged or credited directly to statement of profit and loss during the year:

	2018-19	2017-18
Statement of profit or loss:		
Current income tax (continuing operations)	**50.21**	29.37
Deferred tax expense / (benefit):		
Relating to origination and reversal of temporary differences - continuing operations	**(39.17)**	46.51
Relating to origination and reversal of temporary differences - discontinued operations	**(11.78)**	(35.37)
	(0.74)	40.51
Statement of Other Comprehensive Income		
Current tax related to items recognised in OCI during the year	**(1.21)**	-
Deferred tax related to items recognised in OCI during the year	**-**	(2.04)
	(1.21)	(2.04)

Income Tax expense:

Reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recogised income tax expense for the year indicated are as follows:

	2018-19	2017-18
Profit / (loss) before tax from continuing operations	**(1384.41)**	162.00
Loss before tax from discontinued operations	**(33.72)**	(102.24)
Accounting profit / (loss) before income tax	**(1418.13)**	59.76
Applicable tax rate	**34.944%**	34.608%
Computed tax expense	**(495.55)**	20.68
Income exempt from taxation	**(0.13)**	(0.12)
Expense not deductible in determining taxable profits	**5.56**	0.87
Tax impact on allowances under section 35(2AB) of Income tax act, 1961	**(7.47)**	(7.76)
Deferred tax assets not recognised on account of lack of convincing evidence in respect of future taxable income	**477.20**	-
Impact of deferred tax created at lower rate for Land	**21.40**	-
Tax impact on OCI	**(1.21)**	-
Other temporary differences	**(0.54)**	26.84
Net income tax expense charged to statement of profit and loss	**(0.74)**	40.51
Income tax attributable to continued operations	**11.04**	75.88
Income tax attributable to discontinued operations	**(11.78)**	(35.37)
	(0.74)	40.51

Deferred tax relates to the following:

	Balance sheet			Recognised in statement of profit and loss	
	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017	**As at 31-03-2019**	As at 31-03-2018
Expenses allowable on payment basis	**1.88**	1.46	2.14	**0.42**	(0.68)
Other items giving rise to temporary differences	**67.06**	30.17	34.60	**36.89**	(4.43)
Accelerated depreciation for tax purposes	**(82.06)**	(81.11)	(81.01)	**(0.95)**	(0.10)
Fair valuation of property, plant and equipment	**(205.87)**	(196.38)	(204.82)	**(9.49)**	8.44
Impairment of loan	**3.92**	3.88	3.88	**0.04**	-
Provision for loss allowance	**37.90**	17.45	18.63	**20.45**	(1.18)
Unabsorbed losses and Unabsorbed depreciation	**-**	(18.99)	-	**18.99**	(18.99)
Tax impact on account of adoption of Ind AS 115	**37.52**	-	-	**(15.40)**	-
Impairment of receivables	**7.84**	7.84	-	**-**	7.84
Deferred tax asset / (liability)	**(131.81)**	(235.68)	(226.58)		
Net (income) / expense				**50.95**	(9.10)
Deferred tax expense / (benefit):					
Relating to origination and reversal of temporary differences - continuing operations				**39.17**	(44.47)
Relating to origination and reversal of temporary differences - discontinued operations				**11.78**	35.37
Total				**50.95**	(9.10)

₹ crores

24. TAXATION (Contd.)

Reconciliation of deferred tax assets / (liabilities) net:

	As at 31-03-2019	As at 31-03-2018
Opening balance as of 1st April	**(235.68)**	(226.58)
Tax income / (expense) during the period recognised in profit or loss from continued operations	**39.17**	(46.51)
Tax income / (expense) during the period recognised in profit or loss from discontinued operations	**11.78**	35.37
Deferred tax on Other Comprehensive Income	**-**	2.04
Tax impact on account of first time adoption of Ind AS 115	**52.92**	-
Closing balance	**(131.81)**	(235.68)

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
25. CURRENT FINANCIAL LIABILITIES - BORROWINGS			
Secured loans			
From Bank, Cash Credit, Packing Credit.	**357.10**	318.59	229.82
(Refer note below)			
Unsecured Loans			
Working capital loan from bank:			
Demand loan	**627.71**	467.84	391.79
Supplier finance facility	**2.01**	89.71	88.62
Others	**49.79**	-	-
	1036.61	876.14	710.23

Note:

Secured by First charge by way of hypothecation on entire current assets present and future of the Company, namely, stock of raw materials, work-in-progress, semi finished and finished goods, stores and spares not relating to plant and machinery (consumables stores and spares), trade receivables including proceeds thereof on realisation and other movables which are in the nature of current assets of the Company.

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
26. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES			
Acceptances	**85.70**	102.27	81.62
Due to micro and small enterprises (Refer note below)	**123.73**	81.55	59.88
Due to other than micro and small enterprises	**1325.09**	1056.40	933.51
Due to subsidiaries (Refer note 46)	**20.12**	12.61	16.32
	1554.64	1252.83	1091.33

Note:

The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31 March, 2019.

The disclosure pursuant to the said Act is as under:

		As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
(a)	Principal amount due to suppliers under MSMED Act, 2006	**123.73**	81.55	59.88
(b)	Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	**0.39**	0.06	0.02
(c)	Payment made to suppliers (other than interest) beyond the appointed day, during the year	**23.67**	14.70	12.68
(d)	Interest paid to suppliers under MSMED Act (other than Section 16)	**-**	-	-
(e)	Interest paid to suppliers under MSMED Act (Section 16)	**0.08**	0.04	0.03
(f)	Interest due and payable towards suppliers under MSMED Act for payments already made	**1.17**	0.00	-
(g)	Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	**1.56**	0.06	0.02

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the Company.

₹ crores

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
27. CURRENT-OTHER FINANCIAL LIABILITIES						
Current maturities of long-term loans from banks / financial institutions (Refer note 21)		**347.62**		283.92		124.74
Current maturities of long-term loans - others (Refer note 22)		**27.32**		-		-
Interest-free sales tax deferral loans from State Government		**0.12**		0.12		0.12
Interest accrued on borrowings		**30.03**		6.90		5.39
Dues to related parties:						
Dues to subsidiaries (Refer note 46)		**10.31**		4.80		5.07
Investor Education and Protection Fund:						
(Refer below note)						
Unclaimed dividend		**0.72**		0.98		1.27
Security deposits		**8.40**		8.48		7.47
Due to directors (Refer note 46)		**3.29**		2.54		4.32
Financial guarantee obligations		**74.07**		65.35		78.74
Derivative Instruments		**-**		11.85		-
Other payables:						
Due to employees	**19.58**		13.08		13.61	
Others	**151.01**		33.57		19.63	
		170.59		46.65		33.24
		672.47		431.59		260.36

Note:
There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March, 2019, 31 March, 2018 and as at 1 April, 2017.

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
28. OTHER CURRENT LIABILITIES						
Advances from customers (Refer note 57)		**122.68**		220.61		236.28
Due to customers (Refer note 57)		**14.23**		16.68		24.18
Balance with banks overdrawn as per books		**-**		-		0.71
Other payables:						
Statutory dues	**9.49**		14.83		5.98	
Others	**19.75**		21.50		18.82	
		29.24		36.33		24.80
		166.15		273.62		285.97

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
29. SHORT-TERM PROVISIONS			
Provision for gratuity (Refer note 44)	**-**	7.68	10.01
Provision for post retirement medical benefit (Refer note 44)	**0.46**	0.39	1.44
Provision for leave encashment	**2.71**	2.48	3.14
Other provisions (Refer note below)	**72.66**	90.57	54.16
	75.83	101.12	68.75

₹ crores

29. SHORT-TERM PROVISIONS

Note:

Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets:

(1) Movement in provisions:

	Warranties		Sales Tax / VAT		Excise Duty / Custom duty / Service Tax		Liquidated Damages		Other Litigation Claims		Total	
Nature of Provisions	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Carrying amount at the beginning of the year	**59.08**	44.44	**8.81**	8.32	**1.67**	3.50	**7.69**	7.69	**34.35**	6.28	**111.60**	70.23
Additional provision made during the year #	**28.91**	22.19	**7.23**	1.08	**0.88**	-	**-**	-	**1.23**	28.57	**38.25**	51.84
Amounts used during the year	**13.68**	1.50	**-**	-	**-**	-	**-**	-	**20.34**	-	**34.02**	1.50
Unused amounts reversed during the year #	**9.38**	6.05	**-**	0.59	**0.40**	1.83	**7.69**	-	**5.10**	0.50	**22.57**	8.97
Carrying amount at the end of the year	**64.93**	59.08	**16.04**	8.81	**2.15**	1.67	**-**	7.69	**10.14**	34.35	**93.26**	111.60
Non-current (Refer note 23)	**20.60**	21.03	**-**	-	**-**	-	**-**	-	**-**	-	**20.60**	21.03
Current (Refer note 29)	**44.33**	38.05	**16.04**	8.81	**2.15**	1.67	**-**	7.69	**10.14**	34.35	**72.66**	90.57
Total	**64.93**	59.08	**16.04**	8.81	**2.15**	1.67	**-**	7.69	**10.14**	34.35	**93.26**	111.60

Additional provision made during the year and reversal of unused amount are included in the respective head of accounts.

(2) Nature of provisions:

(a) 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 expected to be within a period of two years.

(b) Provision for Sales Tax / VAT represents liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Act / Rules.

(c) Provision for Excise Duty / Custom Duty / Service Tax represents the differential duty liability that is expected to materialise in respect of matters in appeal.

(d) Provision for Liquidated Damages has been made on contracts for which delivery dates are exceeded and computed in reasonable and prudent manner.

(e) Provision for Litigation related obligations represents liabilities that are expected to materialise in respect of matters under litigation.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

	2018-19		2017-18	
30. REVENUE FROM OPERATIONS				
Sale of products	5168.22		4811.50	
Sale of services	41.47		43.03	
Construction contracts	55.59		172.74	
		5265.28		5027.27
Other operating income - scrap sales		90.32		78.87
		5355.60		5106.14

Refer note 57 with respect to information in accordance with the requirements of Ind AS 115 on "Revenue from contracts with customers"

	2018-19	2017-18
31. OTHER INCOME		
Interest income from:		
Subsidiaries (Refer note 46)	177.69	189.65
Deposits with banks	10.21	5.14
Others	23.78	15.91
Dividend income from investment in subsidiary (Refer note 46)	0.38	0.38
Gain on sale of investments (net)	-	0.41
Fair value gain on financial instruments at fair value through profit or loss	-	0.00
Other non-operating income:		
Income from business service centers	5.69	1.21
Income recognised on corporate guarantee	55.82	45.61
Miscellaneous income	2.43	12.13
	276.00	270.44

	2018-19		2017-18	
32. COST OF MATERIALS CONSUMED				
Opening stock	176.98		166.49	
Add: Purchases	3773.90		3378.76	
Less: Closing stock	222.32		176.98	
Other operating income - scrap sales		3728.56		3368.27
		3728.56		3368.27

	2018-19	2017-18
33. PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	34.79	46.65
	34.79	46.65

		2018-19		2017-18	
34.	**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**				
	Changes in inventories of finished goods and work-in-progress:				
	Closing stock:				
	Finished goods	**102.55**		40.45	
	Work-in-progress	**199.88**		191.65	
		302.43		232.10	
	Opening stock:				
	Finished goods	**40.45**		121.63	
	Work-in-progress	**191.65**		201.31	
		232.10		322.94	
			(70.33)		90.84
	Changes in inventories of stock-in-trade:				
	Closing stock:				
	Stock-in-trade	**2.62**		0.60	
	Opening stock:				
	Stock-in-trade	**0.60**		0.43	
			(2.02)		(0.17)
			(72.35)		90.67

		2018-19	2017-18
35.	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus	**319.51**	290.86
	Contribution to provident and other funds (Refer note 44)	**22.14**	20.51
	Post retirement medical benefits	**0.95**	(14.37)
	Staff welfare expenses	**29.86**	30.98
		372.46	327.98

		2018-19	2017-18
36.	**FINANCE COSTS**		
	Interest on loans from banks / financial institutions	**337.02**	301.88
		337.02	301.88

		2018-19	2017-18
37.	**DEPRECIATION AND AMORTISATION EXPENSE**		
	Depreciation of property, plant and equipment (Refer note 4)	**83.96**	79.22
	Amortisation of Intangible assets (Refer note 5) #	**19.94**	22.88
		103.90	102.10

Includes ₹ 0.80 crores on account of impairment

₹ crores

	2018-19	2017-18
38. OTHER EXPENSES		
Consumption of stores and spares	**30.35**	28.56
Power and fuel	**44.87**	40.26
Rent	**6.65**	6.45
Repairs - buildings	**7.56**	6.38
Repairs - machinery	**23.70**	22.81
Insurance	**6.78**	7.97
Rates and taxes	**17.03**	17.14
Freight and forwarding	**131.10**	83.51
Packing materials	**61.21**	48.96
After sales services including warranties	**46.70**	53.97
Sales promotion	**29.91**	53.78
Sub contracting charges	**212.60**	215.48
Directors' sitting fees	**0.76**	0.13
Allowance for doubtful debts and advances	**58.38**	54.48
Corporate social responsibility expenses (Refer note 43)	**3.25**	2.90
Legal and professional charges	**54.99**	33.22
Miscellaneous expenses (Refer note below)	**194.57**	200.95
	930.41	876.95

Note:

Miscellaneous expenses include the following :

	2018-19	2017-18
Auditors' remuneration (excluding Goods and Service Tax / Service Tax)		
Audit fees	**1.83**	1.53
Limited review	**0.69**	0.45
Certification work	**-**	0.04
Other services	**0.15**	-
Out of pocket expenses	**0.70**	0.22
	3.37	2.24

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
39. CONTINGENT LIABILITIES AND COMMITMENTS			
A. Contingent Liabilities:			
(to the extent not provided for)			
(a) Claims against the Company not acknowledged as debts	**5.36**	7.25	9.01
(b) Sales tax / VAT liability that may arise in respect of matters in appeal	**14.41**	47.48	42.06
(c) Excise duty / custom duty / service tax liability that may arise in respect of matters in appeal	**15.11**	6.25	6.35
(d) Income tax liability that may arise in respect of matters in appeal preferred by the department	**1.21**	4.27	4.27
B. Financial guarantees:			
Loan guarantee given on behalf of other related parties	**391.88**	391.88	391.88
C. Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**10.05**	6.47	10.96

Notes:

(i) The Company does not expect any reimbursement in respect of the above contingent liabilities.

(ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of the arbitration / appellate proceedings.

39. CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)

(iii) Supreme court (SC) passed a judgement dated 28 February, 2019 relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are numerous interpretative issues relating to the Supreme Court (SC) judgement including the effective date of application. The Company continues to access any further developments in this matter for the implications on financial statements, if any.

(iv) Sales tax / VAT / Entry tax cases include disputes pertaining to disallowances of Input tax credit and non-submission of various forms with authority.

(v) Excise duty / custom duty / service tax cases include disputes pertaining to inadmissibility of cenvat credit bought out spares, short payment of service tax on work contracts and refund of excise duty on export of transformers. & Interest payment on Provisional Assessment Cases.

(vi) Contingent liabilities for Income tax cases pertains to difference on account of MODVAT / CENVAT credit and valuation of closing stock, disallowance of depreciation claim and after sales services including warranties.

(vii) Claims against CG include disputes pertaining to cost of technology and expenses incurred towards setting up a plant to manufacture of Amorphous Metal Transformers, Claim pertaining to fluctuation in foreign currency on imported materials supplied and claim towards procurement of man power services.

40. Disclosures as required by Indian Accounting Standard (Ind AS) 17 Leases

Operating lease commitments:

(i) Company as lessor:

a) The Company has given office premise space on cancellable operating lease.

b) The rental income from the assets given on lease of ₹ 5.17 crores (Previous year : ₹ 0.81 crores) has been disclosed under Other Income in Note 31 to the Statement of profit and loss.

c) Description of significant operating leasing arrangements:

The Company has taken refundable interest free security deposit under the lease agreements. Agreements contain provision for renewal at the option of either party. Agreement provide for restriction on sub lease.

d) The future minimum lease rental receivable under the non-cancellable operating lease is as follows:

	As at 31-03-2019	As at 31-03-2018
Not later than one year	**7.49**	-
Later than one year and not later than five years	**9.41**	-
Later than five years	**-**	-
TOTAL	**16.90**	-

(ii) Company as lessee:

a) The Company has taken office premises, residential premises, ground and warehouses on cancellable operating lease.

b) Lease rental expenses of operating leases recognised in the Statement of profit and loss under Other Expenses in Note 38 for the year is ₹ 13.72 crores (Previous year ₹ 13.04 crores).

c) Description of significant operating leasing arrangements:

These are cancellable and are renewable by mutual consent on mutually agreed terms. Future lease rentals and escalation clause are determined on the basis of mutually agreed terms. There are no subleases.

d) The future minimum lease rental payable under the non-cancellable operating lease is as follows:

	As at 31-03-2019	As at 31-03-2018
Not later than one year	**2.04**	0.67
Later than one year and not later than five years	**3.64**	0.36
Later than five years	**-**	0.00
TOTAL	**5.68**	1.03

		2018-19	2017-18
41.	**EXPENSES CAPITALISED DURING THE YEAR:**		
(a)	Raw materials consumed	**3.94**	0.07
(b)	Employee benefits expense	**6.56**	6.21
(c)	Other expenses	**3.63**	7.17

		2018-19	2017-18
42.	**EXPENDITURE ON RESEARCH AND DEVELOPMENT :**		
(a)	**Capital expenditure:**		
	Building	**0.43**	-
	Plant and equipments	**0.88**	0.28
	Furniture and fixtures	**0.22**	0.01
	Vehicles	**-**	0.10
	Intangible assets	**0.02**	0.17
	Intangible assets under development	**14.12**	13.36
	Sub-total (a)	**15.67**	13.92
(b)	**Revenue expenditure:**		
	Raw materials consumed	**0.82**	1.18
	Employee benefits	**14.33**	14.61
	Depreciation and amortisation	**13.22**	16.22
	Other expenses		
	Consumption of stores and spares	**0.14**	0.14
	Power and fuel	**0.16**	0.21
	Rent	**0.12**	0.10
	Repairs - buildings	**-**	0.00
	Repairs - machinery	**0.00**	0.03
	Insurance	**0.01**	0.09
	Rates and taxes	**0.01**	0.01
	Miscellaneous expenses	**3.32**	3.64
	Sub-total (b)	**32.13**	36.23
	Total (a) + (b)	**47.80**	50.15

43. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

The particulars of CSR expenditure are as follows:

(a) Gross amount required to be spent by the company during the year is ₹ 3.70 crores* (Previous year ₹ 5.02 crores)

(b) Amount spent during the year on :

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of asset	**-**	-	-
(ii)	On purposes other than (i) above	**3.25**	-	3.25

* After considering the impact of reinstatement.

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS

(a) Defined contribution plans:

Amount of ₹ 17.71 crores (Previous year ₹ 16.27 crores) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans:

Benefits (Contribution to)	2018-19	2017-18
Provident fund	**12.15**	11.31
Superannuation fund	**4.88**	4.45
Employee state insurance scheme	**0.37**	0.50
Labour welfare scheme	**0.02**	0.01
National Pension Scheme	**0.29**	-
Total	**17.71**	16.27

(b) Defined benefit plans:

Gratuity:

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment. Vesting occurs upon completion of five continuous years of service in accordance with Indian law. During the year, the Company changed scheme of gratuity wherein all the employees will be eligible for gratuity without capping of maximum limit of ₹ 0.20 crores. The gratuity amount is calculated as per Payment of Gratuity Act.

The Company makes annual contributions to the CG Gratuity Fund, which is funded defined benefit plan for qualifying employees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Post-retirement medical benefits:

Post-retirement medical benefit includes hospitalization cover & benefits on Cessation of Employment as per the Policy. This cover is applicable only to employee and spouse as per the limits specified for the last grade while in employment. This coverage does not form part of essential terms and condition of employment, and is a benefit extended by the Company as a part of its social benefit policies.

The policies of Medical, Health and Hospitalization insurance are subject to change based on contemporary market trends and practices.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

		Gratuity		Post Retirement Medical Benefits	
		2018-19 (Funded)	2017-18 (Funded)	**2018-19 (Nonfunded)**	2017-18 (Nonfunded)
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	**63.60**	61.62	**10.68**	25.03
2	Interest cost	**5.02**	4.71	**0.83**	1.89
3	Current service cost	**3.83**	3.47	**0.12**	1.03
4	Curtailment	**-**	-	**-**	(17.29)
5	Past service cost (Refer Note 48)	**(17.16)**	-	**-**	-
6	Benefits paid directly by employer	**(0.32)**	(1.93)	**(0.47)**	(0.51)
7	Benefits paid	**(6.86)**	(7.26)	**-**	-
8	Actuarial changes arising from changes in financial assumptions	**0.44**	(0.87)	**(0.25)**	(0.32)
9	Actuarial changes arising from changes in experience adjustments	**0.18**	3.86	**(0.08)**	0.85
10	Present Value of defined benefit obligation at the end of the year	**48.73**	63.60	**10.83**	10.68
II	**Change in fair value of plan assets during the year**				
1	Fair value of plan assets at the beginning of the year	**55.92**	51.61	**NA**	NA
2	Interest Income	**4.41**	3.94	**NA**	NA
3	Contributions paid by the employer	**7.68**	10.02	**NA**	NA
4	Benefits paid from the fund	**(6.86)**	(7.26)	**NA**	NA
5	Assets transferred out / divestments	**-**	-	**NA**	NA
6	Return on plan assets excluding interest income	**(3.16)**	(2.39)	**NA**	NA
7	Fair value of plan assets at the end of the year	**57.99**	55.92	**NA**	NA

₹ crores

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS (Contd.)

		Gratuity		Post Retirement Medical Benefits	
		2018-19 (Funded)	2017-18 (Funded)	**2018-19 (Nonfunded)**	2017-18 (Nonfunded)
III	**Net asset / (liability) recognised in the balance sheet**				
1	Present Value of defined benefit obligation at the end of the year	**(48.73)**	(63.60)	**(10.83)**	(10.68)
2	Fair value of plan assets at the end of the year	**57.99**	55.92	**-**	-
3	Amount recognised in the balance sheet	**9.26**	(7.68)	**(10.83)**	(10.68)
4	Net (liability) / asset- current	**9.26**	(7.68)	**(0.46)**	(0.50)
	Net (liability) / asset- non-current	**-**	-	**(10.37)**	(10.18)
IV	**Expenses recognised in the statement of profit and loss for the year**				
1	Current service cost	**3.83**	3.47	**0.12**	1.03
2	Interest cost on benefit obligation (net)	**0.61**	0.77	**0.83**	1.89
3	Curtailment	**-**	-	**-**	(17.29)
4	Past Service Cost (Refer Note 48)	**(17.16)**	-	**-**	-
5	Total expenses included in employee benefits expense	**(12.72)**	4.24	**0.95**	(14.37)
V	**Recognised in other comprehensive income for the year**				
1	Actuarial changes arising from changes in demographic assumptions	**-**	-	**-**	-
2	Actuarial changes arising from changes in financial assumptions	**0.44**	(0.87)	**(0.25)**	(0.32)
3	Actuarial changes arising from changes in experience adjustments	**0.18**	3.86	**(0.08)**	0.85
4	Return on plan assets excluding interest income	**3.16**	2.39	**NA**	NA
5	Recognised in other comprehensive income	**3.78**	5.38	**(0.33)**	0.53
VI	**Maturity profile of defined benefit obligation**				
1	Within the next 12 months (next annual reporting period)	**7.99**	9.20	**0.50**	0.81
2	Between 2 and 5 years	**19.79**	26.60	**2.29**	3.42
3	Between 6 and 10 years	**21.17**	30.06	**3.72**	4.81
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	**(2.63)**	(3.38)	**(1.37)**	(1.26)
	(ii) One percentage point decrease in discount rate	**2.97**	3.79	**1.74**	1.58
	(i) One percentage point increase in rate of salary increase	**3.05**	3.90	**NA**	NA
	(ii) One percentage point decrease in rate of salary increase	**(2.74)**	(3.53)	**NA**	NA
	(i) One percentage point increase in employee turnover rate	**0.91**	1.05	**NA**	NA
	(ii) One percentage point decrease in employee turnover rate	**(1.02)**	(1.17)	**NA**	NA
	(i) One percentage point increase in medical inflation rate	**NA**	NA	**1.76**	1.60
	(ii) One percentage point decrease in medical inflation rate	**NA**	NA	**(1.39)**	(1.28)

₹ crores

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS (Contd.)

		Gratuity		Post Retirement Medical Benefits	
		As at 31-03-2019 (Funded)	As at 31-03-2018 (Funded)	**As at 31-03-2019 (Nonfunded)**	As at 31-03-2018 (Nonfunded)
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%	**NA**	NA
IX	**Weighted average duration of the defined benefit obligation (in years)**	**7**	6	**30**	30
X	**Actuarial assumptions**				
1	Discount rate	**7.72% p.a.**	7.88% p.a.	**7.76% p.a.**	7.76% p.a.
2	Salary escalation	**6.00% p.a. for the next 1 year, 4.00% p.a. for the next 2 years, starting from the 2nd year, 3.50% p.a. thereafter, starting from the 4th year**	6.00% p.a. for the next 1 year, 4.00% p.a. for the next 2 years, starting from the 2nd year, 3.50% p.a. thereafter, starting from the 4th year	**NA**	NA
3	Mortality rate during employment	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate
4	Mortality post retirement rate	**NA**	NA	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
5	Rate of Employee Turnover	**4.00% p.a.**	4.00% p.a.	**4.00% p.a.**	4.00% p.a.
	Medical premium inflation rate	**NA**	NA	**2.00% p.a.**	2.00% p.a.

	2018-19	2017-18	**2018-19**	2017-18
Expected contribution to the defined benefit plan for the next annual reporting period	**-**	**7.65**	**NA**	NA

Notes :

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31 March, 2019. 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 makes contribution towards provident fund to CG Provident Fund which is administered by the trustees. The Rules of the Company's Provident Fund administered by a trust, require that if the Board of the Trustees are unable to pay interest at the rate declared by the Government under Para 60 of the Employees Provident Fund Scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the company has obtained actuarial valuation and based on the below provided assumption there is no deficiency as at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.

	As at 31-03-2019	As at 31-03-2018
Plan assets at period end, at fair value	**337.45**	319.18
Present value of defined obligation at period end	**304.36**	288.63

Assumptions used in determining the present value of obligation:

	As at 31-03-2019	As at 31-03-2018
Rate of Discounting	**7.72% p.a.**	7.88% p.a.
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition Rate	**4.00% p.a.**	4.00% p.a.
Guaranteed rate of Interest	**8.65% p.a.**	8.55% p.a.
Whilst in service withdrawal	**5.00% p.a.**	5.00% p.a.

₹ crores

45. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 108 OPERATING SEGMENTS

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.

Summary of the Segmental Information as at and for the year ended 31 March, 2019 is as follows:

Particulars	Power Systems	Industrial Systems	Discontinued Operations	Eliminations /Unallocable Expenditure / Assets ##	Total
Revenue					
External sales (Gross Sales)	2275.07	3080.53	-	-	5355.60
Add : Inter segment sales	1.78	0.87	-	(2.65)	-
Total revenue	2276.85	3081.40	-	(2.65)	5355.60
Segment results	85.97	371.04	-	-	457.01
Less: Finance costs					337.02
Less: Foreign exchange (gain) / loss					62.95
Less: Other unallocable expenditure net of unallocable income					(76.82)
Profit after finance cost but before exceptional items and tax					133.86
Exceptional items (net)					(1518.27)
Tax expense					11.04
Loss from continuing operations after tax					(1395.45)
Loss from discontinued operations after tax					(21.94)
Loss for the year					(1417.39)
Capital Employed:					
Segment assets	1481.15	1154.35	280.43	4339.01	7254.94
Segment liabilities	1052.00	906.34	-	2783.43	4741.77
Net Assets	429.15	248.01	280.43	1555.58	2513.17
Capital expenditure #	26.60	40.56	-	5.89	73.05
Depreciation and amortisation #	51.12	30.47	-	22.31	103.90
Impairment of intangible assets under development #	14.15	-	-	-	14.15
Non-cash expenses other than depreciation and amortisation #	34.57	2.13	-	11.05	47.75

₹ crores

45. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 108 OPERATING SEGMENTS (Contd.)

Summary of the Segmental Information as at and for the year ended 31 March, 2018 is as follows:

Particulars	Power Systems	Industrial Systems	Discontinued Operations	Eliminations /Unallocable Expenditure / Assets ##	Total
Revenue					
External sales (Gross Sales)	2773.44	2332.70	-	-	5106.14
Add : Inter segment sales	0.40	0.10	-	(0.50)	-
Total revenue	2773.84	2332.80	-	(0.50)	5106.14
Segment results	165.19	179.29	-	-	344.48
Less: Finance costs					301.88
Less: Foreign exchange (gain) / loss					(131.26)
Less: Other unallocable expenditure net of unallocable income					(121.08)
Profit after finance cost but before exceptional items and tax					294.94
Exceptional items (net)					(132.94)
Tax expense (net-off MAT credit)					75.88
Profit from continuing operations after tax					86.12
Loss from discontinued operations after tax					(66.87)
Profit for the year					19.25
Capital Employed:					
Segment assets	2024.65	999.79	52.12	5706.15	8782.71
Segment liabilities	915.19	553.16	0.88	3159.04	4628.27
Net Assets	1109.46	446.63	51.24	2547.11	4154.44
Capital expenditure #	63.14	63.27	-	43.99	170.40
Depreciation and amortisation #	54.06	27.95	-	20.09	102.10
Non-cash expenses other than depreciation and amortisation #	50.72	3.35	-	7.00	61.07

The disclosure pertains to continuing business segments.

Unallocable assets comprise assets and liabilities which cannot be allocated to the segments. Deferred tax credit assets / liabilities are not considered in capital employed.

Segment revenue by location of customers:

	2018-19		2017-18	
Sales and service revenue:				
Domestic		**4579.08**		4358.79
Overseas:				
Asia	**421.13**		465.93	
Africa	**136.73**		98.73	
North America	**50.20**		80.36	
South America	**17.90**		44.21	
Europe	**146.06**		55.72	
Australia	**4.50**		2.40	
		776.52		747.35
		5355.60		5106.14

Cost incurred on acquisition of tangible and intangible assets:

	2018-19	2017-18
Domestic	**73.05**	170.40
Overseas	**-**	-
Total	**73.05**	170.40

The carrying amount of non-current operating assets by location of assets:

	As at 31-03-2019	As at 31-03-2018
Domestic	**1049.81**	1379.34
Overseas	**-**	-
Total	**1049.81**	1379.34

₹ crores

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 24 RELATED PARTY DISCLOSURES

(a) List of related parties

(i) Subsidiaries:

Sr. No	Name of the Related Parties	Country of Incorporation	% Equity Interest As at 31-03-2019	% Equity Interest As at 31-03-2018
1	CG Power Solutions Limited	India	**100.00**	100.00
2	CG-PPI Adhesive Products Limited	India	**81.42**	81.42
3	CG Power Equipments Limited	India	**100.00**	100.00
	(*formerly* known as "Crompton Greaves Consumer Products Limited")			
4	CG International Holdings Singapore Pte. Limited	Singapore	**100.00**	100.00
5	CG Sales Networks Malaysia Sdn. Bhd.	Malaysia	**100.00**	100.00
	(*formerly* known as "Crompton Greaves Sales Network Malaysia Sdn.Bhd.")			
6	CG International B.V.	The Netherlands	**100.00**	100.00
7	CG Holdings Belgium N.V.	Belgium	**100.00**	100.00
8	CG Power Systems Belgium N.V.	Belgium	**100.00**	100.00
9	CG Power Systems Ireland Limited	Ireland	**100.00**	100.00
10	PT. CG Power Systems Indonesia	Indonesia	**95.00**	95.00
11	CG Sales Networks France SA	France	**99.70**	99.70
12	CG Power Solutions Saudi Arabia Limited	Saudi Arabia	**51.00**	51.00
13	CG Electric Systems Hungary Zrt.	Hungary	**100.00**	100.00
14	CG Power Solutions UK Limited	United Kingdom	**100.00**	100.00
15	CG Power Systems Canada Inc.	Canada	**100.00**	100.00
16	CG- Ganz Generator and Motor Limited Liability Company	Hungary	**100.00**	100.00
	(*formerly* known as "CG Holdings Hungary Kft.")			
17	CG Service Systems France SAS	France	**100.00**	100.00
18	CG Industrial Holdings Sweden AB	Sweden	**100.00**	100.00
19	CG Drives and Automation Sweden AB	Sweden	**100.00**	100.00
20	CG Drives and Automations Germany GmbH	Germany	**100.00**	100.00
21	CG Drives and Automation Netherlands B.V.	The Netherlands	**100.00**	100.00
22	CG Middle East FZE	UAE	**100.00**	100.00
23	CG Holdings Americas, LLC (merged with CG Power Americas LLC w.e.f. 1 April, 2019)	USA	**100.00**	100.00
24	QEI, LLC	USA	**100.00**	100.00
25	CG Power Americas, LLC	USA	**100.00**	100.00
26	CG Solutions Americas, LLC (merged with CG Power Americas LLC w.e.f. 1 April, 2019)	USA	**100.00**	100.00
27	PT Crompton Prima Switchgear Indonesia	Indonesia	**51.00**	NA
	(Subsidiary w.e.f. FY 2018-19)			
28	CG Power and Industrial Solutions Limited Middle East FZCO	UAE	**100.00**	NA
	(Incorporated on 15 October, 2018)			

(ii) Associate:

Sr. No	Name of the Related Parties	Country of Incorporation	% Equity Interest As at 31-03-2019	% Equity Interest As at 31-03-2018
1	CG International BV TR. & Cont. Pvt. Co. LLC. (liquidated w.e.f. 18 June, 2019) (*formerly* known as "Pauwels Middle East Trading & Contracting (Pvt) Co. LLC")	Sharjah	**49.00**	49.00

₹ crores

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 24 RELATED PARTY DISCLOSURES (Contd.)

(iii) Joint Venture:

Sr. No	Name of the Related Parties	Country of Incorporation	% Equity Interest As at 31-03-2019	% Equity Interest As at 31-03-2018
1	PT Crompton Prima Switchgear Indonesia (upto FY 2017-18)	Indonesia	-	51.00

(iv) Key Management Personnel:

1	Gautam Thapar	-	Non- Executive Director, Chairman and Promoter Director (ceased to be Chairman w.e.f. 29 August, 2019)
2	K. N. Neelkant	-	Executive Director, CEO & Managing Director
3	V. R. Venkatesh	-	Chief Financial Officer (ceased w.e.f. 30 August, 2019)
4	Shikha Kapadia	-	Company Secretary and Compliance Officer
5	Omkar Goswami	-	Non- Executive Director
6	B. Hariharan	-	Non- Executive Director (ceased w.e.f. 8 March, 2019)
7	Sanjay Labroo	-	Non- Executive Director and Independent Director (ceased w.e.f. 1 October, 2018)
8	Valentin Von Massow	-	Non- Executive Director and Independent Director (ceased w.e.f 5 August, 2019)
9	Ramni Nirula	-	Non- Executive Director and Independent Director
10	Jitender Balakrishnan	-	Non- Executive Director and Independent Director
11	Ashish Kumar Guha	-	Non- Executive Director and Independent Director
12	Sudhir Mathur	-	Whole Time - Executive Director (Non- Executive and Independent Director w.e.f. 1 October, 2018 upto 10 May, 2019 & Whole Time - Executive Director w.e.f. 10 May, 2019)
13	Narayan K. Seshadri	-	Non- Executive Independent Director (Appointed w.e.f. 8 March, 2019)
14	Madhav Acharya	-	Executive Director-Finance & CFO (ceased to be CFO & Executive Director w.e.f. 12 August, 2017 & ceased to be a non-executive Director w.e.f. 30 September, 2017)
15	Manoj Koul	-	Company Secretary (ceased w.e.f. 23 August, 2017)

(v) Other Related Parties in which directors are interested / promoter affiliate company:

1 Ballarpur Industries Limited
2 Solaris ChemTech Industries Limited (ceased to be subsidiary of AHL w.e.f. 27 December, 2018)
3 BILT Graphic Paper Products Limited
4 Avantha Holdings Limited (AHL)
5 Avantha Business Solutions Limited
6 Avantha Realty Limited
7 Asahi India Glass Limited
8 Sulochana Thapar Foundation (formerly known as “Avantha Foundation”)
9 Varun Prakashan Private Limited
10 Korba West Power Company Limited
11 Jhabua Power Limited
12 Solaris Industrial Chemicals Limited

(vi) Post Employment Benefit Entity

1 CG Provident Fund
2 CG Gratuity Fund

₹ crores

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 24 RELATED PARTY DISCLOSURES (Contd.)

(b) The following transactions were carried out with the related parties:

Sr. No.	Nature of transaction / relationship	2018-19	2017-18
1	**Purchase of goods and services**		
	Subsidiaries		
	CG-PPI Adhesive Products Limited	6.01	3.93
	CG Power Systems Belgium N.V.	0.05	4.11
	CG Electric Systems Hungary Zrt.	1.53	1.78
	CG Holdings Belgium N.V.	0.27	-
	CG Drives and Automation Sweden AB	1.33	0.97
	Total	9.19	10.79
2	**Sales of goods and services**		
	Subsidiaries		
	CG Sales Network Malaysia Sdn. Bhd.	0.05	0.22
	CG Holdings Belgium N.V.	-	2.90
	CG Power Systems Belgium N V	34.51	-
	PT. CG Power Systems Indonesia	3.49	0.55
	CG Sales Networks France SA	-	0.00
	CG Electric Systems Hungary Zrt.	-	0.03
	PT Crompton Prima Switchgear Indonesia	15.99	-
	CG Holdings Americas, LLC	0.43	-
	CG Drives & Automation Sweden AB	13.65	11.85
	CG Drives and Automations Germany GmbH	8.79	3.83
	CG Drives & Automation Netherland	-	0.02
	CG Power Americas, LLC	22.54	9.23
		99.45	28.63
	Other Related Parties		
	BILT Graphic Paper Products Limited	0.01	0.04
	Asahi India Glass Limited	-	0.07
	Korba West Power Company Limited	-	0.03
	Jhabua Power Limited	0.39	-
		0.40	0.14
	Total	99.85	28.77
3	**Interest expenses**		
	Subsidiary		
	CG-PPI Adhesive Products Limited	0.41	0.42
		0.41	0.42
	Other Related Party		
	Varun Prakashan Private Limited	-	0.50
		-	0.50
	Total	0.41	0.92
4	**Dividend received**		
	Subsidiary		
	CG-PPI Adhesive Products Limited	0.38	0.38
	Total	0.38	0.38
5	**Liability/ Amount written back**		
	Subsidiary		
	CG Electric Systems Hungary Zrt.	-	8.41
	Total	-	8.41

₹ crores

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 24 RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of transaction / relationship	2018-19	2017-18
6	**Guarantee fee**		
	Subsidiaries		
	CG Power Solutions Limited	-	3.39
	CG International Holdings Singapore Pte. Limited	10.48	2.45
	CG International B.V.	50.64	44.69
	PT CG Power Systems Indonesia	5.40	2.44
	Total	66.52	52.97
7	**Interest income**		
	Subsidiaries		
	CG Power Solutions Limited	127.81	126.12
	CG International Holdings Singapore Pte. Limited	0.06	0.05
	CG International B.V.	49.82	63.48
	Total	177.69	189.65
8	**Other income**		
	Subsidiary		
	CG Drives & Automation Sweden AB	-	0.27
	Total	-	0.27
9	**Payment of salaries, commission and perquisites**		
	Key Management Personnel		
	K. N. Neelkant*	4.67	4.52
	Madhav Acharya*	-	2.01
	V R Venkatesh	1.90	2.73
	Shikha Kapadia*	0.56	0.07
	Manoj Koul*	-	0.36
	Total	7.13	9.69
10	**Rent paid**		
	Other Related Parties		
	Avantha Realty Limited	1.87	2.19
	Jhabua Power Limited	0.55	1.42
	Total	2.42	3.61
11	**Commission Paid**		
	Subsidiary		
	CG Sales Network Malaysia Sdn.Bhd.	6.39	5.00
		6.39	5.00
12	**Amounts written off**		
	Other Related party		
	BILT Graphic Paper Products Limited	2.80	-
		2.80	-
13	**Guarantee Fee Expense**		
	Subsidiaries		
	CG Power Solutions Limited	-	0.14
	CG International B.V.	10.40	7.22
	PT CG Power Systems Indonesia	0.30	-
		10.70	7.36

₹ crores

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 24 RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of transaction / relationship	2018-19	2017-18
14	**Other expenses**		
	Subsidiaries		
	CG Holdings Belgium N.V.	**0.08**	-
	CG Power Systems Belgium N V	**-**	0.17
	PT. CG Power Systems Indonesia	**1.16**	-
	CG Drives & Automation Sweden AB	**-**	0.03
	CG Drives & Automation Germany Gmbh	**-**	0.03
		1.24	0.23
	Other Related Parties		
	Avantha Holdings Limited	**38.06**	79.77
	Avantha Business Solutions Limited	**-**	0.03
	Sulochana Thapar Foundation (*formerly* Avantha Foundation)	**-**	0.05
	Jhabua Power Limited	**0.19**	0.65
		38.25	80.50
	Total	**39.49**	80.73
15	**Recovery of expenses**		
	Subsidiaries		
	CG International B.V.	**12.32**	30.46
	PT CG Power Systems Indonesia	**-**	13.86
	Total	**12.32**	44.32
16	**Provision against advances**		
	Subsidiary		
	CG International B.V.	**1365.61**	105.00
	Total	**1365.61**	105.00
17	**Loans and advances given (net of repayments / conversion / provisions) during the year**		
	Subsidiaries		
	CG Power Solutions Limited	**2.58**	764.25
	CG International Holdings Singapore Pte. Limited	**10.72**	2.49
	CG International B.V.	**(1005.78)**	(18.41)
	CG Holdings Belgium N.V.	**-**	(1.42)
	CG Power Systems Belgium N.V.	**0.25**	0.42
	PT CG Power Systems Indonesia	**-**	0.07
	CG Electric Systems Hungary Zrt.	**8.04**	(0.14)
	CG Industrial Holdings Sweden AB	**-**	0.03
	CG Drives and Automation Sweden AB	**0.00**	0.09
		(984.19)	747.38
	Other Related Parties ##		
	Avantha Holdings Limited	**(15.08)**	(368.49)
	Avantha Realty Limited	**0.43**	(2.33)
	Solaris Industrial Chemicals Limited	**98.20**	-
		83.55	(370.82)
	Total	**(900.64)**	376.56

*Remuneration does not include the provisions made for gratuity, leave and post retirement medical benefits, as they are determined on actuarial basis for the Company as a whole.

₹ crores

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 24 RELATED PARTY DISCLOSURES (Contd.)

(c) Amount due to / from related parties:

Sr. No.	Nature of transaction / relationship		As at 31-03-2019	As at 31-03-2018
1	**Trade payable**			
	Subsidiaries			
	CG-PPI Adhesive Products Limited		**4.29**	2.04
	CG Sales Network Malaysia Sdn.Bhd.		**1.62**	0.47
	CG Holdings Belgium N.V.		**0.54**	4.45
	CG Power Systems Belgium N.V.		**4.45**	0.34
	CG Electric Systems Hungary Zrt.		**1.18**	-
	CG Power Systems Canada Inc.		**-**	0.04
	CG Drives and Automation Sweden AB		**2.65**	1.42
	CG Holdings Americas, LLC		**0.18**	0.17
	CG Power Americas, LLC		**4.85**	3.68
	PT. CG Power Systems Indonesia		**0.36**	-
		(A)	**20.12**	12.61
	Non-current		**-**	-
	Current		**20.12**	12.61
			20.12	12.61
	Other Related Parties			
	Avantha Holdings Limited		**-**	0.01
	Jhabua Power Limited		**1.01**	1.47
		(B)	**1.01**	1.48
	Non-current		**-**	-
	Current		**1.01**	1.48
			1.01	1.48
	Total	**(A+B)**	**21.13**	14.09
2	**Trade receivable**			
	Subsidiaries			
	CG Sales Network Malaysia Sdn. Bhd.		**0.03**	-
	CG Holdings Belgium N.V.		**3.30**	3.13
	CG Power Systems Belgium N.V.		**1.98**	0.44
	PT Crompton Prima Switchgear Indonesia		**15.94**	-
	CG Electric Systems Hungary Zrt.		**(0.00)**	-
	CG Power Systems Canada Inc.		**-**	0.03
	CG Drives and Automation Sweden AB		**5.73**	6.05
	CG Drives & Automation Germany GmbH		**1.69**	0.17
	CG Holdings Americas, LLC		**0.13**	0.13
	CG Power Americas, LLC		**8.29**	13.23
	CG Solutions Americas, LLC		**0.26**	0.25
	PT. CG Power Systems Indonesia		**3.51**	-
		(A)	**40.86**	23.43
	Non-current		**-**	-
	Current		**40.86**	23.43
			40.86	23.43
	Other Related Parties			
	Ballarpur Industries Limited		**0.08**	0.23
	Solaris ChemTech Industries Limited		**-**	0.01
	BILT Graphic Paper Products Limited		**0.47**	3.57
	Jhabua Power Limited		**1.31**	0.41
		(B)	**1.86**	4.22
	Non-current		**-**	-
	Current		**1.86**	4.22
			1.86	4.22
	Total	**(A+B)**	**42.72**	27.65

₹ crores

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 24 RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of transaction / relationship		As at 31-03-2019	As at 31-03-2018
3	**Conversion of loan into equity**			
	Subsidiary			
	CG International B.V.		-	644.68
			-	644.68
4	**Loans and advances receivable**			
	Subsidiaries			
	CG Power Solutions Limited		**1226.15**	1223.57
	CG International Holdings Singapore Pte. Limited		**13.90**	3.18
	CG Sales Network Malaysia Sdn. Bhd.		**0.00**	0.00
	CG International B.V.		**144.53**	1150.31
	CG Power Systems Belgium N.V.		**7.90**	7.65
	PT CG Power Systems Indonesia		**0.07**	0.07
	CG Electric Systems Hungary Zrt.		**8.04**	0.00
	CG Industrial Holdings Sweden AB		**0.06**	0.06
	CG Drives and Automation Sweden AB		**0.28**	0.28
		(A)	**1400.93**	2385.12
	Non-current		**1392.48**	2384.71
	Current		**8.45**	0.41
			1400.93	2385.12
	Other Related Parties ##			
	Avantha Holdings Limited		**685.32**	700.40
	Avantha Realty Limited		**10.66**	10.23
	Ballarpur Industries Limited		**68.50**	68.50
	Solaris Industrial Chemicals Limited		**98.20**	-
		(B)	**862.68**	779.13
	Non-current		**862.68**	779.13
	Current		-	-
			862.68	779.13
	Total	**(A+B)**	**2263.61**	3164.25
5	**Financial guarantee fees receivable**			
	Subsidiaries			
	CG International B.V.		**42.25**	64.78
	CG International Holdings Singapore Pte. Limited		**31.53**	-
			73.78	64.78
	Non-current		**38.58**	19.55
	Current		**35.20**	45.23
	Total		**73.78**	64.78
6	**Loans and advances payable**			
	Subsidiaries			
	CG Holdings Belgium N.V.		**1.14**	0.71
	CG Drives and Automation Sweden AB		**1.61**	0.01
	CG Holdings Americas, LLC		**0.08**	0.08
	CG Power Americas, LLC		**6.71**	3.23
	CG Solutions Americas, LLC		**0.77**	0.77
			10.31	4.80
	Non-current		-	-
	Current		**10.31**	4.80
	Total		**10.31**	4.80

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 24 RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of transaction / relationship	As at 31-03-2019	As at 31-03-2018
7	**Due to Key Management Personnel**		
	K. N. Neelkant	**3.29**	2.54
		3.29	2.54
	Non-current	**-**	-
	Current	**3.29**	2.54
	Total	**3.29**	2.54
8	**Guarantees outstanding (utilized)**		
	Subsidiaries		
	CG International Holdings Singapore Pte. Limited	**349.48**	362.59
	CG International B.V.	**889.23**	1009.89
	CG Electric Systems Hungary Zrt.	**253.82**	290.11
	CG Drives & Automation Sweden AB	**81.55**	84.83
	PT CG Power Systems Indonesia	**152.13**	143.37
	PT Crompton Prima Switchgear Indonesia	**47.61**	44.87
	Other Related Party		
	Avantha Holdings Limited ##	**572.20**	500.00
	Total	**2346.02**	2435.66

These transactions and balances are subject to investigation to ensure completeness of such transactions / accounting adjustments as disclosed in note 3A-(q) and 60.

(d) Compensation of Key Management Personnel of the Company:

Nature of transaction	2018-19	2017-18
Short-term employee benefits	**6.93**	9.49
Post-employment pension, provident fund and medical benefits	**0.20**	0.20
Commission and other benefits paid to non-executive / independent directors	**-**	-
Total compensation paid to key management personnel	**7.13**	9.69

Notes:

1 The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and are done in the ordinary course of business except transactions with Other Related Parties disclosed above in note b(17) and closing balances of Other Related Parties disclosed in note c(4), c(8) where management plans to investigate to ensure completeness of these transactions / accounting adjustments.

2 The Company makes monthly contributions to provident fund managed by "CG Provident Fund" for certain eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Company contributed ₹ 12.15 crores (Previous year ₹ 11.31 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 ₹ 7.68 crores (Previous year ₹ 10.02 crores).

47. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 105 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) Power Distribution Franchise with Maharashtra State Electricity Distribution Company Limited

On 1 June, 2011, the Company had entered into Power Distribution Franchise Agreement ('DFA') with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for distribution of power in Jalgaon region of Maharashtra, India.

As per the terms of the arrangements, the Company had obtained the right ('franchise') to distribute the electricity for the period of 10 years to the public at large.

MSEDCL should supply / sale electricity to the Company at rate prescribed under regulatory guidelines (MERC directives on load shedding). The Company should distribute and supply the electricity at the tariff determined by the regulatory authorities.

The Company should conduct normal maintenance activities of network and other assets to maintain uninterrupted service. The Company is a private operator and MSEDCL is a Government body. The Company undertook obligation of public service granted by MSEDCL. Thus, the arrangement was a public-to-private service concession. The electricity distribution service is totally regulated by the MSEDCL or other Government regulatory authorities.

MSEDCL had given right to the Company to use its distribution assets which would always belong to MSEDCL. During the tenure of the arrangement, if the Company incurred any capital expenditure, the same should vest with MSEDCL at the end of the contract. MSEDCL shall reimburse the Company for the capital expenditure incurred at the then value calculated based on pre-determined depreciation rate. Thus, MSEDCL controls significant residual interest in the concession assets. Accordingly, the Company had a contractual right to receive cash from MSEDCL for the capital expenditure incurred.

Therefore, the arrangement was a Service concession arrangement under Appendix C to Ind AS 115. The Company had a contractual right to receive the residual value of the capital expenditure done under the arrangement and accordingly, will recognise financial asset. Further, the Company had right to charge the consumers for the services and therefore, there was an intangible asset.

47. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 105 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Contd.)

Consequent to the certain unresolved disputes arising out of the Distribution Franchisee Agreement (DFA) of the Company with MSEDCL, MSEDCL had exercised its step in rights and taken over the Distribution Franchisee in Jalgaon from the Company with effect from 12 August, 2015. Accordingly, the Company has classified Power Distribution Segment as discontinued operations.

In respect of discontinued Distribution Franchise business, the Company and MSEDCL have entered into final settlement on 16 February, 2018. Based on the same, the Company has written off amount of ₹ 79.56 crores towards receivable from MSEDCL during the year ended 31 March, 2018, which is disclosed under discontinued operations.

Further the considering as per requirements of Ind AS 109 “Financial instruments”, the Company has measured the asset at amortised cost and recognised expected credit loss of ₹ 22.68 crores during the year ended 31 March, 2018 and presented the same part of loss from discontinued operations before tax. The restated net receivable balance of ₹ 52.12 crores is as at 31 March, 2018.

In line with applicability of Ind AS 115 “ Revenue from contracts with customers” w.e.f 1 April, 2018, the Company has measured the outstanding receivable and the further expected cash flow, the amount of ₹ 14.94 crores has been adjusted in opening retained earnings as per the standard following modified retrospective approach. However considering the non-recoverability of balance dues of ₹ 34.21 crores, the Company has further provided for ₹ 33.72 crores, hence net receivable from MSEDCL as at 31 March 2019 is ₹ 0.49 crores.

(b) Transformer Division - Kanjurmarg

The Board had approved, as part of its asset optimisation initiative, and entered into a definitive agreement for sale of its land at Kanjurmarg to Evie. The sale of first phase of land admeasuring 32,387.59 square meters was executed in October 2014. The sale of second phase of land admeasuring 53,198.45 was executed in November, 2015. The third phase of sale of land admeasuring 53,462.77 square meters including factory building relating to Transformer Division (T1) was executed in October 2015 with certain prescribed conditions to be complied in four years time from the date of execution. The plant & machineries of T1 will be shifted to other manufacturing facilities. Accordingly, during the last quarter of the current year, carrying value of land and building amounting to ₹ 279.94 crores has been classified as ‘Asset held for sale’ in accordance with “IND AS 105 Non-current Assets Held for Sale and Discontinued Operations”.

During the current year, the Company has recognized a provision for restructuring cost towards closure/shifting of the said manufacturing facility at Kanjurmarg of ₹ 95.39 crores in accordance with “IND AS 37 Provisions, Contingent Liabilities and Contingent Assets”. This provision forms part of the exceptional items in the financial statements.

Statement of profit and loss of the discontinued operations:

	2018-19	2017-18
	Power Distribution	Power Distribution
Revenue from operations	-	-
Expenses (net of other income)	33.72	102.24
Loss before tax	(33.72)	(102.24)
Tax credit	(11.78)	(35.37)
Loss after tax from discontinued operations	(21.94)	(66.87)

The major classes of assets and liabilities of the discontinued operations are as under:

	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018
Assets	Transformer Division - Kanjurmarg	Power Distribution	Power Distribution
Land and building (net) (Gross block ₹ 314.00 crores and accumulated depreciation ₹ 34.06 crores)	279.94	-	-
Trade receivables	-	0.49	52.12
Assets classified as held for sale (A)	279.94	0.49	52.12
Liabilities			
Trade payables	-	-	0.68
Provisions	-	-	0.20
Liabilities directly associated with assets classified as held for sale (B)	-	-	0.88
Net assets directly associated with disposal group (A-B)	279.94	0.49	51.24

Net cash flows attributable to the operating, investing and financing activities of discontinued operations:

Cash Flows	2018-19	2017-18
Operating	2.08	6.15
Investing	-	-
Financing	-	-

48. EXCEPTIONAL ITEMS

	2018-19	2017-18
Amount paid towards final settlement of litigation claims	-	(27.94)
Provision against loan given to subsidiaries	(40.61)	(105.00)
Provision against trade receivable under litigation	(35.45)	-
Impairment of loan given to subsidiary *	(1325.00)	-
Curtailment of gratuity liability	17.16	-
Provision for impairment of intangible assets under development	(14.15)	-
Short fall of provident fund liability	(24.83)	-
Provision for expected restructuring cost towards closure/shifting of the transformer manufacturing unit in Kanjurmarg, Mumbai (Refer note 47)	(95.39)	-
Total	**(1518.27)**	(132.94)

* The Company had a total exposure of ₹ 2352.50 crores from receivables and investment in CG International B.V. as at 31 March, 2019. This includes an investment of ₹ 882.97 crores and receivables amounting to ₹ 1469.53 crores. The Company based on its internal estimates and in consultation with independent external valuers carried out an impairment assessment for the said balances. Accordingly, the Company evaluated the recoverability of such receivable balances and recorded an impairment provision of ₹ 1325.00 crores in the current year.

49. 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 & cash equivalents, bank balances other than cash and cash equivalents, current financial assets - loans, current financial assets - others (except financial guarantee fees receivable and 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 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 receivables. 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 by valuation technique:

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 31-03-2019	Fair value Level 1	Level 2	Level 3
Financial assets at amortised cost:					
Non-current investments	6	0.39	0.39	-	-
Financial guarantee fees receivable (non-current)	9	38.58	-	38.58	-
Financial guarantee fees receivable (current)	17	35.20	-	35.20	-
Non-current financial assets loans (Refer note (a) below)	8	1399.44	-	6.96	-
Non-current financial assets others (Refer note (a) below)	9	1394.48	-	5.06	-
Total		2868.09	0.39	85.80	-
Financial assets at fair value through profit or loss:					
Derivative instruments	17	4.89	-	4.89	-
Non-current investments	6	1.27	-	1.27	-
Current investments	12	0.01	0.01	-	-
Total		6.17	0.01	6.16	-
Financial liabilities at amortised cost:					
Long term loans from bank (Refer note (b) below)	21	751.16	-	678.96	-
Current maturities of long term borrowings (Refer note (b) below)	27	374.94	-	347.62	-
Other financial liabilities (non-current) (Refer note (b) below)	22	298.27	-	5.59	-
Total		1424.37	-	1032.17	-

₹ crores

49. FAIR VALUE MEASUREMENTS (Contd.)

	Note No.	Carrying amount As at 31-03-2018	Fair value Level 1	Level 2	Level 3
Financial assets at amortised cost:					
Non-current investments	6	0.44	0.44	-	-
Financial guarantee fees receivable (non-current)	9	19.55	-	19.55	-
Financial guarantee fees receivable (current)	17	45.23	-	45.23	-
Non-current financial assets loans (Refer note (a) below)	8	2391.58	-	6.87	-
Non-current financial assets others (Refer note (a) below)	9	1272.39	-	-	-
Total		3729.19	0.44	71.65	-
Financial assets at fair value through profit or loss:					
Non-current investments	6	9.07	-	9.07	-
Current investments	12	0.01	0.01	-	-
Total		9.08	0.01	9.07	-
Financial assets at fair value through other comprehensive income:					
Investments	6	121.80	-	-	121.80
Total		121.80	-	-	121.80
Financial liabilities at amortised cost:					
Derivative instruments	27	11.85	-	11.85	-
Long term loans from bank	21	1011.65	-	1011.65	-
Current maturities of long term borrowings	27	283.92	-	283.92	
Other financial liabilities (non-current) (Refer note (b) below)	22	391.46	-	1.46	-
Total		1698.88	-	1308.88	-

During the reporting period ending 31 March, 2019 and 31 March, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

Notes:

		As at 31-03-2019	As at 31-03-2018
a)	The closing balances includes below:		
	Advance to subsidiaries	**1392.48**	2384.71
	Advance to others	**526.74**	493.26
	Advance to other related parties	**862.68**	779.13
	Total	**2781.90**	3657.10

As specified in note 3A(q) the Company has estimated the timing of recovery of outstanding balances from such Companies and accordingly, has classified the balances as non-current. The Company plans to initiate the recovery proceedings for these receivables based on consultation with independent legal counsel. Hence the fair value of these advances is not ascertainable.

		As at 31-03-2019	As at 31-03-2018
b)	The balances includes below:		
	Term loans from bank	**72.20**	-
	Term loan from others	**292.68**	390.00
	Current maturities of long- term loans from others	**27.32**	-
	Total	**392.20**	390.00

The facts disclosed or disclosure made or provisions made as above are subject to admission of liability by the Company and the Company reserves all its rights under law to evaluate legality and to further contest the same, as necessary.

₹ crores

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The corporate treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

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. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest risk

Particulars	As at 31-03-2019	As at 31-03-2018
Floating Rate borrowings	**2471.65**	2592.89

Interest rate sensitivity

Particulars	2018-19	2017-18
25 bps increase - Decrease in profit	**(6.18)**	(6.48)
25 bps decrease - Increase in profit	**6.18**	6.48

Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies.

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, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Unhedged foreign currency exposure as at 31 March, 2019

Particulars	USD	Euro	JPY	CHF	Others	Total
Trade receivables	**118.87**	**42.98**	**-**	**-**	**2.51**	**164.36**
Loans and other receivables	**13.89**	**144.53**	**-**	**-**	**-**	**158.42**
Short-term borrowings	**(418.61)**	**-**	**-**	**-**	**-**	**(418.61)**
Trade payables	**(73.85)**	**(38.58)**	**(5.44)**	**(3.71)**	**(0.82)**	**(122.40)**
Commission payable	**(19.76)**	**(1.45)**	**-**	**-**	**-**	**(21.21)**
Forward contracts for receivable	**1.76**	**-**	**-**	**-**	**-**	**1.76**
Forward contracts for loans	**-**	**3.13**	**-**	**-**	**-**	**3.13**

Unhedged foreign currency exposure as at 31 March, 2018

Particulars	USD	Euro	JPY	CHF	Others	Total
Trade receivables	225.98	14.51	-	-	2.59	243.08
Loans and other receivables	3.18	1150.31	-	-	-	1153.49
Short-term borrowings	(317.73)	-	-	-	-	(317.73)
Trade payables	(61.65)	(31.97)	(3.06)	(4.07)	(2.36)	(103.11)
Commission Payable	(25.07)	(0.11)	-	-	-	(25.18)
Forward contracts for receivable	(0.10)	-	-	-	-	(0.10)
Forward contracts for loan	-	(11.75)	-	-	-	(11.75)

₹ crores

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax

	2018-19		2017-18	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	(4.28)	4.28	(2.21)	2.21
Euro	0.33	(0.33)	7.23	(7.23)
JPY	(0.05)	0.05	(0.03)	0.03
CHF	(0.04)	0.04	(0.04)	0.04
Others	0.02	(0.02)	0.00	(0.00)
Increase / (decrease) in profit or loss	(4.02)	4.02	4.95	(4.95)

Credit risk

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 set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward looking information such as :

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

(iv) Significant increase in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. In case the loans or receivables are written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the statement of profit or loss.

The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets, financial guarantees and derivative financial instruments.

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. 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.

Exposure to credit risk

	As at 31-03-2019	As at 31-03-2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Investments in Government or trust securities	0.39	0.44
Investments in Debentures or bonds	0.05	8.05
Other non-current investments	1.21	1.01
Long-term loans and advances (Refer note below)	1399.44	2391.58
Long term financial assets-others (Refer note below)	1433.06	1291.94
Cash and cash equivalents and other bank balances	120.41	194.13
Current financial assets-other	40.72	45.55
Current financial assets-other loans	40.18	30.20
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	1337.01	1702.13

Notes:

	As at 31-03-2019	As at 31-03-2018
Closing balances includes below:		
Advance to subsidiaries	1392.48	2384.71
Advance to others	526.74	493.26
Advance to other related parties	862.68	779.13
Total	2781.90	3657.10

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

As specified in note 3A(q), the Company has estimated the timing of recovery of outstanding balances from such Companies and accordingly, has classified the balances as non-current. The Company plans to initiate the recovery proceedings for these receivables based on consultation with independent legal counsel. The balances are subject to investigation to ensure completeness of such transactions / accounting adjustments as disclosed in note 60.

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of the receivables (gross of provision) (current as well as non current) has been considered from the date the invoice falls due.

As at 31-03-2019	
Up to 3 months	**894.91**
3 to 6 months	**108.65**
More than 6 months	**333.45**
	1337.01
As at 31-03-2018	
Up to 3 months	**1191.56**
3 to 6 months	**73.93**
More than 6 months	**436.64**
	1702.13

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model:

As at 1-04-2017	**91.85**
Provided during the year	**67.81**
Amounts written off	**(38.71)**
Reversals of provision	**(12.56)**
Unwinding of discount	**(6.14)**
As at 31-03-2018	**102.25**
Provided during the year	**99.10**
Amounts written off	**(17.77)**
Reversals of provision	**(31.34)**
Unwinding of discount	**-**
As at 31-03-2019	**152.24**

No significant changes in estimation techniques or assumptions were made during the reporting period.

Also Refer Note 59 for mitigating factors explained on the going concern assumptions.

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's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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 31-03-2019	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	**-**	**5.59**	**-**	**5.59**
Current maturities of long term borrowings	**347.62**	**-**	**-**	**347.62**
Long-term borrowings (excluding unamortised upfront fees of ₹ 16.26 crores)	**-**	**767.42**	**-**	**767.42**
Short-term borrowings	**1036.61**	**-**	**-**	**1036.61**
Trade payables	**1554.64**	**-**	**-**	**1554.64**
Current maturities of non-current other financial liabilities (Refer note below)	**27.32**	**-**	**-**	**27.32**
Non-current other financial liabilities (Refer note below)	**-**	**255.18**	**37.50**	**292.68**
Other financial liabilities	**297.41**	**-**	**-**	**297.41**

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

As at 31-03-2018	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	-	1.46	-	1.46
Current maturities of long term borrowings	283.92	-	-	283.92
Long-term borrowings (excluding unamortised upfront fees of ₹ 31.18 crores)	-	1042.83	-	1042.83
Short-term borrowings	876.14	-	-	876.14
Trade payables	1252.83	-	-	1252.83
Non-current other financial liabilities (Refer note below)	-	323.93	66.07	390.00
Other financial liabilities	147.55	-	-	147.55

Notes:

	As at 31-03-2019	As at 31-03-2018
Closing balances includes below:		
Term loans from bank	72.20	-
Term loan from others	292.68	390.00
Current maturities of long- term loans from others	27.32	-
Total	392.20	390.00

The facts disclosed or disclosure made or provisions made as above are subject to admission of liability by the Company and the Company reserves all its rights under law to evaluate legality and to further contest the same, as necessary.

The amount of guarantees given on behalf of subsidiaries included in Note 46 represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting year, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

Collaterals

The Company has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfill certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered. (Refer Note 21 and 25).

Also Refer Note 59 for mitigating factors explained on the going concern assumptions.

51. 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.

	As at 31-03-2019	As at 31-03-2018
Total debt (Refer note below)	2455.51	2561.83
Equity	2513.17	4154.44
Total debt and equity	4968.68	6716.27
Gearing ratio	49.42%	38.14%

Notes:

	As at 31-03-2019	As at 31-03-2018
Closing balances includes below:		
Term loans from bank	72.20	-
Term loan from others	292.68	390.00
Current maturities of long- term loans from others	27.32	-
Total	392.20	390.00

The facts disclosed or disclosure made or provisions made as above are subject to admission of liability by the Company and the Company reserves all its rights under law to evaluate legality and to further contest the same, as necessary.

No changes were made in objectives, policies or process for managing capital during the year ended 31 March, 2019 and 31 March, 2018.

₹ crores

52. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 7 STATEMENT OF CASH FLOWS - CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1-04-2018	Cash Inflows / (Outflows)	Effect of reclassification of non-current portion to current	Foreign Exchange Movement Impact	Finance cost charged during the year	As at 31-03-2019
Non-current financial liabilities - borrowings:						
Secured loans						
Term loans from banks	974.80	-	(308.26)	-	12.42	**678.96**
Unsecured loans						
Term loans from banks	36.85	72.20	(39.36)	-	2.51	**72.20**
Non-current other financial liabilities						
Term loans from others	390.00	(70.00)	(27.32)	-	-	**292.68**
Current financial liabilities - borrowings:						
Secured loans						
From Bank, Cash Credit, Packing Credit	318.59	28.47	-	10.04	-	**357.10**
Unsecured loans						
Working capital loan from banks:						
Demand loan	467.84	159.87	-	-	-	**627.71**
Supplier finance facility	89.71	(87.70)	-	-	-	**2.01**
Others	-	49.79	-	-	-	**49.79**
Current - other financial liabilities:						
Current Maturity long term Borrowings	283.92	(283.92)	374.94	-	-	**374.94**
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	**0.12**
Interest accrued on borrowings	6.90	(298.96)	-	-	322.09	**30.03**
Total liabilities from financing activities	**2568.73**	**(430.25)**	**-**	**10.04**	**337.02**	**2485.54**

	As at 1-04-2017	Cash Inflows / (Outflows)	Effect of reclassification of non-current portion to current	Foreign Exchange Movement Impact	Finance cost charged during the year	As at 31-03-2018
Non-current financial liabilities - borrowings:						
Secured loans						
Term loans from banks	585.41	519.62	(130.23)	-	-	974.80
Unsecured loans						
Term loans from banks	113.19	77.35	(153.69)	-	-	36.85
Non-current other financial liabilities						
Term loans from others	390.00	-	-	-	-	390.00
Current financial liabilities - borrowings:						
Secured loans						
From Bank, Cash Credit, Packing Credit	229.82	88.77	-	-	-	318.59
Unsecured loans						
Working capital loan from banks:						
Demand loan	391.79	76.05	-	-	-	467.84
Supplier finance facility	88.62	1.09	-	-	-	89.71
Current - other financial liabilities:						
Current Maturity long term borrowings	124.74	(124.74)	283.92	-	-	283.92
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	0.12
Interest accrued on borrowings	5.39	(300.37)	-	-	301.88	6.90
Total liabilities from financing activities	1929.08	337.77	-	-	301.88	2568.73

53. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 33 EARNINGS PER SHARE

		2018-19	2017-18
Face value of equity share	₹	**2.00**	2.00
Equity shares outstanding	Nos.	**626746142**	626746142
Profit / (loss) for the year (continuing operations)	₹ crores	**(1395.45)**	86.12
Earnings per share (for continuing operations)	₹	**(22.27)**	1.38
Loss for the year (discontinued operations)	₹ crores	**(21.94)**	(66.87)
Earnings per share (for discontinued operations)	₹	**(0.35)**	(1.07)
Profit / (loss) for the year (total operations)	₹ crores	**(1417.39)**	19.25
Earnings per share (for continuing operations and discontinued operations)	₹	**(22.62)**	0.31

54. PARTICULARS IN RESPECT OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS REQUIRED BY REGULATION 53(F) READ WITH PARA A OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

	Balance as at		Maximum outstanding during	
	31-03-2019	31-03-2018	2018-19	2017-18
(a) Principal outstanding of loans and advances in the nature of loans given to subsidiaries				
CG Power Solutions Limited*	**1077.55**	1166.34	**1314.58**	1490.24
CG International B.V. (Net of provision)	**144.53**	680.30	**1041.17**	1190.58
CG International Holdings Singapore Pte. Limited	**0.69**	0.65	**0.69**	0.65
(b) Loans and advances in the nature of loans where repayment schedule is not specified				
CG International B.V.	**144.53**	680.30	**1041.17**	1190.58

* As specified in note 3A(q) the Company has estimated the timing of recovery of outstanding balances from such Companies and accordingly, has classified the balances as non-current. The Company plans to initiate the recovery proceedings for these receivables based on consultation with independent legal counsel.

55. 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 31-03-2019	As at 31-03-2018
CG International B.V.	**889.23**	1009.89
CG Electric Systems Hungary Zrt.	**253.82**	290.11
CG International Holdings Singapore Pte. Limited	**349.48**	362.59
CG Drives & Automation Sweden AB	**81.55**	84.83
PT CG Power Systems Indonesia	**152.13**	143.37
PT Crompton Prima Swtichgear Indonesia	**47.61**	44.87
Avantha Holdings Limited	**572.20**	500.00
	2346.02	2435.66

56. Revenue from operations for periods up to 30 June, 2017 includes excise duty. From 1 July, 2017 onwards the excise duty and most indirect taxes in India have been replaced by the Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31 March, 2019 is not comparable with that for the year ended 31 March, 2018.

The comparable figures for Revenue from operations (net of excise duty) are as under:

Particulars	2018-19	2017-18
Net revenue from operations	**5355.60**	5007.74

There is no impact of the above on the profit before tax and profit after tax.

57. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Ministry of Corporate Affairs has notified Ind AS 115 “Revenue from contracts with customers” on 28 March, 2018 which is mandatory and effective from 1 April, 2018. The Company has aligned it’s policy of revenue recognition with Ind AS 115. The cumulative effect of initial application of Ind AS 115 up to 31 March, 2018 amounting to ₹ 99.84 crores (net of tax effect) has been adjusted in opening retained earnings as per the standard following modified retrospective approach.

	2018-19
Disclosure of Revenue from operations under Ind AS 115	
(i) Transformers, Reactors and Accessories	1422.77
(ii) Switchgears, Control Equipments and Accessories thereof	855.38
(iii) Traction Electronic, Industrial Drives and SCADA	436.53
(iv) Electric Motors, Alternators and Drives Panels	2392.70
(v) Electric Steel Stamping and Laminates	45.89
(vi) Electric Fans, Ventilation and Pollution Control Systems	14.96
(vii) Others	187.37
Total	5355.60

	As at 31-03-2019
Contract balances	
Trade receivables	
Non-current	6.24
Current	1178.53
Contract assets	1.53
Contract liabilities	
Advance from customers	122.68
Due to customers	14.23

	2018-19
Revenue recognised in current year from	
Amount included in contract liability at the beginning of the period	23.95
Performance obligations satisfied in previous periods	-

	2018-19
Revenue reconciliation	
Revenue as per contracted price	5400.06
Less: Adjustments	
Discounts	42.02
Others (includes liquidated damages, price variations, etc.)	2.44
Revenue recognised as per statement of profit and loss	5355.60

58. SUBSEQUENT EVENTS

An independent legal firm which was appointed after performing its investigation submitted a report, which it termed as Phase 1 Report (‘the Report”) to the Risk and Audit Committee (“RAC”) on 6 August, 2019. Given the voluminous and extensive nature of the report, the RAC directed the Operations Committee (“OC”) to further analyse the said Report in detail. The RAC received the analysis of the Report from the OC and its recommendations regarding the transactions set out in the Report (“Report Transactions”) (refer note 3A). Moreover, certain additional, suspect, unauthorized and undisclosed transactions and entries identified during further verifications (“Additional Transactions”) were been brought to the attention of the RAC. Based on the findings of the said Report, the compilation of unaudited standalone financial position and profit and loss of the Company for the year ended 31 March, 2019 and restated financial information as at 31 March, 2018, 1 April, 2017 and for the year ended 31 March, 2018, after taking into consideration the potential impacts of the Report Transactions and Additional Transactions, along with summary of each of these subject transactions was submitted to Stock exchanges in India (BSE / NSE) on 19 August, 2019.

The Board of Directors through a circular resolution dated 29 August, 2019 have removed Mr. Gautam Thapar as the Chairman of the Board.

58. SUBSEQUENT EVENTS (Contd.)

Board of Directors of the Company has appointed Mr. Sudhir Mathur as a Whole Time - Executive Director (Non Executive Independent Director upto 10 May, 2019) of the Company with effect from 10 May, 2019 subject to the approval of the Members at the next Annual General Meeting of the Company on the terms and conditions to be subsequently decided by the Nomination and Remuneration Committee and Board of Directors of the Company.

On recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company have at its meeting held on 30 August, 2019 terminated the employment of Mr. V. R. Venkatesh as Chief Financial Officer of the Company. In view of the same, the Board requested and authorised Mr. Susheel Todi, General Manager - Accounts, to sign the standalone financial statements.

59. The Company has incurred a net loss of ₹ 1541.43 crores during the year ended 31 March 2019. As at 31 March 2019, the Company's current liability exceeds its current assets by ₹ 1312.36 crores as at 31 March 2019. Further, pending management procedures for promoter affiliate companies and connected parties, there is possible uncertainty in relation to their recoverability leading to impact on net worth.

However, the Company believes the matter stated above may not impact the going concern assumption taking into consideration following mitigating factors and business updates available till date:

- The Company has generated positive operating cash flows in FY 2018-19 and expects to generate operational cash flows in the next 12 months to support near future cash flow obligations,
- The Board of Directors of the Company are in active discussions with lenders for restructuring the borrowing and fresh capital infusion from investors,
- The Company has a robust unexecuted business order book of over ₹ 4000.00 crores as on 31 March, 2019,
- The Company is evaluating divestments of non-core assets, including but not limited to the sale of Kanjurmarg land without hampering the capability to serve customers.

Further, the Company, following management procedures, plans to initiate the recovery of receivables from promoter affiliate companies and connected parties based on consultation with independent legal counsel.

60. As specified in the Basis of Preparation in note 2.1 of the standalone financial statements and considering the transactions as disclosed in note 3A and as informed by management that further investigation is required to ensure completeness of such transactions / accounting adjustments , Directors of the Company are of the view that financial statements of the Company and the report of the Board for the relevant prior years may not comply with the provisions of Section 129 and section 134 of the Companies Act, 2013 and accordingly, intend to propose revision to the financial statements of relevant prior years as per requirements of Section 131 of the Companies Act, 2013.

61. STANDARDS ISSUED BUT NOT YET EFFECTIVE

New Standard Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees — leases of 'low—value' assets and short-term leases (leases with a lease term of 12 months or less). At the commencement date of a lease, the lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events. (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from current accounting under Ind AS 17. Lessor will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company is in the process of evaluating the effect of these amendments on the financial statements.

Amendments to other Ind AS

i) Amendments to Ind AS 109, Financial Instruments:

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments. According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

ii) Amendments to Ind AS 12, Income taxes:

The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be. The second amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not.

If there is uncertainty over tax treatment of an item an entity should predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty.

61. STANDARDS ISSUED BUT NOT YET EFFECTIVE (Contd.)

iii) Amendment to Ind AS 19, Employee Benefits:

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement.

iv) Amendments to Ind AS 23, Borrowing Costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April, 2019.

Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

62. Amounts shown as ₹ 0.00 represents amount below ₹ 50000 (Rupees Fifty Thousand).

63. Following the matters described in Note 3A above, figures of the previous years have been regrouped, wherever necessary to reflect the analysis of the Ops committee and recommendation of RAC and to correspond with the current year. Hence, the corresponding component figures as restated / reinstated are comparable with the financial statements of all respective years.

For and on behalf of the Board

K.N. Neelkant
CEO & Managing Director
(DIN: 05122610)

Sudhir Mathur
Whole Time Executive Director
(DIN: 01705609)

Jitender Balakrishnan
Independent Director
(DIN: 00028320)

As per our report of even date
For K. K. MANKESHWAR & CO.
Chartered Accountants
ICAI Firm Registration No. 106009W

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Narayan K. Seshadri
Independent Director
(DIN: 00053563)

Omkar Goswami
Non Executive Director
(DIN: 00004258)

Ashish Kumar Guha
Independent Director
(DIN: 00004364)

per Ashwin Mankeshwar
Partner
Membership No. 046219
Mumbai : 30 August, 2019

per Shyamsundar Pachisia
Partner
Membership No. 049237
Mumbai : 30 August, 2019

Ramni Nirula
Independent Director
(DIN: 00015330)
Mumbai : 30 August, 2019

Shikha Kapadia
Company Secretary

Susheel Todi
General Manager - Accounts

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 2019

Sr. No	Name of Subsidiary	Date of Acquisition / Incorporation	Reporting year of the subsidiary ended on	Reporting Currency	Exchange Rate		Capital		Reserves	Total Assets	Total Liabilities	Investments (except investments in subsidiaries)	Turnover (including Other income)	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding	Country of Incorporation
					Closing	Average	Equity Share Capital	Preference Share Capital											
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	CG PPI Adhesive Products Limited	04-Nov-88	31-Mar-19	INR	1.00	1.00	3.90	-	15.31	23.54	4.33	-	23.84	3.10	0.81	2.29	-	81.42%	India
2	CG Power Solutions Limited	14-Mar-12	31-Mar-19	INR	1.00	1.00	0.05	-	(424.16)	1,381.54	1,805.65	-	1.63	(129.92)	-	(129.92)	-	100.00%	India
3	Crompton Greaves Sales Network Malaysia SDN.BHD.	30-Sep-13	31-Mar-19	MYR	16.93	17.14	0.37	-	6.45	8.68	1.86	-	18.25	4.26	1.05	3.21	-	100.00%	Malaysia
4	CG Power Equipments Limited (formerly Crompton Greaves Consumer Products Limited)	19-Sep-14	31-Mar-19	INR	1.00	1.00	3.18	-	(3.15)	0.03	-	-	-	(0.01)	-	(0.01)	-	100.00%	India
5	CG International Holdings Singapore PTE Limited	06-Jun-11	31-Mar-19	EUR	77.66	79.65	206.20	-	(14.38)	714.79	522.97	-	10.17	(18.51)	-	(18.51)	-	100.00%	Singapore
6	CG International B.V.	01-Apr-05	31-Mar-19	EUR	77.66	79.65	1,421.21	-	(1,456.84)	1,547.29	1,582.92	-	44.32	(160.36)	-	(160.36)	-	100.00%	The Netherlands
7	CG Holdings Belgium N.V.	13-May-05	31-Mar-19	EUR	77.66	79.65	755.13	-	272.91	1,873.67	845.63	-	352.86	1.16	0.09	1.07	-	100.00%	Belgium
8	CG Power Systems Belgium N.V.	13-May-05	31-Mar-19	EUR	77.66	79.65	747.75	-	(120.07)	1,542.00	914.32	10.37	759.27	(110.91)	0.46	(111.37)	-	100.00%	Belgium
9	CG Power Systems Ireland Limited	13-May-05	31-Mar-19	EUR	77.66	79.65	29.27	68.93	102.76	308.56	107.60	-	480.98	(0.48)	0.74	(1.22)	-	100.00%	Ireland
10	CG Sales Networks France SA	13-May-05	31-Mar-19	EUR	77.66	79.65	0.36	-	8.04	10.11	1.71	-	7.25	0.71	0.29	0.42	-	99.70%	France
11	CG Power Systems Canada Inc.	13-May-05	31-Mar-19	CAD	51.53	52.77	141.71	41.23	(179.78)	5.33	2.17	-	5.41	4.49	-	4.49	-	100.00%	Canada
12	PT CG Power Systems Indonesia	13-May-05	31-Mar-19	IDR	0.00485	0.00494	81.79	-	742.77	1,116.35	291.79	-	865.30	94.91	18.91	76.00	-	95.00%	Indonesia
13	PT Crompton Prima Switchgear Indonesia	07-May-14	31-Dec-18	INR	0.00485	0.00494	39.95	-	(22.93)	148.40	131.38	-	9.26	(18.98)	(2.88)	(16.10)	-	51.00%	Indonesia
14	CG- Ganz Generator and Motor LLC (formerly CG Holdings Hungary Kft.)	26-Sep-06	31-Mar-19	EUR	77.66	79.65	30.40	-	24.00	106.50	52.10	-	0.69	0.26	0.01	0.25	-	100.00%	Hungary
15	CG Electric Systems Hungary Zrt.	16-Oct-06	31-Mar-19	EUR	77.66	79.65	37.28	-	32.41	557.49	487.80	-	283.88	(9.41)	-	(9.41)	-	100.00%	Hungary
16	CG Service Systems France SAS	02-Jun-08	31-Mar-19	EUR	77.66	79.65	6.83	-	(3.78)	12.43	9.38	-	26.03	(2.15)	-	(2.15)	-	100.00%	France
17	CG Power Solutions UK Limited	01-Apr-10	31-Mar-19	GBP	90.53	91.67	0.00	-	(8.77)	29.84	38.61	-	28.63	6.01	0.29	5.72	-	100.00%	United Kingdom
18	CG Power Solutions Saudi Arabia Limited	21-Dec-10	31-Dec-17	SAR	18.44	18.73	20.74	-	(24.66)	10.36	14.28	-	-	-	-	-	-	51.00%	Saudi Arabia
19	CG Industrial Holdings Sweden AB	10-Jun-11	31-Mar-19	SEK	7.47	7.63	104.54	-	(3.35)	227.75	126.56	-	-	(0.05)	-	(0.05)	-	100.00%	Sweden
20	CG Drives and Automation Sweden AB	10-Jun-11	31-Mar-19	SEK	7.47	7.63	19.14	-	176.17	255.72	60.41	-	224.18	4.67	-	4.67	-	100.00%	Sweden
21	CG Drives and Automation Netherlands B.V.	10-Jun-11	31-Mar-19	EUR	77.66	79.65	4.61	-	18.79	31.12	7.72	-	46.22	1.80	0.37	1.43	-	100.00%	The Netherlands
22	CG Drives and Automation Germany GmbH	10-Jun-11	31-Mar-19	EUR	77.66	79.65	0.20	-	12.34	47.48	34.94	-	138.75	3.08	0.97	2.11	-	100.00%	Germany
23	CG Middle East FZE	14-Apr-13	31-Mar-19	EUR	77.66	79.65	1.61	-	154.83	692.35	535.91	128.21	6.02	(48.74)	-	(48.74)	-	100.00%	UAE
24	CG Holdings Americas, LLC	07-Oct-16	31-Mar-19	USD	69.15	70.20	-	-	(131.50)	1.07	132.57	-	-	1.01	3.10	(2.09)	-	100.00%	USA

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 2019 (Contd.)

Sr. No	Name of Subsidiary	Date of Acquisition / Incorporation	Reporting year of the subsidiary ended on	Reporting Currency	Exchange Rate		Capital		Reserves	Total Assets	Total Liabilities	Investments (except investments in subsidiaries)	Turnover (including Other income)	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of Shareholding	Country of Incorporation
					Closing	Average	Equity Share Capital	Preference Share Capital											
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
25	QEI, LLC	15-Apr-15	31-Mar-19	USD	69.15	70.20	-	-	76.24	109.67	33.43	-	90.19	22.14	(0.00)	22.14	-	100.00%	USA
26	CG Power Americas, LLC (formerly Bravin LLC)	08-Jan-16	31-Mar-19	USD	69.15	70.20	-	-	(26.79)	101.28	128.07	-	10.99	(15.35)	-	(15.35)	-	100.00%	USA
27	CG Solutions Americas, LLC	07-Oct-16	31-Mar-19	USD	69.15	70.20	-	-	(5.39)	(5.85)	(0.46)	-	0.01	(1.16)	-	(1.16)	-	100.00%	USA

Notes:

1 **Name of the subsidiaries which are yet to commence the business**

CG Power and Industrial Solutions Limited Middle East FZCO

2 **Name of the subsidiaries which have been liquidated or sold during the year**

Nil

3 **Name of the subsidiaries which have been demerged during the year**

Nil

For and on behalf of the Board

K.N. Neelkant
CEO & Managing Director
(DIN: 05122610)

Sudhir Mathur
Whole Time Executive Director
(DIN: 01705609)

Jitender Balakrishnan
Independent Director
(DIN: 00028320)

Narayan K.Seshadri
Independent Director
(DIN: 00053563)

Omkar Goswami
Non Executive Director
(DIN: 00004258)

Ashish Kumar Guha
Independent Director
(DIN: 00004364)

Ramni Nirula
Independent Director
(DIN: 00015330)

Shikha Kapadia
Company Secretary

Susheel Todi
General Manager - Accounts

Mumbai : 30 August, 2019

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

₹ crores

INFORMATION IN RESPECT OF ASSOCIATE COMPANIES AND JOINT VENTURES FOR THE YEAR ENDED 31 MARCH, 2019

Sr. No.	Name of Associate / Joint Venture	Date of Acquisition / Incorporation	Latest Audited Balance Sheet Date	Share of Associates held by company on the year end		Extent of Holding %	Description of How there is significant influence	Reason why the Associate 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 Associates and Joint Venture					Considered in Consolidation	Not considered in Consolidation
1	2	3	4	5	6	7	8	9	10	11	12
	Associates										
1	CG International BV Tr. & Cont. Pvt. Co. LLC (formerly Pauwels Middle East Tr. & Cont. Pvt. Co. LLC)	13/May/05	31/Mar/19	245	0.42*	49%	Control of more than 26% of total share capital	Do not control the composition of Board of Directors and do not excercises and control more than one-half of total share capital	(0.01)	-	-

* Carrying amount of investment in this associate has been reduced to nil.

Notes:

1. Name of the associates which are yet to commence the business - NIL

For and on behalf of the Board

K.N. Neelkant
CEO & Managing Director
(DIN: 05122610)

Sudhir Mathur
Whole Time Executive Director
(DIN: 01705609)

Jitender Balakrishnan
Independent Director
(DIN: 00028320)

Narayan K.Seshadri
Independent Director
(DIN: 00053563)

Omkar Goswami
Non Executive Director
(DIN: 00004258)

Ashish Kumar Guha
Independent Director
(DIN: 00004364)

Ramni Nirula
Independent Director
(DIN: 00015330)

Shikha Kapadia
Company Secretary

Susheel Todi
General Manager - Accounts

Mumbai : 30 August, 2019

consolidated financials

Report on the Audit of Consolidated Financial Statements

Opinion

We were engaged to audit the accompanying consolidated financial statements of CG Power and Industrial Solutions Limited ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising the consolidated Balance sheet as at March 31, 2019, 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").

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

As given in Note 2.1 of the Consolidated Financial Statements in relation to the Basis of Preparation, the Board of Directors of the Holding Company have stated that the financial statements of earlier years ended March 31, 2018 and Opening Balance Sheet as at April 1, 2017 (hereinafter referred to as prior years) have been adjusted for various transactions following an independent investigation carried out on the directions of the Board of Directors. The Board of Directors have communicated to us that pending outcome of the investigation, the financial statements of prior years and consequentially for the year ended March 31, 2019 could be revised / restated.

Further financial statements of four subsidiary companies having substantial impact on the Consolidated Financial Statements of the Group having aggregate assets of INR 2,546.48 crores, liabilities of INR 1,295.98 crores and loss of INR 89.58 crores have not been adopted by their respective Boards. For the purpose of compilation of the Consolidated Financial Statements such un-adopted financial statements have been included.

In view of the proposed voluntarily revision / restatements of the consolidated financial statements of prior years, which may result in revision / restatements of consolidated financial statements for the year ended March 31, 2019 and also considering the significance of certain transactions / specific matters described herein below, we are unable to determine the consequential impact of the proposed revisions / restatement and the impact of certain transactions / specific matters on the Consolidated Financial Statements as at March 31, 2019. Such specific matters / transactions include:

1. We draw your attention to the transactions identified in Note 3A (a) and Note 3A (b) which were not recorded by the Holding Company for the financial year ended March 31, 2017 and with consequent effect on the balances of March 31, 2018.

   The Board of Directors have initiated independent investigation in respect of these unauthorized transactions in the nature of loans. As explained to us such transactions were misrepresented and were not approved by the Board of Directors of the Holding Company.

   Pending outcome of such investigation, we were unable to obtain sufficient and appropriate audit evidence to verify basis and rationale of such unauthorized transactions. Further, these Consolidated Financial Statements for the year ended March 31, 2019 along with the reinstated consolidated financial statements for the years ended March 31, 2018 and April 1, 2017 were recently provided to us and hence we were unable to obtain independent balance confirmations and we were not provided with reconciliation of balances in respect of such unauthorized transactions/loans. Accordingly, we are unable to comment on the completeness, and appropriateness, of the prior year balances in relation to these unauthorized transactions and the consequential impact of such reinstatement on the Statement of Profit and Loss and related disclosures in the notes to the Consolidated Financial Statements.

2. We draw your attention to Note 3A of the Consolidated Financial Statements which describes the nature of certain transactions entered into by the Holding Company with the related and unrelated parties and Note 3A (y) of the Consolidated Financial Statements which states that the Group has various amounts of loans receivables and advances recoverable including interest accrued on such balances from related and unrelated companies as reinstated on March 31, 2019 aggregating to INR 3,023.10 crores, for which further interest income aggregating to INR 556.97 crores is currently not recorded in the Consolidated Financial Statements.

   The management is in the process of investigating and confirming various related party transactions and has not concluded its investigation and determination of related party balances. On the outcome of the investigation, confirmation and reconciliation process of such transactions, these balances may be restated by the Group.

   Pending outcome of the investigation and inability of the management of the Holding Company to provide the underlying contractual agreements, business rationale, and requisite approvals by the Board of Directors to extend such balances to the related and unrelated companies, we are unable to obtain sufficient and appropriate audit evidence regarding the accuracy and completeness of the balances, existence and recoverability of the outstanding balances. Further we are unable to determine the consequential impact on the Group's Statement of Profit and Loss and Net-worth arising from such related and unrelated companies' transactions, balances and the completeness of disclosures in the notes to the Consolidated Financial Statements of the Group.

3. We draw your attention to Note 3A (c) and Note 3A (p) of the Consolidated Financial Statements wherein the Group has written back certain amounts which were written off in year ended March 31, 2018 towards inventories, trade advances, and unbilled dues from customers and loans given to subsidiaries aggregating to INR 860.16 crores.

   During the current year, on the basis of Independent investigation carried out by the Board of Directors of the Holding Company, it has come to light that facts were misrepresented to us in relation to these balances during our audit for financial year ended March 31, 2018.

   a. The total inventory valued at INR 257.69 crores as on March 31, 2017 were in reality advances to related and unrelated parties, which were misrepresented as inventory lying with third parties in the previous year. Out of this total inventory, inventory costing INR 102.02 crores was sold for INR 120 crores to specific customers during the year ended March 31, 2018. These debtors were written off during quarter ended December 31, 2018.

   b. The remaining balance of INR 704.49 crores written off during financial year ended March 31, 2018 was on account of long outstanding trade advances. Subsequently, in the current year, we have been informed by the management that these we were misrepresented in the previous year and that these amounts were actually advances to related and unrelated parties.

As informed by management of the Holding Company, these balances written off in the previous year, were also misrepresented to the Board of Directors and wrongly stated in the consolidated financial statements under various heads instead of Group Company receivables for the financial year ended March 31, 2017. Further, such advances extended and recoverable from related and unrelated companies were not approved by the Board of Directors. The Group has initiated independent investigation to assess the underlying basis and nature of such transactions and we are informed that such investigation is in process.

Pending outcome of investigation, and in the absence of sufficient and appropriate audit evidence about the appropriateness of restatement of such transactions and the recoverability of such balances, we are unable to comment on the appropriateness and completeness of the balances and related disclosures in the Consolidated Financial Statements.

4. We draw your attention to Note 3A (d) of the Consolidated Financial Statements, wherein the Holding Company has stated that it had inappropriately recorded sales and purchases in an overseas subsidiary not audited by us in the financial year 2017-18, which has now been reinstated in the Consolidated Financial Statements for the year ended March 31, 2019. For the financial year ended March 31, 2018 our opinion was based on the audited financial statements received from the auditor of the respective subsidiary.

   As we are unable to obtain sufficient and appropriate audit evidence in relation to these restatements, we are unable to verify the appropriateness and completeness of restatements of previous year balance by the management.

5. We draw your attention to Note 3A (f) of the Consolidated Financial Statements which describes certain financing transactions entered into by the related parties of the Holding Company with the bank ('lender bank') wherein certain identified senior personnel of the management, had provided post-dated cheques and a comfort letter in relation to certain borrowings availed by the related parties in the prior years.

   Following a default in terms of such borrowings availed by the related party, the lender bank attempted to encash the PDCs of INR 210 crores which were dishonoured by the Holding Company's bank upon presentation. The lender bank has issued a notice to the Holding Company to accept the liabilities in relation to such borrowings and have claimed the repayment of the outstanding amount INR 391.88 crores as at March 31, 2019.

   As explained by the Board of Directors of the Holding Company, issuance of such PDCs, comfort letters and entering into put option were not informed and were done in violation of RoP established by the Board of Directors of the Holding Company. These transactions do not appear to be in normal course of business and are subjected to further investigation to ascertain the legality of these claims on the Holding Company. Pending such investigation, these said claims are disclosed as contingent liabilities by the Holding Company.

   Pending outcome of the investigation, we are unable to obtain sufficient and appropriate audit evidence to verify basis and rationale of such transactions and the subsequent disclosure by the Holding Company of such liability.

6. We draw your attention to Note 3A [(g) i] of the Consolidated Financial Statements, wherein the Holding Company states that it has not charged and accrued contractual royalty expense payable to the promoter company for six months ending March 31, 2019. Further management has put the royalty agreement in abeyance pending determination of legal obligation of royalty agreement and the conclusion of settlement with the promoter company.

   Pending management evaluation, we are unable to comment upon the completeness of royalty expense in the Statement of Profit and Loss and consequential impact on the related party balances as at March 31, 2019. Further we are unable to comment on appropriateness of management's action to hold the agreement in abeyance and the proposed settlement with the promoter company, pending legal assessment by the management.

7. We draw your attention to Note 3A (l), Note 3A (m), Note 3A (n), Note 3A (r) wherein certain subsidiary companies had entered into transactions with related and unrelated parties and the same were inappropriately not disclosed in the consolidated financial statements of previous year. For the financial year ended March 31, 2018 our opinion was based on the audited financial statements received from the auditor of the respective subsidiary. The Group is in the process of investigating this matter.

   The Board of Directors have initiated independent investigation in respect of these transactions.

   In absence of underlying contractual agreements, business rationale and requisite approvals by the Board of Directors of the Holding Company, we were unable to obtain sufficient and appropriate audit evidence regarding the completeness of the said transactions and completeness, existence and recoverability of outstanding amounts. Further we were unable to determine the consequential impact of such transactions, if any, on the Group's Consolidated Financial Statements.

8. We draw your attention to Note 3A (k) of the Consolidated Financial Statements wherein the loan was given to and repaid by promoter affiliate Company, which was inappropriately not identified and disclosed as related party in the financial statement for the year ended March 31, 2018 by the management.

9. We draw your attention to Note 3A (o) of the Consolidated Financial Statements with regard to the advances made by the group to a supplier which was inappropriately not identified and disclosed as related party in the financial statement for the year ended March 31, 2018 by the management. Consequentially this was misrepresented by the management to us during the audit for the financial year ended march 31, 2018.

   Pending outcome of investigation, and in the absence of sufficient and appropriate audit evidence about the appropriateness of reinstatement of such transactions and the recoverability of such balances, we are unable to comment on the appropriateness and completeness of the balances and related disclosures in the Consolidated Financial Statements.

10. Balances with respect to borrowings, trade receivables, loans & advances, tax balances, group companies and connected parties are subject to confirmations. Further we have not received sufficient appropriate audit evidence or explanations from the management in relation to the reconciliations and balance confirmation process, followed by the management. Hence we are unable to comment on the completeness and valuation of these balances in respect of the year ended March 31, 2019 and restated March 31, 2018.

11. As stated in Note 3A (a) and Note 3A (b) of the Consolidated Financial Statements, the Holding Company has entered into various transactions with companies (termed as 'Connected parties') wherein certain employees of the Holding Company owned beneficial ownerships and some senior management personnel of the Holding Company are directors of these connected parties. The Holding Company has not completed its assessment to determine the nature of its relationship with these connected parties and consequently has not identified these parties as related parties.

Pending outcome of management's assessment, we are unable to obtain sufficient and appropriate audit evidence with respect to completeness of the list of related parties and the completeness of disclosure of related party transactions for the prior years and current year in the Consolidated Financial Statements.

12. Further, pending outcome of independent investigation and the management's assessments thereof, we are unable to comment on the appropriateness and completeness of the reinstated financial statements for the financial year ended March 31, 2018 and April 1, 2017.

13. We draw your attention to Note 3A (w) to the Consolidated Financial Statements, the Holding Company is undertaking a detailed investigation in relation to the matters of possible non compliances under the Companies Act, 2013; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Income tax 1961 and other statutes and regulations applicable to the Group.

    Pending outcome of the investigation, we are unable to determine the potential impact of non-compliances and to comment on any further adjustment that would be required as a result of the investigation on these Consolidated Financial Statements and disclosures thereon.

14. We draw attention to Note 57 in the Consolidated Financial Statement which, indicate that (a) the Group has incurred a net loss during the current and previous year; (b) the Group's current liabilities exceeded its current assets as at the balance sheet date; (c) the Group has the short term outstanding borrowings repayable over next 12 month aggregate to INR 1850 crores approximately; and (d) pending outcome of the investigation initiated, the management has not concluded on the recoverability of loans and advances from related and unrelated parties.

With reference to above, pending completion of investigation of matter stated in paragraph (1) to (14) above and determination of recoverability of loans and advances from related and unrelated parties. We are unable to obtain to sufficient and appropriate audit evidence as to whether the Group will be able to service its debt, realise its assets and discharge its liabilities as and when they become due over the period of next 12 months. Accordingly, we are unable to comment on whether the Group will be able to continue as Going Concern over the period of 12 months.

Management's Responsibility 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 including its associates and joint ventures 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 and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures 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 and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures 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 and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

However, the Holding Company's Board of Directors taking into consideration the matters stated in Note 3A & Note 57 of the Consolidated Financial Statements, intends to revise these Consolidated Financial Statements after making necessary adjustments to give a true and fair view of Consolidated Financial Statements 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's Consolidated Financial Statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated Financial Statements.

We are independent of the Group in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Group.

Other Matter

1. We have been appointed as Joint Auditors of the Group along with M/s S R B C & Co. LLP Chartered Accountants (Joint Statutory Auditor). We are issuing separate audit report in accordance with the requirement of SA 299 "Responsibility of Joint Auditors" in view of the difference in the Basis for Disclaimer of Opinion provided by the Joint Statutory Auditor regarding matter reported in paragraph (3) under the Basis for Disclaimer of Opinion. Our audit report issued on these Consolidated Financial Statements is separate and independent from the opinion issued by the Joint Statutory Auditor and we did not share any joint responsibilities in relation to the statutory audit of the Group, for the quarter ended March 31, 2019 and for the year ended March 31, 2019.

2. The comparative Consolidated Financial Statements for the quarter and year ended March 31, 2018 have been restated. These restated financial statements represents management's estimates and its assessment of the investigation outcome so far. Considering that the investigation process is yet to be concluded, and considering the matters as stated above in paragraphs 4 of our report, we are unable to comment on the appropriateness and completeness of the restatements to comparative figures of year ended on March 31, 2018 in the accompanying financial statements.

3. The consolidated financial statements and other financial information contains information on Holding Company and its 28 subsidiaries (including 5 subsidiaries classified as discontinued operations) and 1 associate companies included in the statement consist of:

i. We did not audit the financial statements and other financial information, in respect of 19 subsidiary companies part of continued operations of the Group which reflect total assets of INR 6,629.09 crores as at March 31, 2019 and total revenue of INR 799.35 crores and INR 3,155.35 crores for the quarter and year then ended. We did not audit the financial statements and other financial information, in respect of 5 subsidiary companies' part of discontinued operations of the Group which total assets of INR 22.29 crores as at March 31, 2019 and total revenue of INR 1.26 crores and INR 5.34 crores for the quarter and year then ended. These financial statements and other financial information have been audited by other auditors, wherein the financial statements and related financial information have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries, is based solely on the report of such other auditors.

ii. The Group's share of net profit/ loss of INR NIL for the year ended March 31, 2019, in respect of the associate company which was not audited and the financial statements of this company are certified by the Management.

Certain of these subsidiaries mentioned above 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, based on our audit and on consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matters' paragraph, we report that:

a) Due to the possible effects of the matters stated in the Basis for Disclaimer of Opinion paragraph, we are unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the audit;

b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of accounts as required by law have been kept by the Group so far as it appears from our examination of those books;

c) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether 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;

d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid consolidated Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether such matter have any adverse effect on the functioning of the Group;

f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies, its associates and joint ventures incorporate in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;

g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' to this report;

h) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act and

i) 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 knowledge and belief and according to explanations given to us:

   i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its consolidated financial position in its Consolidated Financial Statements – Refer Note 40 to the Consolidated Financial Statements;

   ii. Pending the year-end balance confirmation process, as stated in point 10 of Basis for Disclaimer of Opinion section of this report, we are unable to comment on whether the Group have any long-term contracts including derivative contracts as at March 31, 2019; Further due to the possible effects of the matters described in the Basis for Disclaimer of Opinion we are unable to state whether adequate provisions have been made for material foreseeable losses in respect of long term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended March 31, 2019.

For K.K. Mankeshwar & Co.,
Chartered Accountants
ICAI Firm registration number: 106009W

Ashwin Mankeshwar
Partner
Membership No. 046219

Place: Mumbai
Date: August 30, 2019

UDIN: 19046219AAAAGH4793

ANNEXURE 'A' REFERRED TO IN THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (REFERRED TO IN REPORT ON OTHER LEGAL AND REGULATORY PARAGRAPH OF OUR REPORT OF EVEN DATE)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of CG Power and Industrial Solutions Limited ("the Holding Company"), its subsidiary companies and its associate companies as of March 31, 2019, in conjunction with our audit of the consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries and its associate companies are 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 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 Act. However due to nature of transactions described in Note 3A of the Consolidated Financial Statements and with reference to Note 2.1 relating to the Basis of Preparation of Consolidated Financial Statements, management recognizes that internal financial controls were not operating effectively and requires to be strengthened.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting with reference to these 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting 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.

Because of the matters prescribed in the Basis for Disclaimer of Opinion in the main audit report we were not able to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether Holding Company, its subsidiaries and its associate companies had adequate internal financial controls over financial reporting with reference to these consolidated financial statements and whether such internal financial controls were operating effectively.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated 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 control over financial reporting with reference to these 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 Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these Standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Holding Company, its subsidiaries and its associate companies had adequate internal financial controls over financial reporting with reference to these consolidated Financial Statements as at March 31, 2019 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls Over Financial Reporting with reference to these consolidated Financial Statements.

For K.K. Mankeshwar & Co.,
Chartered Accountants
ICAI Firm registration number: 106009W

Ashwin Mankeshwar
Partner
Membership No. 046219

Place: Mumbai
Date: August 30, 2019

UDIN: 19046219AAAAGH4793

Report on the Audit of the Consolidated Ind AS Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying Consolidated Ind AS 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") and its associate which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss, including the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated Financial Statements').

We do not express an opinion on the accompanying Consolidated Financial Statements of the Group and its associate. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated Financial Statements.

Basis for Disclaimer of Opinion

As given in note 2.1 of the Consolidated Financial Statements, the Board of Directors of the Holding Company have stated that these Consolidated Financial Statements would undergo a change consequent to the proposed revision of the consolidated financial statements of the Group for the year ended March 31, 2018 and prior ('Prior years'), as per the provisions of Section 131 of the Companies Act, 2013 ("the Act") and Rules prescribed thereunder, based on their investigation of certain transactions relating to unrecorded liabilities and accounting of certain transactions in the periods prior to April 1, 2018, which are explained in detail below.

In view of the proposed voluntarily revision of the consolidated financial statements of prior years, which may result in revision of Consolidated Financial Statements and also considering the significance of certain transactions / specific matters described herein below, we are unable to determine the consequential impact of the proposed revision and the impact of certain specific transactions / matters on the Consolidated Financial Statements. Such specific transactions / matters include:

1. We draw your attention to notes 3A(a), 3A(b), 3A(j), 3A(l), 3A(r), and 3A(s) of the Consolidated Financial Statements which describes the reinstatements of certain liabilities by the Group in relation to prior years. Certain unauthorized/unapproved banking transactions in the nature of loans (unauthorized transactions/ loans) taken from banks / financial institutions (lenders)/ a connected party (as termed in paragraph 8 below) aggregating to ₹ 1,401.39 crores were not disclosed in the Consolidated Financial Statements of prior years by off-setting against certain related and unrelated party balances. Further, as explained by the management in note 3A(b) and 3A(l), interest expenses of ₹ 94.66 crores which were serviced by the Group in relation to these unauthorized loans were accounted under different heads in the Consolidated Statement of Profit and Loss and were mispresented in the consolidated financial statements.

   The Board of Directors of the Holding Company have initiated independent investigation in respect of theses unauthorized transactions in the nature of loans. As explained to us, such transactions were misrepresented and were not approved by the Board of Directors of the Holding Company.

   The Group has now recorded these loans in prior years and restated those interest expenses as finance expense with the consequential impact to different heads in the Consolidated Statement of Profit and loss for the year ended March 31, 2018.

   Pending outcome of such investigation, we were unable to obtain sufficient and appropriate audit evidence to verify basis and rational of such unauthorized transactions. We were also not provided with reconciliation of balances in respect of such unauthorized transactions/ loans. Accordingly, we are unable to comment on the completeness, classification between current and non-current and appropriateness, of the prior year balances in relation to these unauthorized transactions and the consequential impact of such reinstatement on the Consolidated Statement of Profit and Loss and related disclosures in the notes to the Consolidated Financial Statements.

2. We draw your attention to notes 3A(a), 3A(b), 3A(j), 3A(l), 3A(n), 3A(r) and 3A(s) of the Consolidated Financial Statements, which describes the nature of certain transactions entered into by the Group with the related and unrelated parties aggregating to ₹ 1,534.68 crores and which were not disclosed in the consolidated financial statements of prior years, by off-setting such transactions against certain undisclosed borrowings and have now been recorded and reinstated in the respective prior years.

   As explained in note 3A(y) of the Consolidated Financial Statements, the Group also has loans including interest receivables and advances recoverable from related and unrelated parties, as reinstated on March 31, 2019, aggregating to ₹ 3,023.08 crores for which further interest income aggregating to ₹ 556.97 crores is currently not recorded as at March 31, 2019.

   As informed by the management, the Group is in the process to further investigate the commercial substance, nature and business rationale of said transactions. Further, the Group is in the process to obtain the balance confirmations and complete reconciliation procedures with these related and unrelated parties as at March 31, 2019 and in respect of earlier years. Accordingly, these balances may be restated by the Group upon completion of such investigation, reconciliation and confirmation process.

   In the absence of underlying contractual agreements, business rationale, confirmation of balances, reconciliation with these related and unrelated parties and requisite approvals by the Board of Directors of the Holding Company, we were unable to obtain sufficient and appropriate audit evidence regarding the completeness of the said transactions, existence, classification between current and non-current balances and recoverability of outstanding amounts. Further, we were unable to determine the consequential impact of such transactions, if any, on the Consolidated Statement of Profit and Loss for the year ended and Equity as at March 31, 2019 and the completeness of disclosures in the notes to these Consolidated Financial Statements.

3. We draw your attention to note 3A(i) of the Consolidated Financial Statements which describes that bank balances were overstated and advances receivable from related parties were understated by ₹ 400 crores and ₹ 300 crores as at March 31, 2018 and April 1, 2017, respectively, which have now been restated by the Group.

   Pending outcome of investigation, we are unable to obtain sufficient and appropriate audit evidence whether all such balances which have been offset, have been restated and further we were not provided explanation about the underlying rationale to off-set these balances. Consequently, we are unable to comment on the appropriateness and completeness of opening balances as at April 1, 2018, the closing balances as at March 31, 2019 and related disclosures in the Consolidated Financial Statements.

4. We draw your attention to notes 3A(c) and 3A(p) of the Consolidated Financial Statements which describes that the Group has written back in the Consolidated Statement of Profit and Loss certain amounts which were previously expensed off. These amounts were presented as amounts charged off in relation to inventories/

trade advances / unbilled dues from customers/ loans given to related, unrelated parties and connected parties aggregating to ₹ 860.16 crores.

As informed by management, these amounts written off in the prior years were misrepresented to the Board of Directors of the Holding Company and were wrongly grouped in the consolidated financial statements of prior years under various heads, instead of related and unrelated party balances being written off. The amounts written off were extended to and are considered recoverable from related and unrelated parties. The Board of Directors of the Holding Company has initiated independent investigation to assess the underlying basis, nature and amounts of such transactions.

Pending outcome of such investigation, we are unable to obtain sufficient and appropriate audit evidence about the underlying commercial purpose for such transactions relative to the size and scale of the business activities of the Group and the recoverability of such balances. Further we are unable to comment on the appropriateness and completeness of opening balances as at April 1, 2018, consequential impact on the Consolidated Statement of Profit and Loss for the year ended March 31, 2019 and disclosures in the Consolidated Financial Statements.

5. We draw your attention to note 3A(f) of the Consolidated Financial Statements which describes that Certain Identified Senior Personnel of the management had provided post-dated cheques (PDCs) and comfort letters to banks in relation to certain borrowings availed by the related parties in the prior years.

   Following a default in the contractual and repayment terms of such borrowings availed by the related parties, one of the bank's attempted to encash the PDCs of ₹ 210 crores which were dishonored upon presentation by another bank of the Group. The bank has issued a notice to the Group to accept the liabilities and have claimed repayment on those liabilities. The total outstanding amount of such borrowings as on March 31, 2019 is ₹ 392 crores.

   As explained by the Board of Directors of the Holding Company, issuance of such PDCs and comfort letter were not informed and were done in violation of Rules of Procedure (RoP) established by the Board of Directors of the Holding Company. These transactions are subject to further investigation to ascertain the legality of these claims on the Group. Pending such investigation, the said claim is disclosed as contingent liability by the Group and not accounted in the books of accounts of the Holding Company.

   Pending outcome of the investigation, we were unable to obtain sufficient and appropriate audit evidence to verify the basis, rational and completeness of disclosing of such transactions/ balances as contingent liabilities in the Consolidated Financial Statements.

6. We draw your attention to note 3A(c), 3A(m) and 3A(o) of the Consolidated Financial Statements which describes that during our audit, we identified certain trade receivables balances amounting to ₹ 120 crores against which provision for doubtful trade receivable of ₹ 108 crores was made in the current year and ₹ 12 crores was made in the prior years by the Holding Company and advances given to related and unrelated parties amounting to ₹ 310.55 crores by subsidiaries located at Dubai and Singapore. The underlying sale transactions and recording of provisions were found to be suspicious in nature and not in the normal course of business of the Group.

   Based on the interim response received from the Board of Directors of the Holding Company, we filed our preliminary response to the Central Government reporting the suspected fraudulent transactions and balances.

   We were unable to satisfy ourselves as regards the commercial nature of the underlying transactions. On further independent investigation by the Board of Directors of the Holding Company, we are informed, that these transactions appear to be fraudulently accounted as trade receivables instead of being accounted as advances to related parties. The Board of Directors have reinstated opening balances for prior years.

   We are further informed by the Board of Directors of the Holding Company that detailed investigation is in process to assess the underlying basis and rationale of such transactions. However, considering the significance of amounts and that these transactions were approved by certain Key Managerial Persons, company personnel and certain non-executive directors it appears that material fraud has been perpetrated. However, pending further investigation, identification and conclusion on the culpability of the personnel we are unable to comment on who were involved in the fraud and the amounts which could be involved.

7. We draw attention to note 3A(g) of the Consolidated Financial Statements which states that management has not accounted contractual royalty expense amounting to ₹ 41.75 crores for the six months period ended March 31, 2019. Further, management has put the royalty agreement in abeyance pending conclusion on the royalty settlement and determination of legality of royalty contract.

   Pending management evaluation, we are unable to obtain sufficient and appropriate audit evidence and hence unable to comment upon completeness of royalty expense in the Consolidated Statement of Profit and Loss and consequential impact on the related party balances as at March 31, 2019. Further, we are unable to comment upon the enforceability of Royalty Agreement along with proposed settlement, pending legal assessment by the management.

8. As explained in notes 3A(a), 3A(b), 3A(p), 3A(q) and 3A(y) of the Consolidated Financial Statements, the Group has entered into various transactions with certain identified group companies (termed as connected parties) wherein some of the Group's employees own beneficial ownership in such connected parties and further certain senior management personnel of the Group are directors of these connected parties. The Group has not identified these connected parties as related parties and has not yet completed its assessment to determine the nature of its relationship with these connected parties.

   Pending completion of management's assessment, we were unable to obtain sufficient and appropriate evidence with respect of completeness of the list of related parties and the completeness of disclosure of related party transactions for the prior years and current year in these Consolidated Financial Statements.

9. As at year end, we have sent independent balance confirmation to banks/ financial institutions for borrowings, bank balances and certain trade receivables selected on sample basis. We have not received responses to our request for such balance confirmations towards borrowings of ₹ 263.09 crores, bank balances of ₹ 3.13 crores and trade receivables of ₹ 1,053.43 crores and confirmation from banks/financial institutions in respect of the details of securities, lien, collaterals, guarantees etc.

   In the absence of sufficient and appropriate evidence in relation to the unconfirmed balances and in view of proposed restatement of prior years, we are unable to determine whether any adjustments are required to the said balances as on March 31, 2019 and related disclosures in these Consolidated Financial Statements.

10. As stated in note 3A(w) to the Consolidated Financial Statements, the Board of Directors of the Holding Company have instructed the management to undertake a detailed investigation in relation to the matters of possible non-compliance with respect to the

Section 129, 134, 166, 180, 185, 186, 188, 197 and other related provision of the Companies Act 2013, the Income Tax 1961, the Foreign Exchange Management Act 1999, Prevention of Money Laundering Act, 2002, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and other regulations, as applicable to the Group (Applicable Laws). The Board of Directors of the Holding Company has also instructed the management to engage external consultants and specialists as required for the investigation.

Pending outcome of the investigation, we are unable to determine the potential impact of non-compliances with Applicable Laws and determine any further adjustments that may be necessary to these Consolidated Financial Statements.

11. We draw attention to the Basis of Preparation of Consolidated Financial Statements, which indicate that the accompanying Consolidated Financial Statements include unaudited financial statements and other unaudited financial information in respect of 4 subsidiaries, part of continued operations of the Group. The financial statements and other financial information of these subsidiaries reflect total assets of ₹ 4,501.68 Crores as at March 31, 2019, and total revenues of ₹ 0.04 Crores for the year ended on that date and in respect of an associate, part of continued operations of the Group, whose financial statements include the Group's share of net profit of ₹ 0.12 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 report, in so far as it relates amounts and disclosures included in respect of these subsidiaries and an associate is based solely on such unaudited financial statements and other unaudited financial information. We are unable to comment on the impact on total assets and total revenues, had these subsidiaries been subjected to an audit.

12. We draw attention to note 57 in the Consolidated Financial Statements which indicate that (a) the Group has incurred a net loss during the current and previous years; (b) the Group's current liabilities exceeded its current assets as at the balance sheet date; (c) the Group has the short-term outstanding borrowings repayable over next 12 months aggregates to ₹ 1,849.83 crores; and (d) pending outcome of investigation initiated, the management has not concluded on the recoverability of loans and advances from related and unrelated parties.

    With reference to above, pending completion of investigation of matter stated in paragraphs 1 to 12 above and determination of recoverability of loans and advances from related and unrelated parties and classification between current and non-current balances of the financial liabilities, we are unable to obtain sufficient and appropriate audit evidence as to whether the Group will be able to service its debts, realize its assets and discharge its liabilities as and when they become due over the period of next 12 months. Accordingly, we are unable to comment on whether the Group will be able to continue as Going Concern.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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 Consolidated 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 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Group's financial reporting process.

However, the Board of Directors of the Holding Company taking into consideration the matters stated under the heading Basis of Disclaimer of Opinion, intends to revise these Consolidated Financial Statements after making necessary adjustments to give a true and fair view of Consolidated Financial Statements 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's Consolidated Financial Statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated Financial Statements.

We are independent of the Group in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the Group.

Other Matter

(i) We did not audit the financial statements and other financial information, in respect of 16 subsidiaries which are part of continued operations of the Group and whose separate financial statements include total assets of ₹ 6,413.08 crores as at March 31, 2019, and total revenues of ₹ 3,059.42 crores for the year ended on that date. We did not audit the financial statements and other financial information, in respect of 4 subsidiaries, part of discontinued operations of the Group, whose financial statements include total assets of ₹ 20.61 crores as at March 31, 2019, and total revenues of ₹ 5.34 crores for the year ended on that date. These financial statements and other financial information have been audited by other auditors, of which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our report on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these 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. These conversion adjustments made by the Holding Company's management. Our report in so far as it relates to the balances and affairs of such subsidiaries and associate 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.

(ii) The Consolidated Financial Statements of the Group for the year ended March 31, 2018, included in these Consolidated Financial statements as comparative financial information, had been solely audited by the joint statutory auditor who expressed an unmodified opinion on those statements, on May 30, 2018. Also refer our Basis for Disclaimer of Opinion paragraph 1 to 12 above with respect to effect of ongoing investigation on opening balances and re-opening of books of accounts by the management in respect of prior years.

(iii) We have been appointed as joint auditors of the Group along with M/s K K Mankeshwar & Co., Chartered Accountants (Joint Statutory Auditor). We are issuing separate audit report in accordance with the requirement of SA 299 "Responsibility of Joint Auditors" in view of the difference in the Basis for Disclaimer of Opinion against the Basis for Disclaimer of Opinion provided by the Joint Statutory Auditor. Further Our audit report issued on these Consolidated Financial Statements is separate and independent from the opinion issued by the Joint Statutory Auditor and we did not share any joint responsibilities in relation to the audit of the Consolidated Financial Statements of the Group.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the audit;

   (b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;

   (c) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

   (d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether 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) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether such matters have any adverse effect on the functioning of the Group;

   (f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act. Further, due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section of this audit report, we are unable to state whether the directors of subsidiaries incorporated in India are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Group with reference to these Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 1" to this report;

   (h) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (i) 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 subsidiaries incorporated in India:

      i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements;

      ii. Pending the completion of year-end balance confirmation process, as stated in paragraph 9 of Basis of Disclaimer of Opinion section of this report, we are unable to comment on whether the Group has any long-term contracts including derivative contracts as at March 31, 2019. Further, due to the possible effect of matter described in Basis for Disclaimer of opinion we are unable to state whether adequate provisions have been made for material foreseeable losses in respect of long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. Further, due to the matters described in the Basis for Disclaimer of Opinion section of this audit report, we are unable to state whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the subsidiaries incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Shyamsundar Pachisia
Partner
Membership Number: 49237
UDIN:19049237AAAAAY1174

Place of Signature: Mumbai
Date: August 30, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of CG Power and Industrial Solutions Limited ("the Holding Company") and its subsidiaries which are incorporated in India as at March 31, 2019, in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these 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 as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI.

Because of the matters described in the Basis for Disclaimer of Opinion in the main audit report we were not able to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements as at March 31, 2019 and whether such internal financial controls were operating effectively.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these Consolidated 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 control over financial reporting with reference to these 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.

Disclaimer of Opinion

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Holding Company and Subsidiaries incorporated in India had adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements as at March 31, 2019 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements.

Explanatory Paragraph

We were engaged to audit, in accordance with the Standards on Auditing issued by the ICAI, as specified under Section 143(10) of the Act, the Consolidated Financial Statements of CG Power and Industrial Solutions Limited, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the related Consolidated Statement of Profit and Loss and Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information. We have considered the disclaimer of opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 Consolidated Financial Statements of CG Power and Industrial Solutions Limited and this report affects our report dated August 30, 2019 which expressed a disclaimer of opinion on those Consolidated Financial Statements.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Shyamsundar Pachisia
Partner
Membership Number: 49237
UDIN: 19049237AAAAAY1174

Place of Signature: Mumbai
Date: August 30, 2019

₹ crores

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2019

	Note No.	As at 31-03-2019		As at 31-03-2018*		As at 1-04-2017*	
ASSETS							
(1) Non-current assets							
(a) Property, plant and equipment	4	**1746.72**		2033.86		2026.40	
(b) Capital work-in-progress	4	**67.63**		49.85		45.74	
(c) Goodwill	5	**140.87**		146.55		143.54	
(d) Intangible assets	5	**162.28**		184.09		204.46	
(e) Intangible assets under development	5	**23.42**		34.92		40.23	
(f) Financial assets							
(i) Investments	6	**129.88**		278.75		203.92	
(ii) Trade receivables	7	**13.35**		-		-	
(iii) Loans	8	**6.96**		6.87		6.65	
(iv) Others	9	**3770.04**		3216.03		1631.16	
(g) Deferred tax assets (net)	10	**25.31**		62.38		45.76	
(h) Other non-current assets	11	**9.85**		5.23		5.50	
			6096.31		6018.53		4353.36
(2) Current assets							
(a) Inventories	12	**1192.80**		1226.38		1058.73	
(b) Financial assets							
(i) Investments	13	**0.01**		0.01		319.33	
(ii) Trade receivables	14	**1695.78**		2400.34		2244.48	
(iii) Cash and cash equivalents	15	**233.98**		381.52		521.38	
(iv) Bank balances other than (iii) above	16	**36.78**		45.09		1.57	
(v) Loans	17	**30.66**		47.87		78.62	
(vi) Others	18	**9.33**		4.02		202.03	
(c) Current tax assets (net)		**33.67**		78.48		81.10	
(d) Other current assets	19	**685.09**		573.67		798.15	
			3918.10		4757.38		5305.39
(3) Assets classified as held for sale and discontinued operations	46		**321.46**		97.25		781.93
TOTAL ASSETS			**10335.87**		10873.16		10440.68
EQUITY AND LIABILITIES							
EQUITY							
(a) Equity share capital	20	**125.35**		125.35		125.35	
(b) Other equity	21	**2060.02**		2796.14		3757.71	
			2185.37		2921.49		3883.06
LIABILITIES							
(1) Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	22	**1447.54**		1494.53		905.80	
(ii) Other financial liabilities	23	**298.37**		391.55		391.14	
			1745.91		1886.08		1296.94
(b) Provisions	24		**84.22**		71.95		80.07
(c) Deferred tax liabilities (net)	10		**238.76**		397.57		386.05
(d) Other non-current liabilities	25		**-**		0.40		18.42
(2) Current liabilities							
(a) Financial liabilities							
(i) Borrowings	26	**1282.89**		1242.91		756.55	
(ii) Trade payables	27	**2314.05**		1870.39		1857.52	
(iii) Other financial liabilities	28	**914.24**		773.26		687.10	
			4511.18		3886.56		3301.17
(b) Other current liabilities	29		**1310.07**		1410.59		877.66
(c) Provisions	30		**212.83**		262.83		197.75
(3) Liabilities associated with group of assets classified as held for sale and discontinued operations	46		**47.53**		35.69		399.56
TOTAL EQUITY AND LIABILITIES			**10335.87**		10873.16		10440.68
CONTINGENT LIABILITIES AND COMMITMENTS	40						
SIGNIFICANT ACCOUNTING POLICIES	2						

The accompanying notes form an integral part of consolidated financial statements

*Restated

For and on behalf of the Board

K.N. Neelkant
CEO & Managing Director
(DIN: 05122610)

Sudhir Mathur
Whole Time Executive Director
(DIN: 01705609)

Jitender Balakrishnan
Independent Director
(DIN: 00028320)

As per our report of even date
For K. K. MANKESHWAR & CO.
Chartered Accountants
ICAI Firm Registration No. 106009W

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Narayan K.Seshadri
Independent Director
(DIN: 00053563)

Omkar Goswami
Non Executive Director
(DIN: 00004258)

Ashish Kumar Guha
Independent Director
(DIN: 00004364)

per Ashwin Mankeshwar
Partner
Membership No. 046219
Mumbai : 30 August, 2019

per Shyamsundar Pachisia
Partner
Membership No. 049237
Mumbai : 30 August, 2019

Ramni Nirula
Independent Director
(DIN: 00015330)
Mumbai : 30 August, 2019

Shikha Kapadia
Company Secretary

Susheel Todi
General Manager - Accounts

₹ crores

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

	Note No.	2018-19	2018-19	2017-18*	2017-18*
INCOME					
Revenue from operations	31		7997.91		8129.99
Other income	32		50.91		61.96
Total Income			8048.82		8191.95
EXPENSES					
Cost of materials consumed	33	5075.09		5290.82	
Purchases of stock-in-trade	34	34.79		82.43	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	35	87.76		(128.57)	
Excise duty		-		98.91	
Employee benefits expense	36	1063.34		1080.63	
Finance costs	37	382.99		349.61	
Depreciation and amortisation expense	38	225.25		251.93	
Foreign exchange (gain) / loss (net)		97.12		(71.23)	
Other expenses	39	1374.75		1664.46	
Total Expenses			8341.09		8618.99
Loss before share of profit / (loss) from associates and joint venture, exceptional items and tax			(292.27)		(427.04)
Share of loss from associates and joint venture			-		(1.74)
Exceptional items (net)	51		(166.68)		(134.94)
Loss before tax			(458.95)		(563.72)
Tax expense:					
Current tax	10	82.98		63.71	
Deferred tax / (credit)	10	(50.40)		38.01	
			32.58		101.72
Loss from continuing operations after tax			(491.53)		(665.44)
Loss from discontinued operations before tax	46	(27.09)		(83.85)	
Tax credit on discontinued operations	10	(11.49)		(34.71)	
Loss from discontinued operations after tax			(15.60)		(49.14)
Loss for the year			(507.13)		(714.58)
Attributable to:					
Equity holders of the parent			(503.50)		(718.70)
Non-controlling interests			3.63		(4.12)
			(507.13)		(714.58)
Other comprehensive income:					
A (i) Items that will not be reclassified to profit or loss in subsequent periods					
(a) Remeasurement gain / (loss) on defined benefit plans		(16.36)		(8.50)	
(b) Equity Instruments through other comprehensive income		(121.62)		(30.00)	
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.21		3.37	
B (i) Items that will be reclassified to profit or loss in subsequent periods		(12.11)		(124.91)	
(ii) Income tax relating to items that will be reclassified to profit or loss		-		-	
Other comprehensive income for the year			(148.88)		(160.04)
Total comprehensive income for the year			(656.01)		(874.62)
Attributable to:					
Equity holders of the parent			(652.38)		(878.74)
Non-controlling interests			3.63		(4.12)
Earnings per share for continuing operations (basic and diluted) (₹)	50		(7.78)		(10.72)
(Face value of ₹ 2 each)					
Earnings per share for discontinued operations (basic and diluted) (₹)	50		(0.25)		(0.75)
(Face value of ₹ 2 each)					
Earnings per share (basic and diluted) (₹)	50				
(Face value of ₹ 2 each)			(8.03)		(11.47)
SIGNIFICANT ACCOUNTING POLICIES	2				

The accompanying notes form an integral part of consolidated financial statements
*Restated

For and on behalf of the Board

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CEO & Managing Director
(DIN: 05122610)

Sudhir Mathur
Whole Time Executive Director
(DIN: 01705609)

Jitender Balakrishnan
Independent Director
(DIN: 00028320)

As per our report of even date
For K. K. MANKESHWAR & CO.
Chartered Accountants
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Independent Director
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per Ashwin Mankeshwar
Partner
Membership No. 046219
Mumbai : 30 August, 2019

per Shyamsundar Pachisia
Partner
Membership No. 049237
Mumbai : 30 August, 2019

Ramni Nirula
Independent Director
(DIN: 00015330)
Mumbai : 30 August, 2019

Shikha Kapadia
Company Secretary

Susheel Todi
General Manager - Accounts

₹ crores

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019

			2018-19	2017-18*
[A]	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Loss before tax from continuing operations		**(458.95)**	(563.72)
	Adjustments for:			
	Depreciation and amortisation expense		**225.25**	251.93
	Allowances for doubtful receivables		**28.08**	49.95
	Bad debts written off		**28.73**	206.86
	Provision for diminution in value of investments		**7.85**	-
	Finance costs		**382.99**	349.61
	Interest income		**(32.26)**	(21.89)
	Profit on sale of investments (net)		**-**	(15.46)
	Unrealised exchange (gain) / loss (net)		**2.43**	-
	Unrealised exchange (gain) / loss on consolidation (net)		**0.51**	(124.49)
	Capital reserve on consolidation		**-**	(12.63)
	(Profit) / loss on sale of property, plant and equipment (net)		**6.69**	15.26
	Share of net loss in joint venture accounted for using equity method		**-**	1.74
	Exceptional items (net)		**166.68**	107.00
			816.95	807.88
	Operating profit before working capital changes		**358.00**	244.16
	Adjustments for:			
	(Increase) / Decrease in trade and other receivables		**356.05**	(45.17)
	(Increase) / Decrease in inventories		**33.58**	(167.65)
	Increase / (Decrease) in trade and other payables		**101.27**	349.76
	Increase / (Decrease) in provisions		**(49.56)**	51.83
			441.34	188.77
	Cash (used in) / from operations		**799.34**	432.93
	Direct taxes paid (net of refunds)		**(38.17)**	(61.10)
	Non-controlling interest in (profit) / loss		**12.07**	4.12
	Net cash (used in) / from continuing operating activities		**773.24**	375.95
	Net cash (used in) / from discontinued operating activities		**37.62**	3.69
	Net cash (used in) / from continuing and discontinued operating activities	**[A]**	**810.86**	379.64
[B]	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Add: Inflows from investing activities			
	Sale of property, plant and equipment and intangible assets		**6.30**	4.45
	Proceeds from sale of investments in subsidiaries		**-**	200.60
	Sale of current investments		**-**	361.61
	Interest received		**31.95**	29.53
			38.25	596.19
	Less: Outflows from investing activities			
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances) and intangible assets		**(135.37)**	(181.38)
	Unrealised exchange loss on consolidation (net)		**(2.45)**	(185.13)
	Purchase of non-current investments		**-**	(133.38)
	Loans given to other related parties		**(309.99)**	(1044.86)
	Loans given to other than related parties		**(249.53)**	(82.33)
	Recognition of fixed assets on classification of joint venture to subsidiary		**(85.85)**	-
			(783.19)	(1627.08)
	Net cash (used in) / from continuing investing activities		**(744.94)**	(1030.89)
	Net cash (used in) / from discontinued investing activities		**-**	-
	Net cash (used in) / from continuing and discontinued investing activities	**[B]**	**(744.94)**	(1030.89)

₹ crores

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019 (Contd.)

		2018-19	2017-18*
[C]	**CASH FLOWS FROM FINANCING ACTIVITIES**		
Add:	**Inflows from financing activities**		
	Recognition of borrowing on classification of joint venture to subsidiary	**63.21**	-
	Proceeds from long-term borrowings	**419.66**	844.93
	Proceeds from short-term borrowings	**1462.42**	1209.62
	Changes in non-controlling interest	**3.63**	(4.12)
		1948.92	2050.43
Less:	**Outflows from financing activities**		
	Repayment of long-term borrowings	**(359.38)**	(497.35)
	Repayment of short-term borrowings	**(1418.29)**	(730.88)
	Unrealised exchange gain / (loss) on consolidation (net)	**(23.63)**	71.45
	Interest paid	**(360.48)**	(379.93)
		(2161.78)	(1536.71)
	Net cash (used in) / from continuing financing activities	**(212.86)**	513.72
	Net cash (used in) / from discontinued financing activities	**-**	-
	Net cash (used in) / from continuing and discontinued financing activities **[C]**	**(212.86)**	513.72
NET INCREASE/ (DECREASE) IN CASH AND BANK BALANCES (A+B+C)		**(146.94)**	(137.53)
Cash and bank balances at beginning of the year		**381.52**	521.38
Cash and bank balances at end of the year		**234.58**	383.85
Cash and cash equivalents from continuing operations (Refer note 15)		**233.98**	381.52
Cash and cash equivalents from discontinued operations		**0.60**	2.33
Cash and cash equivalents from continuing and discontinued operations		**234.58**	383.85

*Restated

Notes:

1. 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.
2. Purchase of property, plant and equipment and intangible assets include movement of capital work-in-progress and intangible assets under development respectively during the year.

For and on behalf of the Board

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per Ashwin Mankeshwar
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Mumbai : 30 August, 2019

per Shyamsundar Pachisia
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Mumbai : 30 August, 2019

Shikha Kapadia
Company Secretary

Susheel Todi
General Manager - Accounts

₹ crores

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

(A) EQUITY SHARE CAPITAL

For the year ended 31 March, 2019

Balance as at 1-04-2018	Changes in equity share capital during the year	Balance as at 31-03-2019
125.35	-	125.35

For the year ended 31 March, 2018

Balance as at 1-04-2017	Changes in equity share capital during the year	Balance as at 31-03-2018
125.35	-	125.35

(B) OTHER EQUITY

For the year ended 31 March, 2019 ₹ crores

	Retained Earnings	Hedge Reserve	Foreign Currency Translation Reserve	FVOCI Reserve	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium	Statutory Reserve	Total	Non-Controlling interest	Total Equity
Balance as at 1 April, 2018	**1583.08**	**(4.14)**	**211.35**	**(122.51)**	**671.65**	**144.63**	**12.95**	**18.30**	**67.05**	**2582.36**	**6.43**	**2588.79**
Prior period errors (Refer note 3A)	186.62	-	(11.56)	-	-	-	-	-	-	175.06	32.29	207.35
Restated balance as at 1 April, 2018	**1769.70**	**(4.14)**	**199.79**	**(122.51)**	**671.65**	**144.63**	**12.95**	**18.30**	**67.05**	**2757.42**	**38.72**	**2796.14**
Loss for the year	(503.50)	-	-	-	-	-	-	-	-	(503.50)	(3.63)	(507.13)
Recognition of Non controlling interest on reclassification of joint venture to subsidiary	-	-	-	-	-	-	-	-	-	-	15.70	15.70
Changes in accounting policy as per Ind AS 115 (Refer note 54)	(99.84)	-	-	-	-	-	-	-	-	(99.84)	-	(99.84)
Other comprehensive income for the year												
- Remeasurement loss on defined benefit plans	(14.97)	-	-	-	-	-	-	-	-	(14.97)	-	(14.97)
- Fair value loss on FVOCI financial assets	-	-	-	(121.80)	-	-	-	-	-	(121.80)	-	(121.80)
- Foreign currency translation differences	-	-	(17.57)	-	-	-	-	-	-	(17.57)	4.03	(13.54)
- Effective portion of cash flow hedge	-	5.46	-	-	-	-	-	-	-	5.46	-	5.46
Balance as at 31 March, 2019	**1151.39**	**1.32**	**182.22**	**(244.31)**	**671.65**	**144.63**	**12.95**	**18.30**	**67.05**	**2005.20**	**54.82**	**2060.02**

For the year ended 31 March, 2018 ₹ crores

	Retained Earnings	Hedge Reserve	Foreign Currency Translation Reserve	FVOCI Reserve	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium	Statutory Reserve	Total	Non-Controlling interest	Total Equity
Balance as at 1 April, 2017	**2754.15**	**(1.03)**	**389.49**	**(92.51)**	**671.65**	**157.26**	**12.95**	**18.30**	**67.05**	**3977.31**	**8.43**	**3985.74**
Prior period errors (Refer note 3A)	(260.62)	-	1.81	-	-	-	-	-	-	(258.81)	30.78	(228.03)
Restated balance as at 1 April, 2017	**2493.53**	**(1.03)**	**391.30**	**(92.51)**	**671.65**	**157.26**	**12.95**	**18.30**	**67.05**	**3718.50**	**39.21**	**3757.71**
Profit / (loss) for the year	(718.70)	-	-	-	-	-	-	-	-	(718.70)	4.12	(714.58)
Other comprehensive income for the year												
- Remeasurement loss on defined benefit plans	(5.13)	-	-	-	-	-	-	-	-	(5.13)	-	(5.13)
- Fair value loss on FVOCI financial assets	-	-	-	(30.00)	-	-	-	-	-	(30.00)	-	(30.00)
- Foreign currency translation differences	-	-	(121.80)	-	-	-	-	-	-	(121.80)	(4.61)	(126.41)
- Effective portion of cash flow hedge	-	(3.11)	-	-	-	-	-	-	-	(3.11)	-	(3.11)
Transferred to Statement of profit and loss	-	-	(69.71)	-	-	(12.63)	-	-	-	(82.34)	-	(82.34)
Balance as at 31 March, 2018	**1769.70**	**(4.14)**	**199.79**	**(122.51)**	**671.65**	**144.63**	**12.95**	**18.30**	**67.05**	**2757.42**	**38.72**	**2796.14**

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Company Secretary

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General Manager - Accounts

1 CORPORATE INFORMATION

CG Power and Industrial Solutions Limited (the 'Company' or 'Parent') 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 has changed its name from Crompton Greaves Limited to CG Power and Industrial Solutions Limited w.e.f. 27 February, 2017.

The Company and its subsidiaries and its associate (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, 2019.

The consolidated financial statements of the Group for the year ended 31 March, 2019 were authorised for issue by the Board of Directors in accordance with a resolution dated 30 August, 2019.

2 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 (refer accounting policy regarding financial instruments).

Further, these consolidated financial statements have been prepared after incorporating requisite adjustments in respect of various transactions following first phase of investigation, which are disclosed by the Group in its press release dated 19 August, 2019. Some of these adjustments relate to previous years and therefore they have been adjusted in the respective years / opening balances for the preparation of consolidated financial statements for the year ended 31 March, 2019. Besides these adjustments, certain reclassifications have also been carried out to appropriately present amounts in the various accounts captions in the consolidated financial statements. Details in respect of each of the adjustments are provided in note 3A of the consolidated financial statements.

Further, in order in to ascertain completeness of all such reinstatements / restatements and also to establish the underlying business rationale, recoverability of assets and the obligation in relation to liability for the Group, management has initiated second phase of investigation. Consequently, to the extent such investigation reveals any requirements of further reinstatement / reclassification, the consolidated financial statements could undergo change in line with explanation provided in Note 3A of these consolidated financial statements.

In respect of certain assets and liabilities which have been recognised consequent to aforementioned reinstatements / restatements, possible adjustment are being evaluated by independent legal and other consultants. Hence, no provisions have been made against such assets nor has final inclusion of liabilities against the Group has been determined. Basis the outcome of second phase of investigation, management will make an assessment in relation to the extent of required provision against the assets and / or recognition of further liabilities.

Taking into consideration the explanation as provided above, the management believes that the consolidated financial statements to that extent do not represent true and fair view as per section 129 of the Companies Act, 2013.

The consolidated financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest crore, except when otherwise indicated.

2.2 Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Group and its associate as at 31 March, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights, and
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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.

The financial statements of the Parent and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting there from and are prepared, to the extent possible, in the same form and manner as the Parent's independent financial statements. The profit or loss and each component of other comprehensive income 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 interests having a deficit balance.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of Parent Company, i.e. year ended on 31 March, 2019, except financial statements in respect of overseas subsidiaries (Refer note 41) drawn for the period ended 31 December, 2018. The effect of significant transactions and other events that occur between 1 January, 2019 and 31 March, 2019 are considered in the consolidated financial statements if they are material in nature.

Additionally, financial statements of following four subsidiary companies have been presented for adoption and those are yet to be adopted by their respective Boards:

i. CG Middle East FZE

ii. CG International Holdings Singapore Pte. Ltd.

iii. CG International B.V.

iv. CG Power Solutions Limited

For the purpose of preparation of the consolidated financial statements, such un-adopted financial statements have been included.

2.3 Property, plant and equipment:

Property, plant and equipment are stated at cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value 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. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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.

Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are derecognised from the financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the consolidated statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on the property, plant and equipment is provided on straight-line method over the useful life of assets as specified in Schedule II to the Companies Act, 2013 which is in line the management estimate of the useful life of the assets. On property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion. However, in case of the following category of property, plant and equipment, the depreciation has been provided based on the technical evaluation of the remaining useful life which is different from the one specified in Schedule II to the Companies Act, 2013.

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 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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
- Leasehold land – 24 to 999 years

Leased assets

Leasehold lands are amortised over the period of lease. 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.

Vehicles acquired on finance leases are depreciated over the period of lease agreement or the useful life, whichever is shorter.

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.

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.

The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Amortisation expense on intangible assets is recognized 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 consolidated statement of profit and loss when the asset is derecognised.

Research and development cost:

- Research cost:

  Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

- Development cost:

  Development expenditure on new product is capitalised 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 including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;

  (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 measure the expenditure attributable to the intangible asset during the development reliably.

Subsequent to initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Development costs on the Intangible assets, fulfilling the criteria are amortised over a period of expected future benefits which is three to ten years, otherwise are expensed in the period in which they are incurred. Amortisation of the asset begins when development is complete and the asset is available for use. During the period of development the asset is tested for impairment annually.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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.

Intangible assets are amortised as follows:

(1)	Computer software	: Over a period of five to six years;
(2)	Technical know-how (including technology)	: Over a period of five years (from the date of availability for its use);
(3)	Commercial rights	: Over a period of ten years;
(4)	Brand name and customer lists (including trade mark)	: Over a period of ten years;
(5)	Other intangible assets	: Over a period of three to fifteen years; and

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.

2.5 Impairment of non-financial assets:

As at each balance sheet date, the Group assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. 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 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. 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit and loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income ("OCI"), if any. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

2.6 Inventories:

Inventories are carried in the balance sheet as follows:

(a)	Raw materials, packing materials, construction materials, stores & spares loose tools	: At lower of cost, on weighted average basis and net realisable value.
(b)	Work -in-progress	: At lower of cost of material, plus appropriate production overheads and net realisable value.
(c)	Finished goods	: At lower of cost of materials plus appropriate production overheads, including excise duty paid / payable on such goods and net realisable value.
(d)	Stock-in-trade	: At lower of cost, on weighted average basis and net realisable value.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. 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, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.8 Foreign currency transactions:

The Group's financial statements are presented in Indian Rupees ("₹"), which is also the Group functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the consolidated statement of profit and loss is also recognised in other comprehensive income or the consolidated statement of profit and loss respectively).

2.9 Revenue recognition:

(a) Sale of goods and services

The Group recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentive or other similar items in a contract when they are highly probable to be provided. The Group recognises revenue generally at the point in time when the products are delivered to customer which is when the control over product is transferred to the customer. 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.

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.

Contract balances:

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 that is conditional.

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 performs under the contract.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(b) Dividend income

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

(c) Lease income

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised in the consolidated statement of profit and loss on straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(d) Interest income

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 applicable effective interest rate.

2.10 Employee benefits:

All employee benefits payable wholly within twelve months after the end of the 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.

Payments to defined contribution retirement plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

Provident fund

The Group makes contribution to CG Provident Fund No. 1 towards provident fund which is administered by the trustees. The Rules of the Company's Provident Fund administered by a trust, require that if the Board of the Trustees are unable to pay interest at the rate declared by the Government under Para 60 of the Employees Provident Fund Scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Group making interest shortfall a defined benefit plan. Accordingly, the Group obtains actuarial valuation and based on the valuation if there is no deficiency as at the balance sheet date then, the liability is restricted towards monthly contributions only.

Employee benefits including contributions towards social security and retirement benefit schemes are accounted for based on the regulatory framework in the respective countries and employment rules / contracts applicable to the specific companies.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling and the return on plan assets, excluding amounts included in net interest on the net defined benefit liability / (asset) are recognised immediately in the balance sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognised in the statement of profit and loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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 non-routine settlements.
- Net interest expense or income.

Gratuity

Gratuity is a defined benefit obligation plan operated by the Holding Company and its Indian Subsidiaries 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 Gratuity trust 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.

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 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.

Termination benefits and pension obligations

Termination benefits and pension obligations are recognised as an expense at the earlier of when the entity can no longer withdraw the offer of the termination benefits and when the entity recognise any related restructuring cost.

2.11 Borrowing costs:

Borrowing cost consists of interest and other costs that the Group incurs in connection with borrowing of funds. Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as expense in the period in which they are incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.12 Segment accounting:

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 and loss of the reportable segment and is measured consistently.

The Operating segments have been identified on the basis of the nature of products / services.

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
2. 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.
3. Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.
4. Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.
5. 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.

Inter-segment transfer pricing:

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are determined at arms' length basis.

2.13 Leases:

Group as a lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, an asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Group as a lessee

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset 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.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. 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.

2.14 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 financial statements by the Board of Directors.

2.15 Taxes on income:

Current tax

1. Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.
2. Current income tax are recognised in statement of profit and loss except when they are relating to items that are recognized in OCI or directly in equity, in which case, the current tax is also recognized in relating to items recognised directly in OCI or equity respectively. 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 is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. 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.

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.

Deferred tax relating to items recognised outside the consolidated statement of profit and loss is recognised outside the statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and levied by the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances that existed at the acquisition date emerges. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in the consolidated statement of profit and loss.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the respective companies have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum alternate tax (“MAT”) credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

2.16 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, when 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible; and
- a possible obligation arising from past events, whose occurrence not yet certain and is based on one or more future event unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for purchase of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date and adjusted to reflect current best estimate.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Liquidated damages

Provision for liquidated damages is recognised on contracts for which delivery dates are exceeded and computed in reasonable manner.

Environmental obligations

Provision for environmental obligations represents liabilities towards the costs expected to be incurred to treat contaminated soil / effluents at the Group's manufacturing locations, wherever required by local laws.

Other litigation claims

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

Onerous contracts

A provision for onerous contracts is recognised when expected benefits to be derived by the Group are lower than unavoidable costs of meeting future obligation under contract. Provision is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Group recognises impairment on the assets pertaining to the contract.

2.17 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.

2.18 Exceptional items:

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group 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 in the notes accompanying the consolidated financial statements.

2.19 Business combinations and goodwill:

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the fair value on acquisition date of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised either in profit and loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a Group.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the consolidated financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

2.20 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.

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 statement of profit and loss.

2.21 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 one year. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised / paid within one year, have been classified as current. For all other activities, operating cycle is twelve months.

2.22 Fair value measurement:

The Group measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability,

  Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuation is used for valuation of unquoted financial assets. Involvement of external valuer is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuer, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.23 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. This condition 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 and loss after tax from discontinued operations in the consolidated statement of profit or loss. Financial statements for the periods since classification as held for sale shall be amended accordingly if the disposal group or non-current asset ceases to be classified as held for sale.

Assets and liabilities classified as held for disposal are presented separately from other assets and liabilities in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of the Group that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations,

  Or

- is a subsidiary acquired exclusively with a view to resale.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized during the period of such assets being classified as discontinued operations.

2.24 Financial instruments:

i) Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where 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 recognised in other comprehensive income i.e. fair value through other comprehensive income.

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit and loss under the fair value option.

- **Business model test:** The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit and loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with fair value changes recognised in the statement of profit or loss, except for those equity investments for which the entity has elected to present fair value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
  (a) the Group has transferred substantially all the risks and rewards of the asset, or
  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses impairment based on expected credit loss ("ECL") model to the following:

- Financial assets measured at amortised cost; and
- Financial assets measured at fair value through other comprehensive income ("FVTOCI").

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-month 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).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made 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 are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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 or loss.

iii) 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.

iv) Derivative financial instruments and hedge accounting

The Group enters into derivative contracts 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 on the date on which a derivative contract is entered into 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 or 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.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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.

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.

3. 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, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

Discontinued operations

Power distribution business in India

In pursuant to the certain unresolved disputes arising out of the Distribution Franchisee Agreement ("DFA") of the Group with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") at Jalgoan in Maharashtra, MSEDCL has exercised its step in rights and taken over the Distribution Franchisee in Jalgoan from the Group with effect from 12 August, 2015. The operations were terminated with immediate effect and the final claim settlement between the Company and MSEDCL is in progress. The Group classified the Power distribution segment as held for disposal w.e.f. 12 August, 2015 for the following reasons:

- Power distribution segment represents a separate major line of business of operations
- The operations were abandoned with immediate effect w.e.f. 12 August, 2015 and hence the carrying amount will not be recovered principally through continuing use.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd.)

Assets held for sale – Land and Building at Kanjurmarg

The carrying value of land and building at Kanjurmarg has been classified as 'Asset held for sale'. The Group based on its internal assessment determined the fair value of such land and building to be in excess of the carrying amount and hence, in accordance with the relevant accounting standard has recognized such assets at the carrying amount in the financial statements.

The expected cost towards closure / shifting of the said manufacturing facility at Kanjurmarg is recognised in the financial statements as an exceptional items.

Re-classification of discontinued businesses to continuing

The Board of Directors of the Group had authorised a committee to evaluate several aspects related to all the operations identified as discontinuing operations covering the status of identification of prospective buyers, binding offers, disposal groups, etc. for its identified overseas power transmission and distribution business and identified Indian subsidiaries. Considering the existing business scenario, operations and future potential of the various businesses identified as discontinued businesses. Thus, Board believes that these businesses will have a value in long run and thus shall be continued as continuing operations. Thus for meeting the requirement under relevant accounting standard for classification of businesses, the Board of Directors had at its meeting held on i.e. 8 March, 2019, decided to re-classify the businesses comprised in the following entities from Discontinued to Continuing operation with effect from 1 January, 2019:

i. CG Power Systems Ireland Ltd

ii. CG Holdings Belgium NV

iii. CG Power Systems Belgium NV

iv. CG Service Systems France SAS

v. CG Power Solutions UK Ltd.

vi. CG Middle East FZE

vii. CG Electric Systems Hungary Zrt.

Consequent to the re-classification, the above businesses have formed part of continuing operations. In accordance with the requirements of Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations, the Group has restated the comparatives for the year ended 31 March, 2018 and as at 1 April, 2017.

Also, subsequent to year end the Board has considered the operations of the CG Power Solutions Limited as continued operations taking into consideration the significance of outstanding receivables and pending investigation on certain transactions and balances.

Lease of equipment not in legal form of lease

Significant judgment is required to apply lease accounting rules under Appendix C to Ind AS 17: Determining whether an Arrangement contains a lease. 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 Appendix C to Ind AS 17.

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. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that 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 together with future tax planning strategies.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd.)

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions taken into consideration are the probability of meeting each performance target and the discount factor.

Development costs

The Group capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

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.

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.

3A RESTATEMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017

With an aim of value preservation and enhancement in the interest of all stakeholders, an Operations Committee ("Ops Committee") under the Chairmanship of one of the independent directors of the Company was constituted in March 2019. While working on one of its priority tasks of seeking refinancing of certain facilities and as a part of conducting financial analysis in this regard, the Ops Committee was made aware of some unauthorised transactions by certain employees of the Company.

The Ops Committee was also made aware of the letter received by the Company from a particular financing company regarding a certain interest payment failure which the Ops Committee was unable to trace or ascertain from the consolidated financial statements of the Company. Further, the Managing Director on getting a request by a bank to replace cheques, the validity of which was about to expire, he immediately brought the same to the notice of the Ops Committee. The Ops Committee and the Managing Director could not relate this to any obligation of the Company.

Accordingly, an independent law firm was appointed to conduct an investigation on certain transactions entered into by / on behalf of the Company. Additionally, during the course of limited review for the quarter ended 31 December, 2018, one of joint statutory auditors had sought detailed information and explanations in relation to certain transactions and during the course of audit of the Company for the year ended 31 March, 2019, one of the joint statutory auditors of the Company, sought information and explanations from the Company regarding those certain transactions as part of the notice issued to the Company under 143(12) of the Companies Act, 2013. These additional transactions were also included in the scope of review of the legal firm. Pursuant to the said investigation, the legal firm submitted their phase I report in August 2019 to the Ops Committee. As per the said investigation, many of these transactions were entered into by identified Company personnel (both current and past), including certain non-executive directors, certain Key Managerial Personnel ("KMPs") and other identified employees ("CIP"). Further as per Phase 1 investigation, these transactions were unauthorised and not been brought to the notice of the Board of Directors.

The Ops Committee in turn provided an analysis of investigation report to the Risk and Audit Committee ("RAC") along with its recommendations regarding the transactions set out in the report. Moreover, certain additional suspect, unauthorised and undisclosed transactions and entries identified during further verifications have been brought to the attention of the RAC.

The facts disclosed or disclosure made or provisions made as below are subject to admission of liability by the Group and the Group reserves all its rights under law to evaluate legality and to further contest the same, as necessary.

₹ crores

3A RESTATEMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

The following tables summarize the transactions identified and as presented to the RAC along with the Ops committee analysis and impact of the adjustments reinstating each of the line items of the financial statements for previous years ended 31 March, 2018 and as of 1 April, 2017:

(i) Changes in Consolidated Balance Sheet as at 31 March, 2018 :

	Note No.	Reported amount As at 31-03-2018	Discontinued to continued operations	Restatements	Restated amount As at 31-03-2018
ASSETS					
(1) Non-current assets					
(a) Property, plant and equipment	46	1379.17	654.69	-	2033.86
(b) Capital work-in-progress	46	38.75	11.10	-	49.85
(c) Goodwill	3A-(x)	167.37	-	(20.82)	146.55
(d) Intangible assets	46	160.85	23.24	-	184.09
(e) Intangible assets under development	46	33.69	1.23	-	34.92
(f) Financial assets					
(i) Investments	3A-(n), 46	145.37	0.00	133.38	278.75
(ii) Trade receivables		-	-	-	-
(iii) Loans		6.87	-	-	6.87
(iv) Others	3A-(a), (b), (c), (f), (m), (o), (p), (q), (w), 46	-	1425.23	1790.80	3216.03
(g) Deferred tax assets (net)	3A-(u), 46	27.68	26.86	7.84	62.38
(h) Other non-current assets	46	2.19	3.04	-	5.23
		1961.94	2145.39	1911.20	6018.53
(2) Current assets					
(a) Inventories	3A-(c), 46	587.60	638.78	-	1226.38
(b) Financial assets					
(i) Investments		0.01	-	-	0.01
(ii) Trade receivables	3A-(c), (d), 46	2009.23	556.66	(165.55)	2400.34
(iii) Cash and cash equivalents	3A-(i), 46	651.84	129.68	(400.00)	381.52
(iv) Bank balances other than (iii) above	46	41.60	3.49	-	45.09
(v) Loans	46	43.89	3.98	-	47.87
(vi) Others	46	0.32	3.70	-	4.02
(c) Current tax assets (net)	3A-(u)	97.16	0.94	(19.62)	78.48
(d) Other current assets	3A-(a), (b), (p), (o), (q), 46	766.66	152.01	(345.00)	573.67
		4198.31	1489.24	(930.17)	4757.38
(3) Assets classified as held for sale and discontinued operations	3A-(e), (i), (j), (p), (r), 46	2959.17	(3994.85)	1132.93	97.25
TOTAL ASSETS		**9119.42**	**(360.22)**	**2113.96**	**10873.16**
EQUITY AND LIABILITIES					
EQUITY					
a) Equity Share capital		125.35	-	-	125.35
b) Other equity	3A-(a), (b), (c), (u), (d), (l), (p), (t), (u), 46	2588.79	(303.30)	510.65	2796.14
		2714.14	(303.30)	510.65	2921.49
LIABILITIES					
(1) Non-current liabilities:					
(a) Financial liabilities					
(i) Borrowings	3A-(l), (h), 46	837.20	236.37	420.96	1494.53
(ii) Other financial liabilities	3A-(a), (b), 46	1.55	-	390.00	391.55
(b) Provisions	46	65.78	6.17	-	71.95
(c) Deferred tax liabilities (net)	3A-(u), 46	35.72	130.47	231.38	397.57
(d) Other non-current liabilities		0.40	-	-	0.40
		940.65	373.01	1042.34	2356.00
(2) Current liabilities:					
(a) Financial liabilities					
(i) Borrowings	3A-(j), 46	778.99	218.92	245.00	1242.91
(ii) Trade payables	3A-(d), 46	1423.68	442.65	4.06	1870.39
(iii) Other financial liabilities	3A-(l), (h), 46	477.15	259.82	36.29	773.26
(b) Other current liabilities	46	459.06	951.53	-	1410.59
(c) Provisions	46	119.58	143.25	-	262.83
		3258.46	2016.17	285.35	5559.98
(3) Liabilities associated with group of assets classified as held for sale and discontinued operations	3A-(h), (r), 46	2206.17	(2446.10)	275.62	35.69
TOTAL EQUITY AND LIABILITIES		**9119.42**	**(360.22)**	**2113.96**	**10873.16**

₹ crores

3A RESTATEMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

(i) Changes in Consolidated Balance Sheet as at 1 April, 2017:

	Note No.	Reported amount As at 1-04-2017	Discontinued to continued operations	Restatements	Restated amount As at 1-04-2017
ASSETS					
(1) Non-current assets					
(a) Property, plant and equipment	46	1376.29	650.11	-	2026.40
(b) Capital work-in-progress	46	28.18	17.56	-	45.74
(c) Goodwill		143.54	-	-	143.54
(d) Intangible assets	46	184.79	19.67	-	204.46
(e) Intangible assets under development	46	33.30	6.93	-	40.23
(f) Financial assets					
(i) Investments		203.92	-	-	203.92
(ii) Trade receivables		-	-	-	-
(iii) Loans		6.65	-	-	6.65
(iv) Others	3A-(a), (b), (c), (f), (m), (o), (p), (q), (w), 46	-	135.21	1495.95	1631.16
(g) Deferred tax assets (net)	3A-(u), 46	26.62	19.14	-	45.76
(h) Other non-current assets	46	3.21	2.29	-	5.50
		2006.50	850.91	1495.95	4353.36
(2) Current assets					
(a) Inventories	3A-(c), 46	882.10	434.32	(257.69)	1058.73
(b) Financial assets					
(i) Investments	46	5.22	314.11	-	319.33
(ii) Trade receivables	3A-(c), (d), 46	1877.15	367.33	-	2244.48
(iii) Cash and cash equivalents	3A-(i), 46	724.49	96.89	(300.00)	521.38
(iv) Bank balances other than (iii) above	46	36.22	(34.65)	-	1.57
(v) Loans	46	76.25	2.37	-	78.62
(vi) Others	46	173.28	28.75	-	202.03
(c) Current tax assets (net)	3A-(u)	70.57	0.79	9.74	81.10
(d) Other current assets	3A-(a), (b), (p), (o), (q), 46	1212.48	161.94	(576.27)	798.15
		5057.76	1371.85	(1124.22)	5305.39
(3) Assets classified as held for sale and discontinued operations	3A-(e), (i), (j), (p), (r), 46	3123.84	(2341.91)	-	781.93
TOTAL ASSETS		**10188.10**	**(119.15)**	**371.73**	**10440.68**
EQUITY AND LIABILITIES					
EQUITY					
a) Equity Share capital		125.35	-	-	125.35
b) Other equity	3A-(a), (b), (c), (u), (d), (l), (p), (t), (u), 46	3985.74	(197.93)	(30.10)	3757.71
		4111.09	(197.93)	(30.10)	3883.06
LIABILITIES					
(1) Non-current liabilities:					
(a) Financial liabilities					
(i) Borrowings	3A-(l), (h), 46	503.80	207.00	195.00	905.80
(ii) Other financial liabilities	3A-(a), (b), 46	1.14	-	390.00	391.14
(b) Provisions	46	71.21	8.86	-	80.07
(c) Deferred tax liabilities (net)	3A-(u), 46	262.30	111.92	11.83	386.05
(d) Other non-current liabilities	46	0.94	17.48	-	18.42
		839.39	345.26	596.83	1781.48
(2) Current liabilities:					
(a) Financial liabilities					
(i) Borrowings	3A-(j), 46	710.67	45.88	-	756.55
(ii) Trade payables	3A-(d), 46	1383.14	474.38	-	1857.52
(iii) Other financial liabilities	3A-(l), (h), 46	404.28	277.82	5.00	687.10
(b) Other current liabilities	46	556.24	321.42	-	877.66
(c) Provisions	46	84.08	113.67	-	197.75
		3138.41	1233.17	5.00	4376.58
(3) Liabilities associated with group of assets classified as held for sale and discontinued operations	3A-(h), (r), 46	2099.21	(1499.65)	(200.00)	399.56
TOTAL EQUITY AND LIABILITIES		**10188.10**	**(119.15)**	**371.73**	**10440.68**

₹ crores

3A RESTATEMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

(ii) Consolidated Statement of Profit and loss for the year ended 31 March, 2018:

	Note No.	Reported amount As at 31-03-2018	Discontinued to continued operations	Restatements	Restated amount As at 31-03-2018
Income					
Revenue from operations	3A-(c), (d), (v), 46	6287.54	1854.25	(11.80)	8129.99
Other income	3A-(v), 46	39.53	33.39	(10.96)	61.96
Total Income		**6327.07**	**1887.64**	**(22.76)**	**8191.95**
Expenses					
Cost of materials consumed	3A-(c), (d), (v), 46	4227.37	1207.31	(143.86)	5290.82
Purchases of stock-in-trade	46	46.65	35.78	-	82.43
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3A-(c), 46	135.35	(175.52)	(88.40)	(128.57)
Excise duty		98.91	-	-	98.91
Employee benefits expense	3A-(v), 46	531.95	585.33	(36.65)	1080.63
Finance costs	3A-(b), (l), (h), 46	219.30	38.67	91.64	349.61
Depreciation and amortisation expense	46	149.21	102.72	-	251.93
Foreign exchange (gain) / loss (net)	3A-(b), (v), 46	-	(38.10)	(33.13)	(71.23)
Other expenses	3A-(c), (b), (p), (v), 46	792.31	792.26	79.89	1664.46
Total Expenses		**6201.05**	**2548.45**	**(130.51)**	**8618.99**
Profit / (loss) before share of profit / (loss) from associates and joint venture, exceptional items and tax		126.02	(660.81)	107.75	(427.04)
Share of (loss) from associate and joint venture		(1.74)	-	-	(1.74)
Exceptional items (net) (Refer note 51)	3A-(c), (p), (u), (v), 46	(442.78)	(117.98)	425.82	(134.94)
Profit / (loss) before tax		**(318.50)**	**(778.79)**	**533.57**	**(563.72)**
Tax expense:					
Current tax	3A-(u), 46	33.92	0.42	29.37	63.71
Deferred tax / (credit)	46	40.93	(2.92)	-	38.01
		74.85	**(2.50)**	**29.37**	**101.72**
Profit/(Loss) from continuing operations after tax		(393.35)	(776.29)	504.20	(665.44)
Profit / (loss) from discontinued operations before tax	3A-(e), (h), (p), 46	(799.10)	672.94	42.31	(83.85)
Tax credit of discontinued operations	3A-(e), 46	(26.55)	(0.32)	(7.84)	(34.71)
Profit / (loss) from discontinued operations after tax		**(772.55)**	**673.26**	**50.15**	**(49.14)**
Profit / (loss) for the year		(1165.90)	(103.03)	554.35	(714.58)
Attributable to:					
Equity holders of the parent		(1163.90)	(109.15)	554.35	(718.70)
Non-controlling interests	3A-(t)	2.00	(6.12)	-	(4.12)
		(1165.90)	**(103.03)**	**554.35**	**(714.58)**
Other comprehensive Income					
(A) (i) Items that will not be reclassified to profit or loss	46	(40.31)	1.81	-	(38.50)
(ii) Income tax relating to items that will not be reclassified to profit or loss	46	3.14	0.23	-	3.37
(B) (i) Items that will be reclassified to profit or loss	3A-(p), 46	(111.54)	(20.60)	7.23	(124.91)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
Other comprehensive Income / (loss) for the year		**(148.71)**	**(18.56)**	**7.23**	**(160.04)**
Total comprehensive income / (loss) for the year		(1314.61)	(121.59)	561.58	(874.62)

3A RESTATEMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

The transaction details resulting in the adjustments which have been considered / given effect to in the consolidated financial statements are as under:

(a) In May 2016, pursuant to an execution of an assignment agreement, leasehold land along with factory building of the Group at Nashik was assigned for a consideration of ₹ 264.00 crores to Blue Garden Estates Private Limited (“BGEPL”), a subsidiary of Acton Global Private Limited (“AGPL”). Both BGEPL and AGPL shares were owned by certain employees of the Company, who had not declared such ownership, when the transaction had occurred and hence, these Companies are termed as connected parties. Such an assignment was not in accordance with the terms of the leasehold land agreement. Further, no disclosure was made in the financial statements for FY 2016-17 and thereafter for such an assignment. Certain identified company personnel (both current and past) including certain non-executive directors, certain KMPs and others identified employees (“CIP”) who executed the assignment agreement on behalf of the Group agreed to an obligation under the assignment agreement for payment of interest @15% p.a. basis monthly intervals to BGEPL until execution and registration of deed of assignment cum sale.

The Group received ₹ 200.00 crores from BGEPL as initial advance consideration for the assignment of land and building. Of the amount received from BGEPL, ₹ 145.00 crores was advanced to Avantha Holdings Limited (“AHL”), the promoter of the Company and ₹ 53.00 crores to AGPL. In respect of the advances to AGPL and AHL, no loan or other agreements were entered into. Further, no interest payments were made by the two entities to the Group.

It was noted that the above two advances of ₹ 198.00 crores were inappropriately netted off against the payable to BGEPL and both the asset and liability were not disclosed in the financial statements of the Group for the year ended 31 March, 2017 and thereafter. Accordingly, the assets and liabilities to the extent of ₹ 198.00 crores were understated in the financial statements of the Group for FY 2016-17 and FY 2017-18. The netted out amounts have been grossed up and have been restated to reflect separately the receivables from AHL and AGPL and a payable to BGEPL as at 1 April, 2017 and subsequent years. Interest payments by the Group on the amount received from BGEPL were disguised and concealed under different accounting heads including professional fees, exchange losses and supplier advances, some of which were subsequently written off to Profit and Loss account of the Group.

Further, AHL issued a corporate guarantee on behalf of the Group in favor of BGEPL providing assurance for repayment of proceeds received by the Group in the event of a default of the conditions of assignment. Also, a Power of Attorney (“POA”) was issued in an unauthorized manner by certain CIPs in favor of BGEPL empowering BGEPL to take actions with respect to the property at Nashik in the event of default of the conditions of assignment by the Group.

In February 2018, an undertaking was given by certain CIPs on behalf of the Group along with BGEPL to the lender to create a charge on leasehold land and building in favor of the lender in the event of default by BGEPL of terms of loan availed by BGEPL from the lender. In December 2018, BGEPL defaulted in the payment of interest on its loan and the lender issued a letter in January 2019 to the Group to create a charge on the leasehold land and building. No disclosure was made relating to the requirement for creation of charge in the Group’s consolidated financial statements for prior years. Subsequently, the Group has received a letter from the lender to discharge the outstanding liability. The Group is examining the matter with its legal counsel and is in discussion with the BGEPL’s lender with regard to the legality of this liability whether to be honoured by the Company. Also, the Group plans to initiate a process for recovering dues from AHL and AGPL.

(b) In October 2015, an agreement was entered into on behalf of the Group for sale (“First Sale”) of freehold land to Evie Real Estates Private Limited (“Evie”) at Kanjurmarg (“Plot”). The consideration for sale of such plot of ₹ 498.00 crores was payable in two tranches with an initial consideration of ₹ 11.00 crores was payable immediately. The time period to fulfill the conditions precedent was four years from the agreement date. Apart from the initial consideration of ₹ 11.00 crores, no further consideration was received by the Group.

In February 2017, a Memorandum of Understanding (“MOU”) with BGEPL was entered by certain CIPs on behalf of the Group for second sale of the Plot to BGEPL, in the event the First Sale does not go through. Under the MOU with BGEPL, part of the sale consideration of ₹ 190.00 crores was payable before registration of the deed of assignment cum sale (“Second Sale”) and the balance after successful completion of the transaction. Further, no disclosure was made in the financial statements for FY 2016-17 and thereafter no approval from the Board of Directors was sought for such an assignment. The Group had to pay interest @15% p.a. basis monthly intervals to BGEPL from the date of receipt until registration of deed of assignment cum sale or till the termination of MOU and refund by the Group, whichever is later.

The Group received ₹ 190.00 crores from BGEPL as initial consideration for the assignment/sale of land and in the same month, in February 2017, the Group transferred ₹ 192.00 crores to AGPL in multiple tranches. In respect of these advances to AGPL, no loan or other agreements were entered into. Further, no interest payments were made by AGPL to the Group.

The amount received from BGEPL and the advances made to AGPL of ₹ 192.00 crores were inappropriately netted off and no disclosure of any part of the transaction and related amounts were made in the financial statements of the Group. Accordingly, the assets and liabilities to the extent of ₹ 192.00 crores were understated in the financial statements of the Group for FY 2016-17 and FY 2017-18.

The Group has now grossed up the amounts and disclosed receivable from AGPL and the amount received from BGEPL as a liability as at 1 April, 2017 and carried this forward in the following years.

Interest payments by the Group on the amount received from BGEPL were disguised and concealed under different accounting heads including professional fees, exchange losses and supplier advances, some of which were subsequently written off to the Profit and loss account of the Group.

Further, as a part of the transaction, AHL issued a corporate guarantee on behalf of the Group in favor of BGEPL providing assurance for repayment of proceeds received by the Group in the event of a default of the conditions of assignment / sale. Also, a Power of Attorney (“POA”) was issued in favor of BGEPL empowering BGEPL to create a charge with respect to the freehold land in the event of default of the conditions of assignment / sale by the Company.

In February 2017, certain CIPs executed an undertaking on behalf of the Group in favor of BGEPL and the BGEPL’s lender that the Group will become a co-borrower for the loan availed by BGEPL in the event of default by BGEPL. In December 2018, BGEPL defaulted on payment of interest on its loan and the lender issued a letter in January 2019 to the Group asserting that the Group is a co-borrower for the loan availed by BGEPL and requested to create a charge on the freehold land together with the structure thereon. No disclosure was made of the notice seeking creation of charge in financial statements. Further, subsequently, the Group has received a letter from the lender to discharge the outstanding liability. The Group is examining the matter with its legal counsel and is in discussion with the lender with regard to the legality of this liability whether to be honoured by the Company and also plans to initiate a process of recovering dues from AGPL.

The aforementioned interest paid on BGEPL amounts has now been reclassified as finance cost restating from Professional fees amounting to ₹ 15.59 crores and exchange gain and loss amounting to ₹ 33.13 crores and advance to AHL amounting to ₹ 14.19 crores in FY 2017-18. Additionally, interest amounting to ₹ 28.02 crores pertaining to FY 2016-17 had been recognized under Advance to supplier and was not recognized in the statement of profit and loss. Hence, such amount has been recognized in retained earnings as at 1 April, 2017 with a corresponding restatement to Advance to suppliers.

(c) It was noted that certain sales transactions were inappropriately recorded with certain specific customers amounting to ₹ 120.00 crores during the period from April 2017 to June 2017.

The Group had made a provision for liquidated damages of ₹ 12.00 crores in the previous period and a provision for balance receivables of ₹ 108.00 crores during the quarter ended 31 December, 2018.

The purchases pertaining to aforementioned sales transactions were also inappropriately recorded during January 2017 to March 2017 from those specified vendors for ₹ 257.69 crores and recorded as a part of inventory.

The Group recorded the above transactions in the FY 2017-18 as follows:

- Out of the sales of ₹ 120.00 crores, ₹ 52.14 crores were recorded as revenue, ₹ 2.35 crores was recognized as Central Sales Tax and ₹ 65.51 crores were recorded as reduction in cost of goods sold.
- The cost of goods sold of ₹ 102.02 crores was recognized in respect of aforementioned sales.
- A provision for slow moving inventory of ₹ 155.67 crores was recorded under 'Exceptional items'.

The Group did not have sufficient documentation evidencing the receipt and dispatch of goods and requisite approvals for the aforementioned transactions. There were several discrepancies in the documents available pertaining to these transactions. The Group also attempted tracing these parties and was unable to establish the existence of those parties. The management noted significant control lapses in these transactions resulting in significant accounting irregularities which have now been reinstated in the financial statements.

The Group will continue its efforts to trace these parties and will initiate appropriate action basis consultation with legal counsel.

Consequently, as at 1 April, 2017, Inventory of ₹ 257.69 crores has been reversed and a receivable from AHL has been recognized for ₹ 257.69 crores

Further for FY 2017-18, the following reversals have been recorded:

- Revenue of ₹ 52.14 crores, ₹ 2.35 crores of Central Sales Tax and cost of goods sold of ₹ 65.51 crores pertaining to sales made to specific customers;
- Cost of goods sold amounting to ₹ 102.02 crores; and
- Provision for slow moving inventory amounting to ₹ 155.67 crores.

This has resulted in an increase in reinstated Profit Before Tax ("PBT") by ₹ 137.69 crores for FY 2017-18.

The Group has reversed the provision recognized in December 2018 on the above receivables amounting to ₹ 120 crores by adjusting ₹ 12.00 crores to the opening balances as at 1 April, 2018 and ₹ 108.00 crores during the year ended 31 March, 2019.

(d) The Group had inappropriately recorded sales transactions with certain specific customers aggregating to ₹ 38.80 crores during FY 2017-18 in CG Middle East FZE. The Group had also inappropriately recorded purchases of ₹ 36.68 crores pertaining to aforementioned sales transactions in FY 2017-18.

The Group did not have sufficient documentation evidencing the receipt and dispatch of goods and requisite approvals for the aforementioned transactions. There were several discrepancies in the documents available pertaining to these transactions. The Group also attempted tracing these parties and was unable to establish the existence of those parties. The management noted significant control lapses in these transactions resulting in significant accounting irregularities which have now been reversed in the consolidated financial statements.

The Group will continue its efforts to trace these parties and will initiate appropriate action basis consultation with legal counsel.

Consequently, for FY 2017-18, the following reversals have been recorded:

- Revenue of ₹ 38.80 crores pertaining to sales made to specific customers
- Purchases of ₹ 36.68 crores pertaining to above sales
- Consequently related trade debtors and trade payable have been reinstated.

This has resulted in a decrease in PBT of ₹ 2.12 crores for FY 2017-18.

3A RESTATEMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

(e) The Group had discontinued Distribution Franchise business (Jalgaon) and has entered into final settlement on 16 February, 2018 with Maharashtra State Electricity Distribution Company Limited ("MSEDCL"). Based on this settlement Considering the non-recoverability of dues as per the settle agreement, the Group has further written off amount of ₹ 33.72 crores towards receivable from MSEDCL during the year ended 31 March, 2019, which is disclosed under Discontinued Operations.

The profit and loss for the year ended 31 March, 2018 are now restated to reflect the fair value of receivables as per Indian Accounting Standard 109, Financial Instruments in relation to assets classified as discontinued operation. Accordingly, the results of discontinued operation and retained earnings for the year ended 31 March, 2018 are restated by ₹ 22.68 crores.

(f) AHL had obtained a loan of ₹ 500.00 crores from a bank in October 2015 for the purpose of making advance payments to Solaris ChemTech Industries Limited ("SCIL"), a promoter affiliate and a related party, for purchase of SCIL's bromine production facilities and to meet certain working capital and capital expenditure requirements. A comfort letter was issued on behalf of the Group by a CIP and without the knowledge of the Board of Directors in November 2015 to discharge AHL's pecuniary obligations jointly undertaken by the Group. The existence of comfort letter was not known to the Board of Directors until it was brought to the attention of the Board of Directors by the bank in the current year ended 31 March, 2019. No disclosure was made in the financial statements of prior years.

One of the conditions for granting of the loan was submission of post-dated cheques ("PDCs") by the Company for repayment purposes. PDCs were provided on behalf of AHL in accordance with the comfort letter issued. The PDCs were replaced from time to time by CIP on account of the previous cheques becoming time-barred/stale. Such PDCs issued were not in accordance with the Company's policies and without the knowledge of the Board of Directors. Last PDC was issued on 15 January, 2019 for ₹ 210.00 crores. The same was presented by the bank on 11 April, 2019 and was returned as dishonored due to insufficient funds. The bank issued notice under section 138 of Negotiable Instruments Act, 1881 dated 30 April, 2019 to the Company on account of such default.

The Board of the Company has made a comprehensive submission to the bank denying the knowledge of existence of the alleged comfort letter. The Board also mentioned in its response that PDC cheques were signed by certain CIPs in violation of RoPs and without the knowledge of the Board of Directors. The Group is seeking suitable legal advice from an independent external law firm on the legality of the transaction. However, considering the uncertainty involved in the matter, the Board having considered all necessary facts and based on its own internal assessment, that no amount were received by the Group from these borrowings which could lead to an obligation on the Group to repay, the Board has decided to disclose this as a contingent liability amounting to ₹ 391.88 crores in the current year.

(g) (i) The Group entered into a Brand license and support agreement with AHL for use of 'Avantha' brand for a consideration which was based on certain specified percentage of its annual consolidated net operating revenues ("ANOR") as defined in that agreement ("Royalty"). This agreement was amended from time to time and till September 2018 the specified percentage was 1% of ANOR. Royalty amounting to ₹ 38.00 crores was accrued until September 2018 for half year ended 31 March, 2019 amounting to ₹ 41.75 crores. Subsequently, discussions with AHL were held to further revise the terms of Royalty along with proposed settlement against the royalty settlement, as disclosed by the Group in the financial results published for the quarter ended 31 December, 2018 but subsequently could not reach a consensus on the terms and hence, the Group did not accrue royalty to AHL from October 2018.

(ii) The Group is in receipt of a written communication from the Bank, where the Bank has indicated that an assignment cum put agreement was entered by certain CIPs on behalf of the Group without the approval of Board of Directors, with AHL, Solaris Industrial Chemicals Limited ("SICL") - a related party, and the bank in September 2018 ("SICL Assignment") under which the Royalty payable by Company to AHL was assigned over to the bank. At this point in time, an amount of ₹ 78.25 crores was already paid in advance to AHL by the Group against Royalty by the Company.

Further, in September 2018, the Group received ₹ 294.00 crores from AHL and adjusted this amount against the AHL receivable. Further the Group placed out of these, an amount of ₹ 229.00 crores as fixed deposits with the bank and assigned as collateral against the royalty commitment. It was noted that the fixed deposits receipts were dated 1 October, 2018 but the amounts were transferred by the Company on 25 October, 2018. One of the conditions of this arrangement with AHL was that if the Company does not pay royalty before 20 March, 2019 in escrow account of SICL, the deposit will be refunded by the Group. On 20 March, 2019, the Group did not pay any royalty to this escrow account as amount of ₹ 78.25 crores was already paid in advance as royalty. Hence, Group refunded the deposit amount along with interest to AHL in March 2019.

Subsequent to the balance sheet date, the bank has issued a communication to the Group of its intent to exercise the put option as per the aforementioned assignment and has asked the Group to discharge the liability outstanding of ₹ 71.00 crores. The Group is in discussion with the lender as well as with its independent legal counsel with respect to tenability of this liability. However, considering the uncertainty involved in the matter, the Board having considered all necessary facts and based on its own internal assessment has decided to record a liability towards the Bank amounting to ₹ 72.20 crores (including interest amount to ₹ 1.20 crores) and a corresponding receivable from SICL in the financial statements for the FY 2018-19.

(h) In February 2017, one of the subsidiary company availed a loan from the lender amounting to ₹ 200.00 crores. Out of these proceeds, an amount of ₹ 185.00 crores was immediately transferred to the Company. The Company was a co-borrower to this loan availed by the subsidiary company.

This loan was classified as 'Liabilities associated with Group of assets classified as held for sale and discontinued operations', as on 31 March, 2017 (₹ 200.00 crores) and 31 March, 2018 (₹ 195.00 crores) as the subsidiary was unable to service the loan.

Accordingly, the liability towards the lender was reclassified to borrowings from 'Liabilities associated with group of assets classified as held for sale and discontinued operations' as on 1 April, 2017 and 31 March, 2018 to non-current financial liabilities. In accordance with such re-classification, interest cost of ₹ 25.00 crores, for the year 2017-18, on such borrowing has been reclassified to finance costs from 'Loss from discontinued operations before tax'.

3A RESTATEMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

(i) AHL and a related party had issued cheques in favor of the Group for settlement of the advances / dues to the Group inspite of having insufficient funds. These cheques were not deposited to the bank for payment until the sufficiency of funds was confirmed by the said parties. In FY 2016-17, such cheques amounting to ₹ 300.00 crores were included as a part of bank balances before being presented for payment and were inappropriately disclosed as a part of balances with banks in the consolidated financial statements of the Group by reducing the amounts receivable from these parties. Subsequently, in FY 2017-18, fresh money was advanced to the said parties so that sufficient funds were available with such parties to meet the liability towards the cheques issued amounting to ₹ 300.00 crores. These cheques were then presented for payment post funding and realized in due course.

Further, in FY 2017-18, the total of cheques amounting to ₹ 400.00 crores received from AHL were included as part of bank balances by reducing the amounts receivable from such party but were presented for payment subsequently.

The Group has now appropriately reinstated the receivables balance of such promoter company and a related party and accordingly, reduced the balances with banks for those respective periods.

(j) The Group had taken short-term borrowings from certain banks amounting to ₹ 245.00 crores in FY 2017-18. These borrowings were inappropriately netted off against receivable from related parties. The Group has reinstated the requisite balances in the financial statements for FY 2017-18.

(k) During FY 2017-18, the Group had taken a borrowing of ₹ 355.48 crores (EUR 44.00 million) from a bank in CG International Holdings Singapore Pte. Limited (“CG Singapore”) and advanced these funds to promoter affiliate company. These advances were repaid by the promoter affiliate company in FY 2017-18 itself which the Group repaid to the bank. These transactions were not disclosed in related party transactions in FY 2017-18. Accordingly, the Group has included the aforementioned transactions as a part of related party disclosures in FY 2017-18.

Similarly, in the current year, the Group had taken a borrowing of ₹ 341.71 crores (EUR 44.00 million) from a bank and advanced these funds to promoter affiliate company. These borrowings were inappropriately netted off against the receivable from promoter affiliate company as on 30 September, 2018. The Group has now reinstated the balances as at 31 March, 2019.

(l) In October 2017, CG Middle East FZE, a wholly owned subsidiary of the Company availed a Dollar Term Loan Facility (“Loan”) from a bank amounting to ₹ 262.25 crores. As per the sanction letter, the stated purpose of the loan was meeting working capital requirements and general corporate purposes, making loans to Group Companies and affiliates of Group Companies, etc. The loan was provided by the bank based on the following security provided:

- Assignment of book debts;
- Assignment of receivables;
- Commercial pledge of inventory; and
- Any other documents creating, or which expresses to create, security for the liabilities of the Obligors to the Lenders under any Finance Document.

Corporate guarantee was issued to the bank on behalf of CGIBV. No disclosures in relation to these transactions were made in prior year financial statements.

The amount availed from the bank by the CG Middle East FZE was remitted to the bank account of CGIBV and through a series of transactions ultimately paid to SICL. The Company did not have documents and business rationale for the purpose of extending the money to SICL. The Group is in the process of investigating this matter and will take appropriate action on consultation with independent legal counsel.

The Group had recorded the borrowing from the bank and inappropriately off-set the borrowings against receivable from certain promoter affiliate companies in FY 2017-18. In FY 2018-19, the Group has restated the prior year consolidated financial statements to recognize borrowings from bank and receivable from affiliate companies. Further the Group has also accrued interest expenses of ₹ 3.73 crores on the aforementioned borrowings for FY 2017-18.

(m) The Group through CG Middle East FZE, had entered into agreements for supply of power Transformers (“Supply Agreements”) with certain customers (“Identified Customers”). The Group had supplied transformers to the Identified Customers under the Supply Agreements and there were significant quality issues raised by Identified Customers which could have resulted in warranty claims up to the contract value. In order to mitigate the risks of such potential warranty claim exposures in future, the Group entered into agreement with various local service providers (“Service Providers”) to render services to ratify the quality issues in the transformers delivered to Identified Customers. In this regard, till March 2018, the Group had paid advances of ₹ 102.84 crores to Service Providers and ₹ 114.38 crores in FY 2018-19.

The Group does not have relevant approvals, credentials in relation to ability of Service Providers documentation, and business rationale in relation to the services provided by the Service Providers. Currently, no adjustment has been made in these consolidated financial statements for these transactions as the matter is pending investigation. The Group will initiate the recovery of these advances in consultation with independent legal counsel.

(n) The Group through CG Middle East FZE had made certain investments amounting to ₹ 133.29 crores (EUR 16.50 million) in mutual funds during FY 2017-18. These mutual fund investments were inappropriately off-set against borrowings during FY 2017-18. Consequently,

3A RESTATEMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

in FY 2018-19, the investment and borrowings were restated in the consolidated financial statements. The Group does not have any documentation evidencing the existence, utilization and recoverability of the investment in the mutual funds. Currently, no adjustment has been made in these consolidated financial statements for these transactions as the matter is pending investigation.

(o) The Group entered into an agreement on behalf of CG Singapore with Mirabelle Trading Pte Limited ("Mirabelle") – a related party, in January 2013 ("Services Agreement") for developing switchgear business in South East Pacific Region and for creating new business opportunities for transformer and other businesses for the Group and its customers. Total value of the services defined under the services agreement was to USD 20.15 million.

With reference to the Services Agreement, Mirabelle had issued two demand notices in March 2018 (USD 9.65 million) and in June 2018 (USD 4.50 million) respectively to the Group against which the Group advanced ₹ 93.33 crores (USD 13.50 million) to Mirabelle. The Group does not have relevant approvals, documentation, and assessment of capability of vendor and business rationale in relation to rendering of services by Mirabelle.

The Group inappropriately did not identify and disclose Mirabelle as its related party in FY 2017-18 and accordingly classified the advances as 'Advance to Suppliers' in the consolidated financial statements.

In FY 2018-19, the Group has disclosed this transaction as a part of related party disclosures by reinstating advances to related parties.

(p) Advances were given by the Group amounting to ₹ 215.28 crores to a connected party and a related party, ₹ 202.45 crores to AHL and ₹ 286.76 crores to other third parties. The Group had fully written-off the said advances in absence of sufficient documentary evidence amounting to ₹ 704.49 crores as on 31 March, 2018. This was recognized under 'Exceptional items' in the financial statements. The Group does not have any documentation for business ratoionale or assessment of Vendor capability for giving these advances. The Group plans investigate the nature and business rationale and initiate the recovery process for these advances hence, the Group has reinstated these advances to give effect as follows:

- It was determined that the receivables from the connected party and the related party amounting to ₹ 215.28 crores were inappropriately written off and hence, the Group has now reinstated the pervious years by reversing the provision previously recognized.
- ₹ 286.38 crores which was inappropriately written off has now been reinstated as a receivable in previous years; and
- ₹ 202.45 crores which had been written off inappropriately has now been reinstated as receivables from AHL and accordingly, the Group has restated the balances in previous years.

The Group has reinstated the advances to promoter affiliate companies as it plans to initiate recovery process for these advances through legal proceedings. Further, the Group attempted tracing the aforementioned third parties and was unable to establish the existence of those parties. In the year 2019-20, the Group will continue its efforts to trace these parties and recover the advances paid and is in the process of consultation with independent legal counsel to take appropriate action.

(q) In connection to Note (p), advances amounting to ₹ 332.00 crores were made to AHL in FY 2016-17 and subsequently inappropriately assigned to third parties. The Group has restated its receivable from AHL as amounting to ₹ 332.00 crores as at 1 April, 2017 and ₹ 263.47 crores as at 31 March, 2018.

Also, in the current year, advance of ₹ 44.33 crores and ₹ 26.00 crores was paid to BGEPL and SICL respectively. The aforementioned advances were also inappropriately assigned to CG Power Solutions Limited ("CGPSOL") in the current year ended 31 March, 2019. Accordingly, the Company has now reversed the effect of such assignment. Hence, the receivable balance from CGPSOL has been reduced by ₹ 70.33 crores and advance to BGEPL and SICL has been increased by ₹ 44.33 crores and ₹ 26.00 crores respectively as at 31 March, 2019.

(r) During FY 2017-18, CGPSOL has received certain advances from various parties amounting to ₹ 420.61 crores and the said advances were inappropriately off-set against the balances with promoter affiliate companies. The subsidiary does not have any rationale, documentation and explanation of receipt of advance from various parties. The Group has now reinstated these advances and receivables from affiliate companies in financial statements for FY 2017-18.

(s) The Group had given certain advances to various parties amounting to ₹ 45.01 crores, ₹ 2.16 crores and ₹ 36.46 crores during FY 2016-17, FY 2017-18 and FY 2018-19, respectively. These amounts were inappropriately netted off against amount payable to third parties. The Group has now reinstated these advances and receivables from affiliate companies and liabilities towards third parties in financial statements for FY 2017-18. The Group does not have any documentation for business rationale or assessment of vendor capability for rendering of services. The Group believes that such advances are recoverable and has plans to initiate the process for recovery of these advances in consultation with independent legal counsel.

(t) Non-controlling Interest in PT CG Power System Indonesia, subsidiary of the Company, is reinstated in FY 2017-18 to reflect their share of 5% in line with the Management and Support Services agreement entered with the Minority shareholder. This was not appropriately considered in earlier years. In view of the same, the liability towards Non-controlling shareholders of ₹ 25.99 crores is reinstated as of 1 April, 2017 with corresponding decrease in retained earnings. The profit share pertaining to minority is also restated by ₹ 6.12 crores for FY 2017-18 with corresponding decrease in share attributable to equity holders of parent.

(u) Consequential tax effects on account of reinstatements have been duly recorded in the respective years. Further the Group in the earlier years disclosed the exceptional items in the statement of profit and loss account net of deferred tax. The Group has now reinstated the balances by increasing exceptional items and deferred tax expense amounting to ₹ 219.55 crores for FY 2017-18.

3A RESTATEMENTS TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018 AND OPENING BALANCE SHEET AS AT 1 APRIL, 2017 (Contd.)

(v) During the year ended 31 March, 2019, the Company noted that certain income and expense were incorrectly disclosed or set off in the Statement of Profit and Loss account. Accordingly, the same has been reclassified in the FY 2017-18:

- Sales of raw material and scrap sale had been incorrectly presented as reduction in the cost of goods sold in prior years. The Company has accordingly restated the sales and cost of goods sold of ₹ 79.14 crores for the previous year.
- Sub-contracting charges of ₹ 238.21 crores was part of "Cost of material consumed" and Contract Employees cost of ₹ 36.65 which was part of "Employee cost" in prior years has now been reclassified to "other expenses".
- Foreign exchange (gain) / losses were previously disclosed under the head "Other Income" amounting to ₹ 10.97 crores. The same has been reclassified and presented as single line item on the face of the Statement of Profit and Loss account under the head "Foreign exchange (gain) / loss".

There will be no impact of the above reclassification on profit before or after tax.

(w) As a result of these transactions, there may be potential non-compliances under the Companies Act, 2013; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Income Tax Act, 1961, and other statutes and regulations. The Group is in the process of evaluating the implications of these potential non-compliances and potential remedies available.

(x) The Group provided for impairment losses towards goodwill of ₹ 20.82 crores during FY 2017-18 in respect of one of its overseas subsidiary.

(y) The Group has certain receivables from various promoter affiliate companies and connected parties as at 31 March, 2019, 31 March, 2018 and 1 April, 2017. Considering the above transactions, the Group has estimated the timing of recovery of outstanding balances from such Companies and accordingly, has classified the balances as non-current. The Group also believes that interest on such receivables is also recoverable from those affiliate companies and connected parties aggregating to ₹ 556.97 crores till 31 March, 2019 which has currently not been accounted in the consolidated financial statements. The Group plans to initiate the recovery proceedings for these receivables based on consultation with independent legal counsel. Following are the receivables balances from various promoter affiliate companies and connected parties (Also refer note 41 for balances and transactions entered into with related parties):

Name of the entity	Relationship	As at 31.03.2019	As at 31.03.2018 (Restated)	As at 31.03.2018 (Reported)	As at 01.04.2017 (Restated)	As at 01.04.2017 (Reported)
A) Advances/Loan given						
Avantha Holdings Limited	Promoter Company	**1006.22**	1180.82	116.93	1109.45	102.70
Avantha International Assets BV	Related party	**350.74**	2.27	-	-	-
Avantha Realty Limited	Promoter Company	**10.65**	10.23	10.23	12.56	12.56
Avantha Power & Infrastructure Ltd	Related party	**15.00**	15.00	-	15.00	0.00
Acton Global Private Limited	Connected party	**175.00**	245.00	-	245.00	-
Ballarpur Industries Limited	Related party	**68.50**	68.50	-	68.50	-
Ballarpur Graphics Paper Product Limited	Related party	**552.33**	552.33	3.57	-	3.55
Ballarpur International Holdings BV	Related party	**85.37**	82.25	-	-	-
Blue Garden Estate Private Limited	Connected party	**287.74**	177.48	-	-	-
Mirabelle Trading PTE Ltd	Related party	**93.33**	58.97	-	-	-
Solaris Industrial Chemicals Limited	Related party	**378.20**	280.00	-	-	-
Total		**3023.08**	**2672.85**	**130.73**	**1450.51**	**118.81**
B) Advances/Loan Payable						
Blue Garden Estate Private Limited	Connected party	**320.00**	390.00	-	390.00	-
Mirabelle Trading PTE Ltd	Related party	**6.30**	6.56	-	-	-
Total		**326.30**	**396.56**	**-**	**390.00**	**-**

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold land	Buildings	Plant and machinery	Furniture and fittings	Office equipments	Vehicles	Total	Capital work-in-progress
Deemed cost :									
As at 01-04-2017	**428.80**	**209.68**	**1032.78**	**677.55**	**27.54**	**21.96**	**16.47**	**2414.78**	**45.74**
Additions	-	-	4.55	109.05	35.17	5.29	2.50	156.56	30.06
Disposals / transfers	-	-	4.79	11.36	0.74	1.50	1.48	19.87	61.06
Impairment for the year	107.00	-	-	-	-	-	-	107.00	-
Less: translation adjustments	(38.06)	-	(104.77)	(91.31)	(3.02)	(6.23)	(4.29)	(247.68)	(35.11)
As at 31-03-2018	**359.86**	**209.68**	**1137.31**	**866.55**	**64.99**	**31.98**	**21.78**	**2692.15**	**49.85**
Additions	-	-	41.66	98.94	6.07	5.43	3.54	155.64	88.72
Recognition of assets on reclassification of joint venture to subsidiary	21.52	-	-	-	-	0.33	-	21.85	64.07
Disposals / transfers	8.62	-	1.38	9.19	5.26	4.43	6.72	35.60	132.60
Less: translation adjustments	9.60	0.12	27.98	25.37	0.61	1.85	1.01	66.54	2.41
Transferred to discontinued operations (Refer note 46)	134.87	123.51	21.56	-	-	-	-	279.94	-
As at 31-03-2019	**228.29**	**86.05**	**1128.05**	**930.93**	**65.19**	**31.46**	**17.59**	**2487.56**	**67.63**
Accumulated depreciation:									
As at 1-04-2017	**-**	**7.80**	**145.14**	**207.99**	**10.26**	**13.30**	**3.89**	**388.38**	**-**
Depreciation charge for the year	-	3.56	55.74	73.49	4.75	3.41	3.90	144.85	-
Disposals / transfers	-	-	0.99	6.80	0.75	1.39	0.85	10.78	-
Less: translation adjustments	-	-	(55.18)	(69.86)	(1.66)	(6.08)	(3.06)	(135.84)	-
As at 31-03-2018	**-**	**11.36**	**255.07**	**344.54**	**15.92**	**21.40**	**10.00**	**658.29**	**-**
Depreciation charge for the year	-	3.56	51.62	79.26	6.84	4.31	2.80	148.39	-
Recognition of accumulated depreciation on reclassification of joint venture to subsidiary	-	-	-	-	-	0.07	-	0.07	-
Disposals / transfers	-	-	0.91	8.80	3.55	3.95	5.41	22.62	-
Less: translation adjustments	-	0.12	16.70	23.16	0.59	1.88	0.84	43.29	-
As at 31-03-2019	**-**	**14.80**	**289.08**	**391.84**	**18.62**	**19.95**	**6.55**	**740.84**	**-**
Net book value									
As at 01-04-2017	428.80	201.88	887.64	469.56	17.28	8.66	12.58	2026.40	45.74
As at 31-03-2018	359.86	198.32	882.24	522.01	49.07	10.58	11.78	2033.86	49.85
As at 31-03-2019	**228.29**	**71.25**	**838.97**	**539.09**	**46.57**	**11.51**	**11.04**	**1746.72**	**67.63**

₹ crores

5. INTANGIBLE ASSETS

	Brand names and customer lists	Computer software	Technical know-how	Commercial rights	Development cost #	Total	Goodwill	Intangible assets under development #
Deemed cost:								
As at 1-04-2017	**149.28**	**101.07**	**53.77**	**31.09**	**203.39**	**538.60**	**143.54**	**40.23**
Additions	-	22.87	13.82	-	25.51	62.20	-	17.29
Disposals / transfers	0.01	-	-	-	97.13	97.14	-	22.63
Impairment for the year	-	-	-	-	-	-	20.82	-
Less: translation adjustments	(108.86)	(19.61)	(50.64)	-	(21.48)	(200.59)	(23.83)	(0.03)
As at 31-03-2018	**258.13**	**143.55**	**118.23**	**31.09**	**153.25**	**704.25**	**146.55**	**34.92**
Additions	0.20	7.44	0.04	-	12.87	20.55	-	15.40
Disposals / transfers	-	1.62	5.89	-	-	7.51	-	12.04
Impairment for the year	-	-	-	-	-	-	-	14.95
Less: translation adjustments	4.27	4.71	13.97	-	(13.91)	9.04	5.68	(0.09)
As at 31-03-2019	**254.06**	**144.66**	**98.41**	**31.09**	**180.03**	**708.25**	**140.87**	**23.42**
Accumulated amortisation:								
As at 1-04-2017	**71.53**	**70.47**	**48.48**	**27.39**	**116.27**	**334.14**	**-**	**-**
Amortisation charge for the year	18.55	18.93	14.29	1.11	33.38	86.26	-	-
Disposals / transfers	0.01	-	-	-	86.50	86.51	-	-
Less: translation adjustments	(98.57)	(18.89)	(53.17)	-	(15.64)	(186.27)	-	-
As at 31-03-2018	**188.64**	**108.29**	**115.94**	**28.50**	**78.79**	**520.16**	**-**	**-**
Amortisation charge for the year	18.00	15.25	10.44	1.11	31.26	76.06	-	-
Disposals / transfers	-	1.62	5.89	-	-	7.51	-	-
Less: translation adjustments	4.80	9.82	23.70	-	4.42	42.74	-	-
As at 31-03-2019	**201.84**	**112.10**	**96.79**	**29.61**	**105.63**	**545.97**	**-**	**-**
Net book value								
As at 1-04-2017	77.75	30.60	5.29	3.70	87.12	204.46	143.54	40.23
As at 31-03-2018	69.49	35.26	2.29	2.59	74.46	184.09	146.55	34.92
As at 31-03-2019	**52.22**	**32.56**	**1.62**	**1.48**	**74.40**	**162.28**	**140.87**	**23.42**

Refer note 43 for expenses capitalised during the year

₹ crores

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 31-03-2019	As at 31-03-2018
Power Systems	-	20.82
Industrial Systems	**140.87**	146.55
Total goodwill	**140.87**	**167.37**
Less: Impairment# ((Refer note 3A (x))	-	(20.82)
Net goodwill	**140.87**	**146.55**

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.

CGUs /Segments	As at 31-03-2019	As at 31-03-2018
Terminal value growth rate	2%	2%
Pre tax discount rate	9.50%	10.88%

The pre tax discount rate (WACC) used 9.50% (previous year 2017-18, 10.88%)

No impairment was identified for Industrial segment as of 31 March, 2019 as the recoverable value of the respective CGUs exceeded the carrying value.

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.

₹ crores

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS			
Quoted investments			
Government or trust securities (Carried at amortised cost)	**0.39**	0.44	0.44
Total (A)	**0.39**	0.44	0.44
Unquoted investments			
Investment in equity instruments			
Joint venture (carried at cost)	**-**	14.05	15.79
Investments in equity instruments			
Carried at fair value through other comprehensive income#	**-**	121.80	151.80
Carried at fair value through profit and loss	**0.01**	0.01	0.01
Investments in debentures or bonds			
Carried at fair value through profit and loss	**0.05**	8.06	8.05
Other non-current investments			
Carried at fair value through profit and loss	**129.43**	134.39	27.83
Total (B)	**129.49**	278.31	203.48
Total (A+B)	**129.88**	278.75	203.92
Notes:			
Quoted investments			
Book value	**0.39**	0.44	0.44
Market value	**0.39**	0.37	0.44
Unquoted investments			
Book value	**129.49**	278.31	203.48

The investment in Avantha Power & Infrastructure Limited was reviewed by the management and carrying amount of ₹ 151.80 crores, out of which ₹ 121.80 crores has been fully provided for in the current financial year (₹ 30.00 crores as at 31 March, 2018) as the same has been considered to be non-recoverable based on the management evaluation.

6(a) INVESTMENT IN ASSOCIATES

A General information

The Group has 49.00% of share holding in equity share capital of CG International Bv Tr. & Cont. Pvt. Co. LLC (earlier known as Pauwels Middle East Trading & Contracting Pvt. Co. LLC). Its principal place of business is United Arab Emirates.

The Group had 49.00% of share holding in equity share capital of Saudi Power Transformers Co. Ltd. (“SPTC”). SPTC’s principal place of business is Kingdom of Saudi Arabia. During the year ended 31 March, 2018, Group has divested its holding in SPTC.

B Summarised financial information of the associates

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
Current assets	**-**	0.02	0.01
Non-current assets	**-**	-	-
Current liabilities	**0.01**	0.26	0.12
Non-current liabilities	**-**	-	-
Equity	**(0.01)**	(0.24)	(0.11)
Group’s share of net assets	**(0.01)**	(0.12)	(0.06)
Carrying amount of interest in associates	**-**	-	-

The above amount of equity includes accumulated losses of the associates of ₹ 0.24 crores (31 March, 2018 : ₹ 0.24 crores) on which the Group has recognised its share to the extent of cost of its investments.

	2018-19	2017-18
Revenue	**-**	-
Pre-tax profit / (loss)	**(0.02)**	(0.12)
Income tax expense	**-**	-
Post-tax profit / (loss)	**(0.02)**	(0.12)
Other comprehensive income	**0.26**	-
Total comprehensive income / (loss)	**0.24**	(0.12)
Group’s share of total comprehensive income / (loss) recognised in the statement of profit and loss	**-**	-
Dividends received from associates	**-**	-

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

6(b) INVESTMENT IN JOINT VENTURE

A General information

During the current year, erstwhile Joint venture of the Group, PT Crompton Prima Switchgear Indonesia (“CPSI”), has been treated as subsidiary of the Group on account of the control exercised by the Group from the effective date. The Group has 51.00% of share holding in equity share capital of CPSI. The principal place of business is Indonesia.

B Summarised financial information of the Joint Venture

	As at 31-03-2019	As at 31-03-2018	As at 01-04-2017
Current assets	NA	0.24	0.69
Non-current assets	NA	104.47	85.94
Current liabilities	NA	69.83	6.34
Non-current liabilities	NA	2.85	43.71
Equity	NA	32.04	36.58
Foreign currency translation impact	NA	(2.29)	(2.86)
Group’s share of net assets	NA	14.05	15.79
Carrying amount of interest in Joint Venture	NA	14.05	15.79

	2018-19	2017-18
Revenue	NA	-
Pre-tax profit / (loss)	NA	(3.93)
Income tax expense	NA	(0.51)
Post-tax profit / (loss)	NA	(3.42)
Other comprehensive income	NA	-
Total comprehensive income	NA	(3.42)
Group’s share of total comprehensive income	NA	(1.74)
Dividends received from Joint venture	NA	-

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
7. NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES			
Unsecured			
Considered good (Refer note 54)	13.35	-	-
	13.35	-	-

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
8. NON-CURRENT FINANCIAL ASSETS - LOANS			
Unsecured, considered good, unless otherwise stated			
Deposits	6.96	6.87	6.65
	6.96	6.87	6.65

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
9. NON-CURRENT FINANCIAL ASSETS - OTHERS			
Deposits with banks (with maturity period of more than 12 months)	14.61	20.10	34.64
Advance to others#	1195.09	945.56	391.01
Advance to other related parties (Refer note 41)	2560.34	2250.37	1205.51
	3770.04	3216.03	1631.16

Includes receivable from connected parties (as termed in note 3A(a)) of ₹ 462.74 crores as at 31 March, 2019 (₹ 422.48 crores as at 31 March, 2018 and ₹ 245.00 crores as at 1 April, 2017)

₹ crores

10. TAXATION

Income tax related to items charged or credited directly to statement of profit and loss during the year:

	2018-19	2017-18
Consolidated statement of profit or loss		
Current income tax (continuing operations)	**82.98**	63.71
Current income tax (discontinued operations)	**0.29**	0.66
Deferred tax expense / (benefit):		
Relating to origination and reversal of temporary differences (continuing operations)	**(50.40)**	38.01
Relating to origination and reversal of temporary differences (discontinued operations)	**(11.78)**	(35.37)
Total	**21.09**	67.01
Consolidated statement of other comprehensive income (OCI)		
Current tax related to items recognised in OCI during the year	**(1.21)**	-
Deferred tax related to items recognised in OCI during the year	**-**	(3.37)
Total	**(1.21)**	(3.37)

Income Tax expense

Reconciliation of Income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Reconciliation	2018-19	2017-18
Loss before tax from continuing operations	**(458.95)**	(563.72)
Loss before tax from discontinued operations	**(27.09)**	(83.85)
Accounting loss before income tax	**(486.04)**	(647.57)
Applicable tax rate	**34.944%**	34.608%
Computed tax expense	**(169.84)**	(224.11)
Income exempt from taxation	**(86.52)**	(293.90)
Expense not deductible in determining taxable profits	**35.15**	114.91
Tax impact on allowances under section 35(2AB) of Income tax act, 1961	**(7.47)**	(7.76)
Deferred tax assets not recognised on account of lack of convincing evidence in respect of future taxable income	**179.54**	303.33
Tax paid at lower rate	**76.57**	143.03
Tax impact on OCI	**(1.21)**	-
Tax paid at lower rate		
Other temporary differences	**(5.13)**	31.51
Total income tax expense charged to consolidated statement of profit and loss	**21.09**	67.01
Income tax attributable to continuing operations	**32.58**	101.72
Income tax attributable to discontinued operations	**(11.49)**	(34.71)
Total	**21.09**	67.01

Deferred tax relates to the following

	Balance sheet			Recognised in statement of profit and loss	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2017	**2018-19**	2017-18
Expenses allowable on payment basis	**8.50**	14.34	9.71	**(0.07)**	7.24
Other items giving rise to temporary differences	**75.60**	32.01	26.69	**39.98**	(5.11)
Accelerated depreciation for tax purposes	**(189.29)**	(200.35)	(209.10)	**4.63**	2.49
Fair valuation of property, plant and equipment (PP&E)	**(205.87)**	(196.38)	(204.82)	**(9.49)**	8.44
Impairment of loan	**3.92**	3.88	3.88	**0.04**	-
Provision for loss allowance	**43.57**	17.45	18.63	**20.45**	(1.18)
Unabsorbed losses and unabsorbed depreciation	**4.76**	(13.98)	14.72	**22.04**	(18.99)
Tax impact on account of first time adoption of Ind AS 115	**37.52**	-	-	**(15.40)**	-
Impairment of receivables	**7.84**	7.84	-	**-**	7.84
Deferred tax asset / (liability)	**(213.45)**	(335.19)	(340.29)		
Net income / (expense) in statement of profit and loss				**62.18**	0.73

₹ crores

10. TAXATION (Contd.)

Reconciliation of deferred tax assets / (liabilities) net

	As at 31-03-2019	As at 31-03-2018
Opening balance as of 1 April	**(335.19)**	(340.29)
Tax income / (expense) during the period recognised in profit or loss from continuing operations	**50.40**	(38.01)
Tax income / (expense) during the period recognised in profit or loss from discontinued operations	**11.78**	35.37
Deferred tax on other comprehensive income	**-**	3.37
Tax impact on account of first time adoption of Ind AS 115	**52.92**	-
Translation adjustment	**6.64**	4.37
Closing balance	**(213.45)**	(335.19)

Deferred tax assets have not been recognised in respect of losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
11. NON-CURRENT ASSETS-OTHERS			
Unsecured, considered good, unless otherwise stated			
Capital advances	**1.89**	2.19	3.22
Others	**7.96**	3.04	2.28
	9.85	5.23	5.50

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
12. INVENTORIES						
Raw materials (at cost)	**361.55**		318.83		275.64	
Add: Goods-in-transit (at cost)	**28.63**		16.49		21.89	
		390.18		335.32		297.53
Work-in-progress (at cost)		**668.45**		818.44		610.06
Finished goods (at lower of cost or net realisable value)		**127.69**		67.48		147.46
Stock-in-trade (at lower of cost or net realisable value)		**2.62**		0.60		0.43
Stores, spares and packing materials (at cost)		**3.75**		4.41		3.22
Loose tools (at cost)		**0.11**		0.13		0.03
		1192.80		1226.38		1058.73

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
13. CURRENT FINANCIAL ASSETS-INVESTMENTS			
Quoted investments			
Investments in equity instruments			
Carried at fair value through profit and loss	**0.01**	0.01	0.98
Investments in mutual funds			
Carried at fair value through profit and loss	**-**	-	318.35
	0.01	0.01	319.33
Note:			
Quoted investments			
Book value	**0.01**	0.01	319.33
Market value	**0.01**	0.01	319.33

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
14. TRADE RECEIVABLES						
Unsecured:						
Considered good (Refer note 54)	**1695.78**		2400.34		2244.48	
Credit impaired	**189.54**		109.11		99.29	
		1885.32		2509.45		2343.77
Less: Allowance for credit impaired		**189.54**		109.11		99.29
		1695.78		2400.34		2244.48

Note:

Refer note 41 for trade receivables from related parties.

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
15. CASH AND CASH EQUIVALENTS						
Cash and cash equivalents:						
Balances with banks:						
On current accounts	**195.35**		373.04		289.87	
On deposit accounts (Refer note below)	**38.49**		7.48		230.70	
		233.84		380.52		520.57
Cash on hand		**0.14**		1.00		0.81
		233.98		381.52		521.38

Note:

Deposits of ₹ 37.92 crores (₹ 3.00 crores as at 31 March, 2018 and ₹ 32.90 crores as at 1 April, 2017) are held as margin money, security against borrowings, guarantees, other commitments and under lien with banks.

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
16. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS						
Other balances:						
Earmarked balances with banks for:						
Unpaid dividends	**0.74**		1.00		1.29	
Others	**20.39**		44.09		0.28	
		21.13		45.09		1.57
Fixed deposits with banks		**15.65**		-		-
		36.78		45.09		1.57

Earmarked balances are restricted for use. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March, 2019, 31 March, 2018 and 1 April, 2017.

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
17. CURRENT FINANCIAL ASSETS - LOANS						
Unsecured, considered good, unless otherwise stated						
Advances recoverable in cash or in kind or for value to be received:						
Considered good	**0.04**		12.68		3.08	
Considered doubtful	**6.52**		6.07		-	
	6.56		18.75		3.08	
Less: Allowance for bad and doubtful advances	**6.52**		6.07		-	
		0.04		12.68		3.08
Security deposits:						
Considered good	**30.62**		35.19		75.54	
Considered doubtful	**0.52**		0.05		0.05	
	31.14		35.24		75.59	
Less: Allowance for bad and doubtful deposits	**0.52**		0.05		0.05	
		30.62		35.19		75.54
		30.66		47.87		78.62

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
18. CURRENT FINANCIAL ASSETS - OTHERS			
Bank deposits (Refer note below)	**-**	-	149.03
Derivative instruments	**8.70**	3.70	45.04
Other financials receivables	**0.63**	0.32	7.96
	9.33	4.02	202.03

Note:

Deposits of ₹ Nil (₹ Nil as at 31 March, 2018 and ₹149.03 crores as at 1 April, 2017) are held as margin money, security against borrowings, guarantees, other commitments and under lien with banks.

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
19. OTHER CURRENT ASSETS			
Advance to suppliers	**75.99**	72.70	135.39
Prepaid expenses	**24.45**	10.60	27.05
Due from customers (construction and project related activity) (Refer note 54)	**219.07**	109.40	218.53
Advance to employees	**1.19**	0.94	1.44
Gratuity fund	**9.26**	-	-
Statutory and other receivables	**355.13**	380.03	415.74
	685.09	573.67	798.15

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
20. SHARE CAPITAL			
Authorised			
2,03,80,00,000 Equity Shares of ₹ 2 each	**407.60**	407.60	407.60
(2,03,80,00,000 Equity Shares of ₹ 2 each as at 31 March, 2018 and 1 April, 2017)			
Issued			
62,67,88,442 Equity Shares of ₹ 2 each	**125.35**	125.35	125.35
(62,67,88,442 Equity Shares of ₹ 2 each as at 31 March, 2018 and 1 April, 2017)			
Subscribed and paid-up			
62,67,46,142 Equity Shares of ₹ 2 each	**125.35**	125.35	125.35
(62,67,46,142 Equity Shares of ₹ 2 each as at 31 March, 2018 and 1 April, 2017)			
Forfeited shares:			
42,300 Equity Shares of ₹ 2 each, partly paid (Amount paid-up ₹ 32,175)	**0.00**	0.00	0.00
(42,300 Equity Shares of ₹ 2 each, partly paid as at 31 March, 2018 and 1 April, 2017)			
	125.35	125.35	125.35

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	As at 31-03-2019		As at 31-03-2018	
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

20. SHARE CAPITAL (Contd.)

Issued share capital	As at 31-03-2019 No of Shares	As at 31-03-2019 ₹ crores	As at 31-03-2018 No of Shares	As at 31-03-2018 ₹ crores
Balance at the beginning of the year	**626788442**	**125.35**	626788442	125.35
Balance at the end of the year	**626788442**	**125.35**	626788442	125.35

Subscribed and paid-up	As at 31-03-2019 No of Shares	As at 31-03-2019 ₹ crores	As at 31-03-2018 No of Shares	As at 31-03-2018 ₹ crores
Balance at the beginning of the year	**626746142**	**125.35**	626746142	125.35
Balance at the end of the year	**626746142**	**125.35**	626746142	125.35

The Company has not issued any equity shares during the current and in the previous year.

(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 ₹. 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 31-03-2019 %	As at 31-03-2019 No of Shares	As at 31-03-2018 %	As at 31-03-2018 No of Shares
1	Vistra ITCL India Limited	**21.60**	**135392496**	-	-
2	Avantha Holdings Limited	**12.77**	**80050000**	34.37	215442496
3	HDFC Trustee Company Limited - HDFC Equity Fund	**9.17**	**57451000**	9.22	57788500
4	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Frontline Equity Fund	**8.93**	**55960974**	6.84	42898617

(d) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

	As at 31-03-2019 No. of Shares	As at 31-03-2018 No. of Shares
Shares bought back	**-**	14745394

(e) Aggregate number of shares issued as GDRs

	As at 31-03-2019 %	As at 31-03-2019 No of Shares	As at 31-03-2018 %	As at 31-03-2018 No of Shares
The Bank of New York	**0.12**	**775949**	0.13	822504

21. OTHER EQUITY	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
Retained earnings	**1151.39**	1769.70	2493.53
Hedge reserve	**1.32**	(4.14)	(1.03)
Foreign currency translation reserve	**182.22**	199.79	391.30
FVOCI reserve	**(244.31)**	(122.51)	(92.51)
Capital reserve	**671.65**	671.65	671.65
Capital reserve on consolidation	**144.63**	144.63	157.26
Capital redemption reserve	**12.95**	12.95	12.95
Securities premium	**18.30**	18.30	18.30
Statutory reserve	**67.05**	67.05	67.05
Non-controlling interest	**54.82**	38.72	39.21
	2060.02	2796.14	3757.71

21. OTHER EQUITY (Contd.)

(a) Dividend paid and proposed:

No dividends have been proposed, declared or paid during the financial year 2018-19 (2017-18 ₹ Nil) or after the financial year but before the financial statements were approved for issue.

(b) Nature and purpose of reserves:

(i) Hedge reserve:

The Group uses hedging instruments as part of its management of foreign currency risk. For hedging foreign currency risk, the Group uses foreign currency forward contracts, foreign currency option contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the consolidated statement of profit and loss when the hedged item affects profit or loss.

(ii) Foreign currency translation reserve:

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

During the financial year ended 31 March, 2016, the capital reserve of ₹ 652.53 crores is recognised due to demerger of consumer products segment pursuant to the transfer of all assets and liabilities to the resulting company i.e. Crompton Greaves Consumer Electricals Limited.

(iii) FVOCI reserve:

The Group has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

(iv) Capital reserve:

The Group had paid certain deferred sales tax liabilities in accordance with the scheme formulated by the State Government of Maharashtra for such optional prepayments. The resultant surplus of ₹ 19.12 crores, representing the excess of the recorded liability over the amount paid was credited to capital reserve.

(v) Capital reserve on consolidation:

Capital reserve on consolidation is on account of subsidiaries acquired.

(vi) Capital redemption reserve:

Capital redemption reserve was created on buy back of shares. The Company may issue fully paid-up bonus shares to its members out of the capital redemption reserve account.

(vii) Securities premium:

Securities premium is created when shares are issued at premium. Securities premium can be utilized only for limited purpose such as issuance of bonus shares in accordance with provisions of the Companies Act, 2013.

(viii) Statutory reserve:

Statutory reserve represents profits set aside as per the local statutory requirement of overseas subsidiaries and the same is not available for distribution.

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
22. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS			
Secured loans			
Term loans from banks / financial Institutions (Refer note (a) and (b) below)	**1125.49**	1450.16	784.18
Unsecured loans			
Term loans from banks (Refer note (d) below)	**316.37**	36.85	113.19
Finance lease obligations (Refer note (f) and (g) below)	**5.68**	7.52	8.43
	1447.54	1494.53	905.80

Notes:

Security created to the extent of :

(a) Secured term loans from banks:

(i) The term loan availed by the Company of ₹ 367.66 crores (as at 31 March, 2018 ₹ 402.02 crores and as at 1 April, 2017 ₹ 412.71 crores) at an interest rate of 1 year Bank's MCLR plus a spread of 1.55% p.a. payable monthly. The loan is repayable within five years from the date of disbursement i.e. 3 August, 2016, in 18 structured quarterly payments with a moratorium of 6 months. The loan is secured by First exclusive charge on plant and machinery and fixed assets with minimum value of ₹ 297.00 crores. (Current maturity pertaining to the said term loan is ₹ 151.63 crores (as at 31 March, 2018 ₹ 44.60 crores and as at 1 April, 2017 ₹ 22.30 crores), Refer note 28).

(ii) The term loan availed by the Company of ₹ 139.56 crores and ₹ Nil respectively (as at 31 March, 2018 ₹ 159.51 crores and ₹ 43.50 crores respectively) (as at 1 April, 2017 ₹ Nil) at an interest rate of 6 months bank MCLR. The loan tenure is 42 months for ₹ 159.51 crores and 13 months for ₹ 43.50 crores respectively. The loan is secured by First charge on movable and immovable property of ₹ 69.70 crores of specified location. Subservient charges on identified assets having market value of minimum ₹ 100.00 crores

22. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS (Contd.)

(Current maturity pertaining to the said term loan is ₹ 45.38 crores (as at 31 March, 2018 ₹ 65.63 crores and as at 1 April, 2017 ₹ Nil), Refer note 28).

(iii) The term loan availed by the Company of ₹ 305.00 crores (as at 31 March, 2018 ₹ 305.00 crores and as at 1 April, 2017 ₹ Nil) at an interest rate of 1 year Bank's MCLR plus 1.75% p.a. payable at monthly interval. The loan is repayable within five years from the date of disbursement i.e. 24 July, 2017, in 36 equal monthly instalments after a moratorium of 2 years from the date of first disbursement. The loan is secured by second charge on identified plant and machinery and immovable fixed assets. (Current maturity pertaining to the said term loan is ₹ 76.25 crores (as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ Nil), Refer note 28).

(iv) The term loan availed by CG Drives & Automation Germany GmbH having an outstanding amount of ₹ 0.18 crores (as at 31 March, 2018 ₹ 0.24 crores and as at 1 April, 2017 ₹ Nil) from VW Bank GmbH. The loan is repayable in 48 equal monthly instalments from the drawdown in April 2017. The loan is secured by hypothecation of the vehicle purchased against this borrowing. (Current maturity pertaining to the said term loan is ₹ 0.05 crores (as at 31 March, 2018 ₹ 0.05 crores and as at 1 April, 2017 ₹ Nil), Refer note 28).

(v) The term loan availed by CG Drives & Automation Germany GmbH having an outstanding amount of ₹ 0.11 crores (as at 31 March, 2018 ₹ 0.14 crores and as at 1 April, 2017 ₹ Nil) from VW Bank GmbH. The loan is repayable in thirty six equal monthly instalments from the drawdown in April 2017. The loan is secured by hypothecation of the vehicle purchased against this borrowing. (Current maturity pertaining to the said term loan is ₹ 0.11 crores (as at 31 March, 2018 ₹ 0.06 crores and as at 1 April, 2017 ₹ Nil), Refer note 28).

(vi) The term loan availed by CG Drives & Automation Germany GmbH having an outstanding amount of ₹ 0.05 crores (as at 31 March, 2018 ₹ 0.07 crores and as at 1 April, 2017 ₹ 0.08 crores). The loan is repayable in forty eight equal monthly instalments from the drawdown in December 2016. The loan is secured by hypothecation of the vehicle purchased against this borrowing. (Current maturity pertaining to the said term loan is ₹ 0.03 crores (as at 31 March, 2018 ₹ 0.03 crores and as at 1 April, 2017 ₹ 0.03 crores), Refer note 28).

(vii) The term loan availed by CG Drives & Automation Germany GmbH having an outstanding amount of ₹ 0.06 crores (as at 31 March, 2018 ₹ 0.10 crores and as at 1 April, 2017 ₹ 0.12 crores). The loan is repayable in 48 equal monthly instalments from the drawdown in January, 2017. The loan is secured by hypothecation of the vehicle purchased against this borrowing. (Current maturity pertaining to the said term loan is ₹ 0.04 crores (as at 31 March, 2018 ₹ 0.04 crores and as at 1 April, 2017 ₹ 0.04 crores), Refer note 28).

(viii) The term loan availed by CG Drives & Automation Germany GmbH having an outstanding amount of ₹ 0.25 crores (as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ Nil). The loan is repayable in 48 equal monthly instalments from the drawdown in August 2018. The loan is secured by hypothecation of the vehicle purchased against this borrowing. (Current maturity pertaining to the said term loan is ₹ 0.05 crores (as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ Nil), Refer note 28).

(ix) The term loan availed by CG Middle East FZE having an outstanding amount of ₹ 259.59 crores (as at 31 March, 2018 ₹ 262.25 crores and as at 1 April, 2017 ₹ Nil). The loan is repayable in 16 equal quarterly instalments starting from January 2019. The loan is secured by way of exclusive charge on all inventory and receivables of the company. (Current maturity pertaining to the said term loan is ₹ 69.15 crores (as at 31 March, 2018 ₹ 16.29 crores and as at 1 April, 2017 ₹ Nil), Refer note 28).

(x) The term loan availed by PT Crompton Prima Switchgear Indonesia ("CPSI") having an outstanding amount of ₹ 63.21 crores (as at 31 March, 2018 ₹ Nil and 1 April, 2017 ₹ Nil). The loan will mature on 25 September, 2020. The loan is secured by CPSI's land, factory, machineries, inventories and receivables valued at ₹ 18.25 crores and a corporate guarantee from CG Power an Industrial Solutions Limited (Current maturity pertaining to the said term loan is ₹ 26.90 crores (as at 31 March, 2018 ₹ Nil and 1 April, 2017 ₹ Nil), Refer note 28).

(xi) The term loan of ₹ Nil (as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ 167.67 crores) was repayable in full within two years from utilization date i.e. 15 March, 2016. The said outstanding amount as at 1 April, 2017 of ₹ 167.67 crores was shown under current maturities of long term debt. (Refer note 28).

(xii) The term loan availed by CG Electric Systems Hungary Zrt. having an outstanding amount of ₹ 219.40 crores (as at 31 March, 2018 ₹ 229.03 crores and as at 1 April, 2017 ₹ 196.42 crores) is secured by way of fixed and floating charge on all assets of CG Electric Systems Hungary Zrt. Repayment of the loan will commence from December 2022 and will be repayable in 4 equal annual installments.

(xiii) The term loan avalied by CG Holdings Belgium N.V. having outstanding amount of ₹ Nil (as at 31 March, 2018 ₹ 2.58 crores and as at 1 April, 2017 ₹ 11.08 crores) was secured by way of fixed and floating charge on all assets of CG Power Systems Belgium N.V and CG Holdings Belgium N.V. Repayment of the loan commenced from financial year 2015-16 and it is fully repaid during current year. (Current maturity was as at 31 March, 2018 ₹ 2.58 crores and as at 1 April, 2017 ₹ 8.86 crores), Refer note 28).

(xiv) Term loan of ₹ Nil (as at 31 March, 2018 ₹ Nil) availed by CG Power USA Inc. is secured by encumbrance on leased equipments. (Current maturity as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ 8.86 crores)#.

(b) Secured term loans from financial institutions:

The term loan availed by the Company of ₹ 175.00 crores (as at 31 March, 2018 ₹ 195.00 crores and as at 1 April, 2017 ₹ 200.00 crores). The Facility (together with all interests, liquidated damages, fees, costs, charges, expenses and other monies and all other amounts stipulated and payable by the borrower to the lender)(whether expended by the Lender itself or not) shall be secured by (a) Exclusive charge on movable and immovable fixed assets of the Co-borrowers, both current and future (b) Demand Promissory Note.

22. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS (Contd.)

Nature of Repayment (a) Door-to-door tenor of 5 years, Principles moratorium for 12 months from the date of disbursement (b) 20% of total repayment will be paid in second & third year of loan in 8 quarterly installments and the balance 80% will be paid in forth & fifth year of the loan in 8 equal quarterly installments.

Rate of Interest: The Borrower shall, until the Facility amount is fully paid off, pay to the Lender, interest at the rate, equivalent to the Benchmark Rate (BR) + Spread. BR + Spread = Applicable Interest Rate % per annum.

Interest rate will be fixed till the moratorium period and then will linked to Benchmark Rate 1 year HDFC Bank MCLR Rate. The spread shall be defined on the date of first disbursement in a manner such that the applicable interest rate works out to 12.50% per annum payable monthly.

The spread shall remain fixed for 1 year from the date of first disbursement. Thereafter, the spread shall be reset annually and in case the increased spread is not acceptable, the borrower shall have the right to prepay the facility in full within a period of 30 days from such Reset date, with a prior written notice of not less than 15 days. However, such increased rate shall be payable till the date of repayment. (Current maturity pertaining to the said term loan is ₹ 35.00 crores (as at 31 March, 2018 ₹ 20.00 crores and as at 1 April, 2017 ₹ 5.00 crores), Refer note 28)

(c) Unsecured borrowings by way of bonds:

BUILD Missouri revenue bonds, Series 2010 ₹ Nil (as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ 4.13 crores) was repayable in semi-annual installments, maturing on December 2024. Current maturity as at 31 March, 2017 was ₹ 0.44 crores. During previous year ended 31 March, 2018, this borrowing was transferred to purchaser of Group's power business in United States of America #.

(d) Unsecured term loans from banks:

(i) The term loan availed by the Company of ₹ 24.36 crores (as at 31 March, 2018 ₹ 119.30 crores and as at 1 April, 2017 ₹ 210.63 crores) at an interest rate linked to Bank's 1 year MCLR (Floating rate). The loan is repayable within 2.75 years from the date of disbursement i.e. 11 July, 2016, in 10 equal quarterly installments with first installment starting after 6 months from the date of disbursement. (Current maturity pertaining to the said term loan is ₹ 24.36 crores (as at 31 March, 2018 ₹ 97.44 crores and as at 1 April, 2017 ₹ 97.44 crores), Refer note 28)

(ii) The term loan availed by the Company of ₹ 15.00 crores (as at 31 March, 2018 ₹ 71.24 crores and as at 1 April, 2017 ₹ Nil) at an interest rate of bank MCLR plus applicable margin payable at monthly intervals. The loan is repayable within 2 years from the date of disbursement i.e. 16 May, 2017, in 15 structured monthly installments with first starting after 9 months from the date of disbursement. (Current maturity of the said term loan is ₹ 15.00 crores (as at 31 March, 2018 ₹ 56.25 crores and as at 1 April, 2017 ₹ Nil), Refer note 28).

(iii) Refer note 3A(c) in respect of term loan of ₹ 72.20 crores.

(iv) Working capital facility of ₹ Nil (as at 31 March, 2018 ₹ Nil crores and as at 1 April, 2017 ₹ 72.92 crores) was availed by CG Power USA Inc. to meet its long term working capital requirement. This loan was repaid during the year ended 31 March, 2018. The loan was supported by Corporate Guarantee of CG Power and Industrial Solutions Limited. Current maturity as at 1 April, 2017 was ₹ 72.92 crores #.

(v) The term loan availed by CG International Holdings Singapore Pte. Limited having an outstanding amount of ₹ 339.85 crores (as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ Nil). The loan is repayable in 48 equal monthly instalments from the drawdown in August 2018. The loan was supported by Corporate Guarantee of CG Power and Industrial Solutions Limited. (Current maturity pertaining to the said term loan is ₹ 95.68 crores (as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ Nil), Refer note 28).

(e) CG Power Solutions Limited had issued 2,000 unsecured redeemable taxable non convertible debentures of ₹ 10,00,000/- each aggregating to ₹ 200.00 crores. The debenture amount was supported by corporate guarantee of the Company. During the year ended 31 March, 2018, debentures were redeemed and entire amount was repaid.

(f) Finance lease obligations are repayable in equated monthly installments.

(g) Finance lease:

The minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance leases are as follows:

	As at 31-03-2019		As at 31-03-2018	
	Minimum payments	**Present value of payments**	Minimum payments	Present value of payments
Within one year	**1.55**	**0.99**	1.61	1.12
After one year but not more than five years	**5.68**	**4.69**	7.52	6.40
More than five years	**-**	**-**	-	-
Total minimum lease payments	**7.23**	**5.68**	9.13	7.52
Less: amounts representing finance charges	**1.55**	**-**	1.61	-
Present value of minimum lease payments	**5.68**	**5.68**	7.52	7.52

Borrowings pertaining to discontinued operations are included under the head 'Liabilities associated with group of assets classified as held for sale and discontinued operations' (Refer note 46).

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
23. NON-CURRENT OTHER FINANCIAL LIABILITIES			
Deposits payable	**5.69**	1.55	1.14
Term loan from others#	**292.68**	390.00	390.00
	298.37	391.55	391.14

Represents amount received from connected party.

Notes:

Security created to the extent of :

Secured term loan from others:

1 The term loan of ₹ 165.00 crores (as at 31 March, 2018 ₹ 200.00 crores and as at 1 April, 2017 ₹ 200.00 crores) was availed by Blue Garden Estates Private Limited ("BGEPL"), the borrower, from Aditya Birla Finance Limited ("ABFL"), for tenure of five years with moratorium of 3 years and repayable in 8 quarterly installments after moratorium period. BGEPL in turn lend the said term loan amount to the Company. The terms and conditions of this loan for the borrower are as under :

i) The borrower for the first three years from the date of first disbursement shall pay fixed interest rate of 12.50% p.a. Thereafter until the facility amount is fully paid off, borrower shall pay to the ABFL, interest equivalent to the Benchmark Rate (BR) + Spread.

ii) The loan is secured by:

(a) Exclusive charge on all the movable and immovable assets of the borrower, both present and future.

(b) Facility DSRA of ₹ 10.00 crores (Rupees ten crores only) (Debt Service Reserve Account) will be maintained through the facility of the loan either in funded form or to be kept as undisbursed amount of the facility as may be acceptable to the ABFL. Funded DSRA to be created by way of lien marked Fixed Deposit / debt mutual fund (with Birla Sunlife MF) / cash equivalent, to the satisfaction of ABFL.

(c) Pledge of 100% shares of the borrower.

(d) Assignment of all rights and benefits under the interest bearing advance made to the vendor and escrow of all proceeds (including interests) from vendor on which ABFL shall have an exclusive charge.

(e) Corporate Guarantee of Avantha Holdings Limited in favor of BGEPL.

(f) Cross Collateral with existing facilities extended by BGEPL.

(g) Demand Promissory Note

(h) First right on receivables of the sale proceeds from the land and property located at Kanjurmarg in Mumbai shall be routed through designated Escrow Account and shall be utilized for liquidation of facilities extended by ABFL to the Company.

BGEPL has extended this loan facility to the Company at interest rate of 15% p.a.

(Current maturity pertaining to the said term loan is ₹ 3.57 crores (as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ Nil), Refer note 28).

Also refer note 3A (a).

2 The term loan of ₹ 155.00 crores (as at 31 March, 2018 ₹ 190.00 crores and as at 1 April, 2017 ₹ 190.00 crores respectively) was availed by Blue Garden Estates Private Limited (BGEPL), the borrower, from Aditya Birla Finance Limited (ABFL), for tenure of 120 months from first disbursement. The loan is repayable in 28 equal quarterly installments after the moratorium period of 36 months. BGEPL in turn lend the said term loan amount to the Company. The terms and conditions of this loan for the borrower are as under:

i) Interest to be serviced on monthly basis @ 12.50% p.a. fixed rate upto 36 months from the end of the month in which last disbursement happens. After 36 months, interest rate to be reset as per mutually agreed terms.

ii) The loan is secured by:

a) Corporate Guarantee of Holding Company of borrower viz. M/s. Acton Global Pvt. Ltd.

b) Pledge of 100% shares of Borrower i.e. BGEPL in favour of ABFL

c) Creation of Escrow account and Lien on such account in favor of ABFL towards credit proceeds of interest payment on monthly basis (if any) from vendor towards advance received by it from borrower.

iii) Right on land and building A-3, MIDC Ambad, Nasik, Maharashtra 422010 or any other alternate security offered to BGEPL.

BGEPL has extended this loan facility to the Company at interest rate of 15% p.a.

(Current maturity pertaining to the said term loan is ₹ 23.75 crores (as at 31 March, 2018 ₹ Nil and as at 1 April, 2017 ₹ Nil), Refer note 28).

Also refer note 3A (b).

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
24. NON-CURRENT PROVISIONS			
Employee benefits (Refer note 44)	**63.62**	50.92	64.00
Other provisions (Refer note 30)	**20.60**	21.03	16.07
	84.22	71.95	80.07

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
25. OTHER NON-CURRENT LIABILITIES			
Others	**-**	0.40	18.42
	-	0.40	18.42

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
26. CURRENT FINANCIAL LIABILITIES - BORROWINGS			
Secured loans			
Term loans			
From banks {Refer note (i) below}	**-**	0.00	0.44
From financial institutions {Refer note (ii) below}	**-**	20.20	34.64
Working capital demand loans			
From banks {Refer note (iii) below}	**603.38**	665.16	241.06
Unsecured loans			
Working capital loan from banks:			
Demand loan	**627.71**	467.84	391.79
Supplier finance facility	**2.01**	89.71	88.62
Others	**49.79**	-	-
	1282.89	1242.91	756.55

Notes:

(i) Cash Credit facility amounting to ₹ Nil (as at 31 March, 2018 ₹ 0.00 crores and as at 1 April, 2017 ₹ 0.44 crores), availed by CG-PPI Adhesive Products Limited from bank is secured by hypothecation of stocks and book debts and is further secured by mortgage by deposit of title deeds in respect of its immovable properties, both present and future consisting of land, factory building structures, erections, godowns and furniture and fixtures of CG-PPI Adhesive Products Limited.

(ii) Term loan from financial institution availed by CG Electric Systems Hungary Zrt. and having an outstanding amount of ₹ Nil (as at 31 March, 2018 ₹ 20.20 crores and as at 1 April, 2017 ₹ 34.64 crores).

(iii) Working capital demand loans availed by the Company and its subsidiaries of ₹ 603.38 crores (as at 31 March, 2018 ₹ 665.16 crores and as at 1 April, 2017 ₹ 241.06 crores) is secured by hypothecation on entire current assets both present and future of the borrower, namely, stock of raw materials, work-in-progress, semi finished and finished goods, stores and spares not relating to plant and machinery (consumables stores and spares), trade receivables including proceeds thereof on realisation and other movables which are in the nature of current assets of the borrower.

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
27. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES			
Acceptances	**135.17**	163.32	136.63
Due to others	**2178.88**	1707.07	1720.89
	2314.05	1870.39	1857.52

Note:

Refer note 41 for trade payables to related parties.

₹ crores

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
28. CURRENT-OTHER FINANCIAL LIABILITIES						
Current maturities of long-term loans from banks / financial institutions (Refer note 22)		**539.62**		302.98		301.33
Current maturities of long-term loans from others (Refer note 23)		**27.32**		-		179.00
Current maturities of finance lease obligations (Refer note 22)		**-**		0.71		0.67
Interest free sales tax deferral loans from State Government		**0.12**		0.12		0.12
Interest accrued on borrowings		**15.67**		8.09		38.40
Investor Education and Protection Fund: (Refer note below)						
Unclaimed dividend		**0.72**		0.98		1.27
Due to directors (Refer note 41)		**3.29**		2.54		4.32
Financial guarantee obligations		**0.28**		0.57		-
Derivative Instruments		**-**		40.60		23.96
Other payables:						
Due to erstwhile shareholders	**0.05**		-		-	
Security deposits	**8.40**		8.48		7.47	
Due to employees	**125.69**		134.02		106.62	
Others	**193.08**		274.17		23.94	
		327.22		416.67		138.03
		914.24		773.26		687.10

Note:

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March, 2019, 31 March, 2018 and 1 April, 2017.

	As at 31-03-2019		As at 31-03-2018		As at 1-04-2017	
29. OTHER CURRENT LIABILITIES						
Advances from customers (Refer note 54)		**504.67**		683.75		643.02
Due to customers (Refer note 54)		**81.23**		61.34		102.45
Balance with bank overdrawn as per books		**-**		-		0.71
Other payables:						
Statutory dues	**68.09**		89.48		53.70	
Advance from others	**566.70**		472.23		1.62	
Others	**89.38**		103.79		76.16	
		724.17		665.50		131.48
		1310.07		1410.59		877.66

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
30. SHORT-TERM PROVISIONS			
Employee benefits (Refer note 44)	**3.15**	10.56	14.67
Other provisions (Refer note below)	**209.68**	252.27	183.08
	212.83	262.83	197.75

₹ crores

30. SHORT-TERM PROVISIONS (Contd)

Note:

Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets

(a) Movement in provisions:

Nature of Provisions	Warranties		Sales tax / VAT		Excise duty / Custom duty / Service tax		Liquidated damages		Other litigation claims		Environmental obligations		Onerous contracts		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Carrying amount at the beginning of the year	123.21	107.77	8.81	8.32	1.67	3.50	58.70	36.47	52.95	20.62	18.55	15.91	9.41	8.34	273.30	200.93
Additional provision made during the year #	33.64	29.91	7.23	1.08	0.88	-	31.65	25.16	8.20	30.25	-	-	4.97	1.58	86.57	87.98
Amounts used during the year	19.70	8.91	-	-	-	-	11.41	6.38	21.24	-	-	-	4.13	0.94	56.48	16.23
Unused amounts reversed during the year #	48.13	13.79	-	0.59	0.40	1.83	7.80	1.72	12.08	0.37	-	-	-	0.23	68.41	18.53
Translation adjustment	(0.90)	8.23	-	-	-	-	(2.11)	5.17	(0.70)	2.45	(0.72)	2.64	(0.27)	0.66	(4.70)	19.15
Carrying amount at the end of the year	88.12	123.21	16.04	8.81	2.15	1.67	69.03	58.70	27.13	52.95	17.83	18.55	9.98	9.41	230.28	273.30
Non-current	20.60	21.03	-	-	-	-	-	-	-	-	-	-	-	-	20.60	21.03
Current	67.52	102.18	16.04	8.81	2.15	1.67	69.03	58.70	27.13	52.95	17.83	18.55	9.98	9.41	209.68	252.27
	88.12	123.21	16.04	8.81	2.15	1.67	69.03	58.70	27.13	52.95	17.83	18.55	9.98	9.41	230.28	273.30

Additional provision made during the year and reversal of unused amount are included in the respective head of accounts.

(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 expected to be within a period of two years.

(ii) Provision for sales tax / VAT represents liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Act / Rules.

(iii) Provision for excise duty / custom duty / service tax represents the differential duty liability that is expected to materialise in respect of matters in appeal.

(iv) Provision for liquidated damages has been made on contracts for which delivery dates are exceeded and computed in reasonable and prudent manner.

(v) Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters under litigation.

(vi) Provision for environmental obligations represents liabilities towards the costs expected to be incurred to treat contaminated soil / effluents at its manufacturing locations, wherever required by local law.

(vii) Provision for onerous contracts have been made on contracts when it is probable that the estimated cost will exceed the total contract revenue.

₹ crores

	2018-19		2017-18	
31. REVENUE FROM OPERATIONS				
Sale of products	**7605.86**		7581.45	
Sale of services	**83.24**		103.25	
Construction contracts	**208.68**		352.48	
		7897.78		8037.18
Other operating income - scrap sales		**100.13**		92.81
		7997.91		8129.99

Refer note 54 with respect to information in accordance with the requirements of Ind AS 115 on Revenue from contracts with customers.

	2018-19	2017-18
32. OTHER INCOME		
Interest income from:		
Deposits with banks	**10.22**	5.15
Others	**22.04**	16.74
Gain on sale of investments (net)	**-**	15.46
Fair value gain on financial instruments at fair value through profit or loss	**-**	0.00
Other non-operating income:		
Income from business service centers	**5.69**	1.21
Government grant	**1.77**	1.20
Miscellaneous income	**11.19**	22.20
	50.91	61.96

	2018-19		2017-18	
33. COST OF MATERIALS CONSUMED				
Opening stock	**335.32**		297.53	
Add: Purchases	**5129.95**		5328.61	
Less: Closing stock	**390.18**		335.32	
		5075.09		5290.82
		5075.09		5290.82

	2018-19	2017-18
34. PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	**34.79**	82.43
	34.79	82.43

	2018-19		2017-18	
35. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
Changes in inventories of finished goods and work-in-progress:				
Closing stock:				
Finished goods	127.69		67.48	
Work-in-progress	668.45		818.44	
	796.14		885.92	
Opening stock:				
Finished goods	67.48		147.46	
Work-in-progress	818.44		610.06	
	885.92		757.52	
		89.78		(128.40)
Changes in inventories of stock-in-trade:				
Closing stock:				
Stock-in-trade	2.62		0.60	
Opening stock:				
Stock-in-trade	0.60		0.43	
		(2.02)		(0.17)
		87.76		(128.57)

	2018-19	2017-18
36. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	858.17	895.97
Contribution to provident and other funds (Refer note 44)	129.93	123.51
Post retirement medical benefits	0.95	(14.37)
Staff welfare expenses	74.29	75.52
	1063.34	1080.63

	2018-19	2017-18
37. FINANCE COSTS		
Interest on loans from banks / financial institutions	382.99	349.21
Interest on finance lease obligation	-	0.40
	382.99	349.61

	2018-19	2017-18
38. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment (Refer note 4)	148.39	144.85
Amortisation of Intangible assets (Refer note 5)#	76.86	107.08
	225.25	251.93

Includes ₹ 0.80 crores on account of impairment

₹ crores

	2018-19	2017-18
39. OTHER EXPENSES		
Consumption of stores and spares	**44.16**	58.11
Power and fuel	**75.61**	70.54
Rent	**59.54**	58.17
Repairs - buildings	**12.45**	10.45
Repairs - machinery	**39.50**	38.76
Repairs - others	**19.49**	22.04
Insurance	**23.20**	16.74
Rates and taxes	**28.41**	31.07
Freight and forwarding	**216.29**	155.64
Packing materials	**63.19**	51.75
After sales services including warranties	**7.94**	49.80
Travelling and conveyance	**44.28**	52.82
Sales promotion	**46.39**	86.68
Bank charges	**49.19**	76.70
Sub contracting charges	**251.44**	265.83
Directors' sitting fees	**0.87**	0.47
Allowance for doubtful debts and advances	**73.08**	79.58
Bad debts and advances written off	**-**	166.98
Legal and professional charges	**104.13**	85.14
Miscellaneous expenses	**215.59**	287.19
	1374.75	1664.46

	As at 31-03-2019	As at 31-03-2018	As at 1-04-2017
40. CONTINGENT LIABILITIES AND COMMITMENTS			
A. Contingent liabilities:			
(to the extent not provided for)			
(a) Claims against the Group not acknowledged as debts	**5.36**	7.25	9.01
(b) Sales tax / VAT / Entry tax liability that may arise in respect of matters in appeal	**16.41**	50.23	44.38
(c) Excise duty / custom duty / service tax liability that may arise in respect of matters in appeal	**15.29**	6.44	6.53
(d) Income tax liability that may arise in respect of matters in appeal preferred by the department	**4.34**	4.35	4.58
B. Financial guarantees:			
Loan guarantee given on behalf of other related parties	**391.88**	391.88	391.88
C. Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**10.17**	7.49	11.12

Notes:

(i) The Group does not expect any reimbursement in respect of the above contingent liabilities.

(ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of the arbitration / appellate proceedings.

(iii) Supreme Court (SC) passed a judgment on 28 February, 2019 relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act. There are numerous interpretative issues relating to the Supreme Court (SC) judgment including the effective date of application. The Group continues to assess any further developments in this matter for the implications on consolidated financial statements, if any.

(iv) Sales tax / VAT / Entry tax cases include disputes pertaining to disallowances of Input tax credit and non-submission of various forms with authority.

(v) Excise duty / custom duty / service tax cases include disputes pertaining to inadmissibility of cenvat credit bought out spares, short payment of service tax on work contracts and refund of excise duty on export of transformers and interest payment on provisional assessment cases.

(vi) Contingent liabilities for Income tax cases pertains to difference on account of MODVAT / CENVAT credit and valuation of closing stock, disallowance of depreciation claim and after sales services including warranties.

(vii) Claims against Group include disputes pertaining to cost of technology and expenses incurred towards setting up a plant to manufacture of Amorphous Metal Transformers, Claim pertaining to fluctuation in foreign currency on imported materials supplied and claim towards procurement of man power services.

₹ crores

41. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES

(a) In terms of Indian Accounting Standard (Ind AS) 24 Related Party Disclosures, Indian Accounting Standard (Ind AS) 110 Consolidated Financial Statements and (Ind AS) 28 Investment in Associates and Joint Ventures in Consolidated Financial Statements specified by the Companies (Accounting Standards) Rules, 2015 (as amended), the Consolidated Financial Statements present the Consolidated Financial Statements of CG Power and Industrial Solutions Limited (the Parent Company) with its subsidiaries, associate and joint venture as under:

(i) Subsidiaries:

Sr. No.	Name of the Related Parties	Country of Incorporation	% Equity Interest	
			As at 31-03-2019	As at 31-03-2018
1	CG Power Solutions Limited	India	**100.00**	100.00
2	CG-PPI Adhesive Products Limited	India	**81.42**	81.42
3	CG Power Equipments Limited (formerly known as “Crompton Greaves Consumer Products 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. (formerly known as “Crompton Greaves Sales Network Malaysia Sdn. Bhd.”)	Malaysia	**100.00**	100.00
6	CG International B.V.	The Netherlands	**100.00**	100.00
7	CG Holdings Belgium N.V.	Belgium	**100.00**	100.00
8	CG Power Systems Belgium N.V.	Belgium	**100.00**	100.00
9	CG Power Systems Ireland Limited	Ireland	**100.00**	100.00
10	PT. CG Power Systems Indonesia	Indonesia	**95.00**	95.00
11	CG Sales Networks France SA	France	**99.70**	99.70
12	CG Power Solutions Saudi Arabia Limited	Saudi Arabia	**51.00**	51.00
13	CG Electric Systems Hungary Zrt.	Hungary	**100.00**	100.00
14	CG Power Solutions UK Limited	United Kingdom	**100.00**	100.00
15	CG Power Systems Canada Inc.	Canada	**100.00**	100.00
16	CG- Ganz Generator and Motor Limited Liability Company (formerly known as “CG Holdings Hungary Kft.”)	Hungary	**100.00**	100.00
17	CG Service Systems France SAS	France	**100.00**	100.00
18	CG Industrial Holdings Sweden AB	Sweden	**100.00**	100.00
19	CG Drives and Automation Sweden AB	Sweden	**100.00**	100.00
20	CG Drives and Automations Germany GmbH	Germany	**100.00**	100.00
21	CG Drives and Automation Netherlands B.V.	The Netherlands	**100.00**	100.00
22	CG Middle East FZE	UAE	**100.00**	100.00
23	CG Holdings Americas, LLC (merged with CG Power Americas LLC w.e.f. 1 April, 2019)	USA	**100.00**	100.00
24	QEI, LLC	USA	**100.00**	100.00
25	CG Power Americas, LLC	USA	**100.00**	100.00
26	CG Solutions Americas, LLC (merged with CG Power Americas LLC w.e.f. 1 April, 2019)	USA	**100.00**	100.00
27	PT Crompton Prima Switchgear Indonesia (Subsidiary w.e.f. FY 2018-19)	Indonesia	**51.00**	NA
28	CG Power and Industrial Solutions Limited Middle East FZCO (Incorporated on 15 October, 2018)	UAE	**100.00**	NA

(ii) Associate:

Sr. No.	Name of the Related Parties	Country of Incorporation	% Equity Interest	
			As at 31-03-2019	As at 31-03-2018
1	CG International BV TR. & Cont. Pvt. Co. LLC. (Liquidated w.e.f. 18 June, 2019) (formerly known as "Pauwels Middle East Trading & Contracting (Pvt) Co. LLC")	Sharjah	**49.00**	49.00

₹ crores

41. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES (Contd.)

(iii) Joint Venture:

Sr. No	Name of the Related Parties	Country of Incorporation	% Equity Interest	
			As at 31-03-2019	As at 31-03-2018
1	PT Crompton Prima Switchgear Indonesia (upto FY 2017-18) (Refer note below)	Indonesia	-	51.00

Note:

The % voting rights that Parent Company holds in all its subsidiaries is equal to the % of corresponding shareholding except in case of Serial No. 10 PT CG Power Systems Indonesia. The Parent Company holds 95% of shareholding in PT CG Power Systems Indonesia through its subsidiary CG Power Systems Belgium N.V., and balance 5% is held by other partner. However, the parent Company through its subsidiary CG Power Systems Belgium N.V., has 100% voting rights since 5% shares held by other partner has no voting rights (Refer note 3A - t).

In the case of CG Power Solutions Saudi Arabia Limited and PT Crompton Prima Switchgear Indonesia, the financial statements as at 31 December, 2018 have been considered. Material adjustments required for any significant events or transactions for the three months upto 31 March, 2019 have been considered.

During the current year, erstwhile Joint venture of the Group, PT Crompton Prima Switchgear Indonesia, has been treated as subsidiary of the Group on account of the control exercised by the Group.

For the purposes of consolidation, the financial statements of the foreign subsidiaries, associate and joint venture as at 31 March, 2019, have been restated to comply with Indian Accounting Standard (Ind AS).

(iv) Key Management Personnel:

1	Gautam Thapar	-	Non- Executive Director and Promoter Director (ceased to be Chairman w.e.f. 29 August, 2019)
2	K. N. Neelkant	-	Executive Director, CEO & Managing Director
3	V R Venkatesh	-	Chief Financial Officer (ceased w.e.f. 30 August, 2019)
4	Shikha Kapadia	-	Company Secretary and Compliance Officer
5	Omkar Goswami	-	Non- Executive Director
6	B. Hariharan	-	Non- Executive Director (ceased w.e.f. 8 March, 2019)
7	Sanjay Labroo	-	Non- Executive and Independent Director (ceased w.e.f. 1 October, 2018)
8	Valentin Von Massow	-	Non- Executive and Independent Director (ceased w.e.f. 5 August, 2019)
9	Ramni Nirula	-	Non- Executive and Independent Director
10	Jitender Balakrishnan	-	Non- Executive and Independent Director
11	Ashish Kumar Guha	-	Non- Executive and Independent Director
12	Sudhir Mathur	-	Whole Time- Executive Director (Non- Executive and Independent Director w.e.f. 1 October, 2018 upto 10 May, 2019 Whole Time- Executive Director w.e.f. 10 May, 2019)
13	Narayan K. Seshadri	-	Non- Executive Independent Director (Appointed w.e.f. 8 March, 2019)
14	Madhav Acharya	-	Executive Director-Finance & CFO (ceased to be CFO & Executive Director w.e.f. 12 August, 2017 & ceased to be a Non-Executive Director w.e.f. 30 September, 2017)
15	Manoj Koul	-	Company Secretary (ceased w.e.f. 23 August, 2017)

(v) Other Related Parties in which directors are interested / promoter affiliate company:

1 Ballarpur Industries Limited
2 Solaris ChemTech Industries Limited (ceased to be subsidiary of AHL w.e.f. 27 December, 2018)
3 BILT Graphic Paper Products Limited
4 Avantha Holdings Limited (“AHL”)
5 Avantha Business Solutions Limited
6 Avantha Realty Limited
7 Asahi India Glass Limited
8 Sulochana Thapar Foundation (formerly known as “Avantha Foundation”)
9 Varun Prakashan Private Limited
10 Korba West Power Company Limited
11 Jhabua Power Limited
12 Solaris Industrial Chemicals Limited
13 Avantha Power & Infrastructure Ltd
14 Ballarpur Graphics Paper Product Limited
15 Avantha International Assets BV
16 Ballarpur International Holdings BV
17 Mirabelle Trading PTE Ltd.

₹ crores

41. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES (Contd.)

(vi) Post Employment Benefit Entity

1 CG Provident Fund

2 CG Gratuity Fund

(b) The following transactions were carried out with the related parties in the ordinary course of business

Sr. No.	Nature of transaction / relationship	2018-19	2017-18
1	**Sales of goods and services**		
	Other Related Parties		
	BILT Graphic Paper Products Limited	0.01	0.04
	Asahi India Glass Limited	-	0.07
	Korba West Power Company Limited	-	0.03
	Jhabua Power Limited	0.39	-
	Total	0.40	0.14
2	**Interest expenses**		
	Other Related Party		
	Varun Prakashan Private Limited	-	0.50
	Total	-	0.50
3	**Interest income**		
	Other Related Party		
	Avantha International Assets BV##	8.62	-
	Total	8.62	-
4	**Payment of salaries, commission and perquisites**		
	Key Management Personnel		
	K. N. Neelkant#	4.67	4.52
	Madhav Acharya#	-	2.01
	V. R. Venkatesh#	1.90	2.73
	Shikha Kapadia#	0.56	0.07
	Manoj Koul#	-	0.36
	Total	7.13	9.69
5	**Rent paid**		
	Other Related Parties		
	Avantha Realty Limited	1.87	2.19
	Jhabua Power Limited	0.55	1.42
	Total	2.42	3.61
6	**Amounts written off**		
	Other Related Party		
	BILT Graphic Paper Products Limited	2.80	-
	Total	2.80	-
7	**Other expenses**		
	Other Related Parties		
	Avantha Holdings Limited	38.06	79.77
	Avantha Business Solutions Limited	-	0.03
	Sulochana Thapar Foundation	-	0.05
	Jhabua Power Limited	0.19	0.65
	Total	38.25	80.50
8	**Loans and advances given (net of repayments) during the year**		
	Other Related Parties##		
	Avantha Holdings Limited	(15.08)	(368.49)
	Avantha Realty Limited	0.43	(2.33)
	Solaris Industrial Chemicals Limited	98.20	280.00
	Avantha International Assets BV	348.46	2.27
	Ballarpur International Holdings BV	3.11	82.25
	Mirabelle Trading PTE Ltd.	34.36	58.97
	Total	469.48	52.67

Remuneration does not include the provisions made for gratuity, leave and post retirement medical benefits, as they are determined on an actuarial basis for the Company as a whole.

41. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES (Contd.)

(c) Amount due to / from related parties

Sr. No.	Nature of transaction / relationship	2018-19	2017-18
1	**Trade payable**		
	Other Related Parties		
	Avantha Holdings Limited	-	0.01
	Mirabelle Trading PTE Ltd.##	6.30	6.56
	Jhabua Power Limited	1.01	1.47
		7.31	8.04
	Non-current	-	-
	Current	7.31	8.04
	Total	7.31	8.04
2	**Trade receivable**		
	Other Related Parties		
	Ballarpur Industries Limited	0.08	0.23
	Solaris ChemTech Industries Limited	-	0.01
	BILT Graphic Paper Products Limited	0.47	3.57
	Jhabua Power Limited	1.31	0.41
		1.86	4.22
	Non-current	-	-
	Current	1.86	4.22
	Total	1.86	4.22
3	**Loans and advances receivable**		
	Other Related Parties##		
	Avantha Holdings Limited	1006.22	1180.82
	Avantha Realty Limited	10.65	10.23
	Avantha Power & Infrastructure Ltd	15.00	15.00
	Ballarpur Industries Limited	68.50	68.50
	Ballarpur Graphics Paper Product Limited	552.33	552.33
	Solaris Industrial Chemicals Limited	378.20	280.00
	Ballarpur International Holdings BV	85.37	82.25
	Avantha International Assets BV	350.74	2.27
	Mirabelle Trading PTE Ltd.	93.33	58.97
		2560.34	2250.37
	Non-current	2560.34	2250.37
	Current	-	-
	Total	2560.34	2250.37
4	**Due to Key Management Personnel**		
	K. N. Neelkant	3.29	2.54
		3.29	2.54
	Non-current	-	-
	Current	3.29	2.54
	Total	3.29	2.54
5	**Guarantees outstanding**		
	Joint Venture		
	PT Crompton Prima Switchgear Indonesia	-	44.87
	Other Related Party		
	Avantha Holdings Limited##	572.20	500.00
	Total	572.20	544.87

These transactions and balances are subject to investigation to ensure completeness a such transactions / accounting adjustments as disclosed in note 3A-(y) and 55.

(d) Compensation of Key Management Personnel of the Company

Nature of transaction	2018-19	2017-18
Short-term employee benefits	6.93	9.49
Post-employment pension, provident fund and medical benefits	0.20	0.20
Commission and other benefits paid to non-executive / independent directors	-	-
Total compensation paid to key management personnel	7.13	9.69

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and are done in ordinary course of business expect transactions with Other Related Parties disclosed above in note b (3), (8) and closing balances with Other Related Parties disclosed in note c (1), (3), (5), where management plants to investigate to ensure completeness of these transactions / accounting adjustments.

Outstanding balances at the year-end are unsecured and settlement occurs in cash.

The Group makes monthly contributions to provident fund managed by "CG Provident Fund" for certain eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Group contributed ₹ 12.15 crores (Previous year ₹ 11.31 crores).

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (CG Gratuity Fund). During the year, the Group contributed ₹ 7.68 crores (Previous year ₹ 10.02 crores).

₹ crores

42. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 112 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	
		31-03-2019 %	31-03-2018 %
CG-PPI Adhesive Products Limited	India	18.58	18.58
PT Crompton Prima Switchgear Indonesia	Indonesia #	49.00	NA
PT. CG Power Systems Indonesia	Indonesia	5.00	5.00

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-PPI Adhesive Products Limited		PT Crompton Prima Switchgear Indonesia #		PT. CG Power Systems Indonesia	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue	23.07	20.64	9.26	-	854.05	866.07
Other Income	0.79	2.58	-	-	23.65	15.35
Cost of materials consumed	(13.40)	(11.26)	(8.95)	-	(569.23)	(546.59)
Other expenses	(7.35)	(9.19)	(17.66)	-	(212.35)	(183.32)
Finance costs	(0.01)	(0.05)	(1.63)	-	(1.20)	(0.14)
Pre-tax profit / (loss) from continuing operations	3.10	2.72	(18.98)	-	94.92	151.37
Income tax expense / (credit)	0.81	0.90	(2.88)	-	18.91	28.94
Post-tax profit / (loss) from continuing operations (A)	2.29	1.82	(16.10)	-	76.01	122.43
Other comprehensive income (B)	0.02	0.05	-	-	4.40	(6.42)
Total comprehensive income (A+B) = C	2.31	1.87	(16.10)	-	80.41	116.01
Attributable to non-controlling interest	0.43	0.35	(7.89)	-	4.02	5.80
Dividend paid to non-controlling interest	0.09	0.09	-	-	1.09	2.45

Summarised Balance Sheet:

	CG-PPI Adhesive Products Limited		PT Crompton Prima Switchgear Indonesia #		PT. CG Power Systems Indonesia	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Current assets	19.52	17.13	22.97	-	1026.42	932.41
Non-current assets	4.81	4.44	125.43	-	89.93	87.50
Current liabilities	(4.80)	(3.87)	(47.33)	-	(291.79)	(268.73)
Non-current liabilities	(0.31)	(0.24)	(84.05)	-	-	-
Total equity	19.22	17.46	17.02	-	824.56	751.18
Attributable to:						
Equity holders of parent	15.65	14.22	8.68	-	783.33	713.62
Non-controlling interest	3.57	3.24	8.34	-	41.23	37.56

Summarised cash flow information:

	CG-PPI Adhesive Products Limited		PT Crompton Prima Switchgear Indonesia #		PT. CG Power Systems Indonesia	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Cash flows from:						
Operating activities	(0.03)	0.96	(19.52)	-	20.72	73.85
Investing activities	(0.37)	(0.02)	(8.38)	-	(42.82)	(28.95)
Financing activities	(0.57)	(1.05)	31.64	-	7.95	(53.28)
Net increase / (decrease) in cash and cash equivalents	(0.97)	(0.11)	3.74	-	(14.15)	(8.38)

During the current year, erstwhile Joint Venture of the Group, PT Crompton Prima Switchgear Indonesia, has been treated as subsidiary of the Group.

	2018-19	2017-18
43. EXPENSES CAPITALISED DURING THE YEAR		
(a) Raw materials consumed	4.12	0.87
(b) Employee benefits	13.23	7.16
(c) Other expenses	5.78	23.71

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS

(a) Defined contribution plans:

Amount of ₹ 107.06 crores (Previous year ₹ 109.77 crores) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans:

Benefits (Contribution to):	2018-19	2017-18
Provident fund	**12.29**	11.70
Superannuation fund	**4.89**	4.46
Employee state insurance scheme	**0.43**	0.56
Labour welfare scheme	**0.02**	0.01
National pension scheme	**0.29**	-
Family pension	**89.14**	93.04
Total	**107.06**	109.77

(b) Defined benefit plans:

Gratuity

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment. Vesting occurs upon completion of five continuous years of service in accordance with Indian law. During the year the company changed scheme of gratuity wherein all the employees will be eligible for gratuity without capping of maximum limit of ₹ 0.20 crores. The gratuity amount is calculated as per Payment of Gratuity Act.

The Group makes annual contributions to the CG Gratuity Fund, which is funded defined benefit plan for qualifying employees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Post-retirement medical benefit

Post-retirement medical benefit includes hospitalization cover & benefits on Cessation of Employment as per the policy. This cover is applicable only to employee and spouse as per the limits specified for the last grade while in employment. This coverage does not form part of essential terms and condition of employment, and is a benefit extended by the Group as a part of its social benefit policies. The policies of Medical, Health and Hospitalization insurance are subject to change based on contemporary market trends and practices.

The following tables summarise the components of net benefit expenses recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the consolidated balance sheet for the respective plans:

		Gratuity		Post Retirement Medical Benefits	
		2018-19	2017-18	**2018-19**	2017-18
		(Funded)	(Funded)	**(Non-funded)**	(Non-funded)
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	**63.91**	61.98	**10.68**	25.03
2	Interest cost	**5.04**	4.74	**0.83**	1.89
3	Current service cost	**3.85**	3.49	**0.12**	1.03
4	Curtailment	**-**	-	**-**	(17.29)
5	Past service cost (Refer note 51)	**(17.16)**	-	**-**	-
6	Benefits paid directly by the employer	**(0.32)**	(1.93)	**(0.47)**	(0.51)
7	Benefits paid	**(6.87)**	(7.29)	**-**	-
8	Actuarial changes arising from changes in financial assumptions	**0.41**	(0.94)	**(0.25)**	(0.32)
9	Actuarial changes arising from changes in experience adjustments	**0.18**	3.86	**(0.08)**	0.85
10	Present value of defined benefit obligation at the end of the year	**49.04**	63.91	**10.83**	10.68
II	**Change in fair value of plan assets during the year**				
1	Fair value of plan assets at the beginning of the year	**56.23**	51.90	**NA**	NA
2	Interest income	**4.43**	3.96	**NA**	NA
3	Contributions paid by the employer	**7.70**	10.04	**NA**	NA
4	Benefits paid from the fund	**(6.87)**	(7.29)	**NA**	NA
5	Return on plan assets excluding interest income	**(3.16)**	(2.38)	**NA**	NA
6	Fair value of plan assets at the end of the year	**58.33**	56.23	**NA**	NA

₹ crores

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS (Contd.)

		Gratuity		Post Retirement Medical Benefits	
		2018-19	2017-18	**2018-19**	2017-18
		(Funded)	(Funded)	**(Non-funded)**	(Non-funded)
III	**Net asset / (liability) recognised in the balance sheet**				
1	Present value of defined benefit obligation at the end of the year	**(49.04)**	(63.91)	**(10.83)**	(10.68)
2	Fair value of plan assets at the end of the year	**58.33**	56.23	**-**	-
3	Amount recognised in the balance sheet	**9.29**	(7.68)	**(10.83)**	(10.68)
4	Net (liability)/ asset- Current	**9.29**	(7.68)	**(0.46)**	(0.50)
	Net (liability)/ asset- Non-current	**-**	-	**(10.37)**	(10.18)
IV	**Expenses recognised in the statement of profit and loss for the year**				
1	Current service cost	**3.85**	3.49	**0.12**	1.03
2	Interest cost on benefit obligation (net)	**0.63**	0.78	**0.83**	1.89
3	Curtailment	**(17.18)**	-	**-**	(17.29)
4	Total expenses included in employee benefits expense	**(12.70)**	4.27	**0.95**	(14.37)

		Gratuity		Post Retirement Medical Benefits	
		As at 31-03-2019	As at 31-03-2018	**As at 31-03-2019**	As at 31-03-2018
		(Funded)	(Funded)	**(Non-funded)**	(Non-funded)
V	**Recognised in other comprehensive income for the year**				
1	Actuarial changes arising from changes in financial assumptions	**0.41**	(0.94)	**(0.25)**	(0.32)
2	Actuarial changes arising from changes in experience adjustments	**0.18**	3.86	**(0.08)**	0.85
3	Return on plan assets excluding interest income	**3.16**	2.38	**NA**	NA
4	Recognised in other comprehensive income	**3.75**	5.30	**(0.33)**	0.53
VI	**Maturity profile of defined benefit obligation**				
1	Within the next 12 months (next annual reporting period)	**7.99**	9.20	**0.50**	0.81
2	Between 2 and 5 years	**19.79**	26.60	**2.29**	3.42
3	Between 6 and 10 years	**21.17**	30.06	**3.72**	4.81
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	**(2.63)**	(3.38)	**(1.37)**	(1.26)
	(ii) One percentage point decrease in discount rate	**2.97**	3.79	**1.74**	1.58
	(i) One percentage point increase in rate of salary increase	**3.05**	3.90	**NA**	NA
	(ii) One percentage point decrease in rate of salary increase	**(2.74)**	(3.53)	**NA**	NA
	(i) One percentage point increase in employee turnover rate	**0.91**	1.05	**NA**	NA
	(ii) One percentage point decrease in employee turnover rate	**(1.02)**	(1.17)	**NA**	NA
	(i) One percentage point increase in medical inflation rate	**NA**	NA	**1.76**	1.60
	(ii) One percentage point decrease in medical inflation rate	**NA**	NA	**(1.39)**	(1.28)
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.				

₹ crores

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS (Contd.)

		Gratuity		Post Retirement Medical Benefits	
		As at 31-03-2019	As at 31-03-2018	**As at 31-03-2019**	As at 31-03-2018
		(Funded)	(Funded)	**(Non-funded)**	(Non-funded)
VIII	**The major categories of plan assets as a percentage of total plan asset**				
	Insurer managed funds	**100%**	100%	**NA**	NA
IX	**Weighted average duration of the defined benefit obligation (in years)**	**7**	6	**30**	30
X	**Actuarial assumptions**				
1	Discount rate	**7.72%-8.00% p.a.**	7.88%-8.00% p.a.	**7.76% p.a.**	7.76% p.a.
2	Salary escalation	**6.00% p.a. for the next 1 year, 4.00% p.a. for the next 2 years, starting from the 2nd year, 3.50% p.a. thereafter, starting from the 4th year**	6.00% p.a. for the next 1 year, 4.00% p.a. for the next 2 years, starting from the 2nd year, 3.50% p.a. thereafter, starting from the 4th year	**NA**	NA
3	Mortality rate during employment	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate
4	Mortality post retirement rate	**NA**	NA	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
5	Rate of employee turnover	**4.00% p.a.**	4.00% p.a.	**4.00% p.a.**	4.00 % p.a.
6	Medical premium inflation rate	**NA**	NA	**2.00 % p.a.**	2.00 % p.a.

	2018-19	2017-18	**2018-19**	2017-18
Expected contribution to the defined benefit plan for the next annual reporting period	**-**	7.65	**NA**	NA

Notes:

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31 March, 2019. 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.

Pension obligation

The Group operates post retirement pension plan for its eligible employees, a defined benefit retirement plan with assets held in a separately administered funds. The scheme provides retirement benefits on the basis of members' final salary.

The Group also provides other post-employment termination benefits, which is separation pay. The separation pay benefit is paid to employees in the case of voluntary resignation, subject to a minimum number of years of service. This benefit has been accounted for using the same methodology as for the defined benefit pension plan.

The following tables summarise the components of net benefit expenses recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the consolidated balance sheet for the respective plans:

₹ crores

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS (Contd.)

		Pension		Pension	
		2018-19	2017-18	**2018-19**	2017-18
		(Funded)	(Funded)	**(Non-funded)**	(Non-funded)
I	**The movement in the present value of defined benefit obligation:**				
1	Present value of defined benefit obligation at the beginning of the year	**306.26**	283.54	**3.33**	3.02
2	Current service cost	**18.33**	8.48	**1.33**	1.13
3	Interest cost	**8.63**	4.84	**0.24**	0.20
4	Benefits paid directly by employer	**(0.08)**	-	**-**	-
5	Benefits paid from the fund	**(26.05)**	(2.59)	**(0.69)**	(0.74)
6	Actuarial (gain) / Losses				
	- experience adjustments	**17.49**	(0.92)	**(0.18)**	(0.34)
	- financial assumptions	**(7.02)**	3.74	**(0.00)**	0.16
7	Past service cost / (gain)	**(2.26)**	(0.79)	**(0.05)**	(0.03)
8	Settlement payment	**(0.35)**	-	**-**	-
9	Employee contributions	**1.39**	1.02	**-**	-
10	Translation difference	**(8.60)**	8.94	**0.06**	(0.07)
11	Present value of defined benefit obligation at the end of the year	**307.74**	306.26	**4.04**	3.33
II	**The movement in fair value of plan assets:**				
1	Fair value of plan assets at the beginning of the year	**291.03**	269.26	**NA**	NA
2	Interest income	**6.12**	3.09	**NA**	NA
3	Return on plan assets excluding interest income	**0.96**	1.24	**NA**	NA
4	Due to termination benefit - Remeasurement	**(2.26)**	-	**NA**	NA
5	Employer contributions	**21.13**	11.35	**NA**	NA
6	Benefit paid	**(26.05)**	(2.59)	**NA**	NA
7	Translation difference	**(8.41)**	8.68	**NA**	NA
8	Fair value of plan assets at the end of the year	**282.52**	291.03	**NA**	NA
III	**Net (asset) / liability recognised in the balance sheet:**				
1	Present value of defined benefit obligation at the end of the year	**(307.74)**	(306.26)	**(4.04)**	(3.33)
2	Fair value of plan assets at the end of the year	**282.52**	291.03	**-**	-
3	Net pension (liability) / asset	**(25.22)**	(15.23)	**(4.04)**	(3.33)
4	Net pension (liability) / asset recognised in the balance sheet	**(25.22)**	(15.23)	**(4.04)**	(3.33)
IV	**Expenses recognised in the statement of profit and loss for the year:**				
1	Current service cost	**18.33**	8.48	**1.33**	1.13
2	Interest cost on benefit obligation (Net)	**1.36**	0.66	**0.24**	0.20
3	Past service cost	**(2.26)**	(0.79)	**(0.05)**	(0.03)
4	Settlement and curtailment cost	**(0.35)**	-	**-**	-
5	Actuarial (gain) / losses	**-**	-	**(0.18)**	(0.18)
6	Total expenses included in employee benefits expense	**17.08**	8.35	**1.34**	1.12
V	**Recognised in other comprehensive income for the year:**				
1	Actuarial changes arising from changes in financial assumptions	**5.17**	3.74	**0.00**	0.16
2	Actuarial changes arising from changes in experience adjustments	**5.47**	(0.92)	**(0.18)**	(0.34)
3	Return on plan assets excluding interest income	**2.45**	(0.15)	**-**	-
4	Recognised in other comprehensive income	**13.09**	2.67	**(0.18)**	(0.18)

₹ crores

44. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS (Contd.)

		As at 31-03-2019	As at 31-03-2018
VI	**The major categories of plan assets as a percentage of total plan assets:**		
	Insurer managed funds	**100.00%**	100.00%
	Total	**100.00%**	100.00%
VII	**Actuarial assumptions:**		
1	Discount rate	**8.35% p.a.**	7.50% p.a.
2	Future salary and pension increases	**7.50% p.a.**	7.50% p.a.

(c) Provident fund

The Group makes contribution towards provident fund to CG Provident Fund which is administered by the trustees. The Rules of the Group's Provident Fund administered by a trust, require that if the Board of the Trustees are unable to pay interest at the rate declared by the Government under Para 60 of the Employees Provident Fund Scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Group making interest shortfall a defined benefit plan. Accordingly, the Group has obtained actuary valuation and based on the below provided assumption there is no deficiency as at the balance sheet date. Hence, the liability is restricted towards monthly contributions only.

	As at 31-03-2019	As at 31-03-2018
Plan assets at period end, at fair value	**337.45**	319.18
Present value of defined obligation at period end	**304.36**	288.63

Assumptions used in determining the present value of obligation

	As at 31-03-2019	As at 31-03-2018
Rate of discounting	**7.72% p.a.**	7.88% p.a.
Mortality rate	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition rate	**4.00% p.a.**	4.00% p.a.
Guaranteed rate of interest	**8.65% p.a.**	8.55% p.a.
Whilst in service withdrawal	**5.00% p.a.**	5.00% p.a.

45. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 108 OPERATING SEGMENTS

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

Identification 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

45. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 108 OPERATING SEGMENTS (Contd.)

Summary of the Segmental Information as at and for the year ended 31 March, 2019 is as follows:

	Power Systems	Industrial Systems	Others	Discontinued operations	Eliminations /Unallocable Expenditure / Assets##	Total
Revenue from operations						
External sales (Gross Sales)	4608.55	3372.30	17.06	-	-	**7997.91**
Add: Inter segment sales	1.78	0.87	-	-	(2.65)	**-**
Total revenue	**4610.33**	**3373.17**	**17.06**	**-**	**(2.65)**	**7997.91**
Segment results	(22.87)	372.35	(3.32)	-	-	**346.16**
Less: Finance costs						**382.99**
Less: Other unallocable expenditure net of unallocable income						**158.32**
Less: Foreign exchange (gain) / loss (net)						**97.12**
Loss after finance cost but before share of profit / (loss) from associate and joint venture, exceptional items and tax						**(292.27)**
Share of profit/ (loss) from associate and joint venture						**-**
Exceptional items (net)						**(166.68)**
Tax expense						**(32.58)**
Loss from continuing operations after tax						**(491.53)**
Loss from discontinued operations after tax						**(15.60)**
Loss for the year						**(507.13)**
Capital Employed:						
Segment assets	6504.71	1503.71	19.24	321.46	1986.75	**10335.87**
Segment liabilities	3197.82	950.66	4.33	47.53	3950.16	**8150.50**
Net Assets	**3306.89**	**553.05**	**14.91**	**273.93**	**(1963.41)**	**2185.37**
Capital expenditure#	95.12	33.45	0.91	-	5.89	**135.37**
Depreciation and amortisation#	144.79	57.61	0.54	-	22.31	**225.25**
Impairment of intangible assets under development#	14.15	-	-	-	-	**14.15**
Non-cash expenses other than depreciation and amortisation#	51.36	2.13	0.12	-	11.05	**64.66**

Summary of the Segmental Information as at and for the year ended 31 March, 2018 is as follows:

	Power Systems	Industrial Systems	Others	Discontinued operations	Eliminations /Unallocable Expenditure / Assets##	Total
Revenue from operations						
External sales (Gross Sales)	5521.81	2591.47	16.71	-	-	**8129.99**
Add: Inter segment sales	0.40	0.10	-	-	(0.50)	**-**
Total revenue	**5522.21**	**2591.57**	**16.71**	**-**	**(0.50)**	**8129.99**
Segment results	(196.86)	160.47	2.30	-	-	**(34.09)**
Less: Finance costs						**349.61**
Less: Other unallocable expenditure net of unallocable income						**114.57**
Less: Foreign exchange (gain) / loss (net)						**(71.23)**
Loss after finance cost but before share of profit / (loss) from associate and joint venture, exceptional items and tax						**(427.04)**
Share of profit / (loss) from associate and joint venture						**(1.74)**
Exceptional items (net)						**(134.94)**
Tax expense						**(101.72)**
Loss from continuing operations after tax						**(665.44)**
Loss from discontinued operations after tax						**(49.14)**
Loss for the year						**(714.58)**
Capital Employed:						
Segment assets	6982.05	1353.13	19.28	97.25	2421.45	**10873.16**
Segment liabilities	3324.66	623.25	3.81	35.69	3964.26	**7951.67**
Net Assets	**3657.39**	**729.88**	**15.47**	**61.56**	**(1,542.81)**	**2921.49**
Capital expenditure#	61.45	75.57	0.38	-	43.98	**181.38**
Depreciation and amortisation#	176.93	54.45	0.46	-	20.09	**251.93**
Impairment of freehold land#	107.00	-	-	-	-	**107.00**
Impairment of goodwill#	20.82	-	-	-	-	**20.82**
Non-cash expenses other than depreciation and amortisation#	245.54	4.15	0.12	-	7.00	**256.81**

\# The disclosure pertains to continuing business segments.

\## Unallocable assets comprise assets and liabilities which cannot be allocated to the segments.

₹ crores

45. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 108 OPERATING SEGMENTS (Contd.)

Segment revenue by location of customers:

Sales and service revenue:	2018-19		2017-18	
Domestic		**4596.13**		4411.67
Overseas:				
Asia	**1328.20**		1570.11	
Africa	**164.05**		185.57	
North America	**120.00**		160.43	
South America	**38.21**		50.10	
Europe	**1651.58**		1704.89	
Australia	**99.74**		47.22	
		3401.78		3718.32
Total		**7997.91**		8129.99

Cost incurred on acquisition of tangible and intangible assets:

	2018-19	2017-18
Domestic	**73.96**	168.56
Overseas	**61.41**	12.82
Total	**135.37**	181.38

The carrying amount of non current assets by location of assets:

	As at 31-03-2019	As at 31-03-2018
Domestic	**1057.65**	1386.80
Overseas	**1106.47**	1067.70
Total	**2164.12**	2454.50

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 105 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Discontinued businesses:

a. The Board of Directors of the Company had authorised a committee to evaluate several aspects related to all the operations identified as discontinued operations covering the status of identification of prospective buyers, binding offers, disposal groups, etc. for its identified overseas power transmission and distribution business and identified Indian subsidiaries. Considering the existing business scenario, operations and future potential of the various businesses identified as discontinued businesses. Thus, the Board of Directors believes that these businesses will have a value in long run and thus shall be continued as continuing operations. Thus for meeting the requirement under relevant accounting standard for classification of businesses, the Board of Directors at its meeting held on i.e. 8 March, 2019, decided to re-classify the businesses comprised in the following entities from Discontinued to Continuing operation with effect from 1 January, 2019:

i. CG Power Systems Ireland Ltd

ii. CG Holdings Belgium NV

iii. CG Power Systems Belgium NV

iv. CG Service Systems France SAS

v. CG Power Solutions UK Ltd.

vi. CG Middle East FZE

vii. CG Electric Systems Hungary Zrt.

Consequent to the re-classification, the above businesses have formed part of continuing operations. In accordance with the requirements of Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations, the Group has restated the comparatives in Statement of Profit and Loss for the year ended 31 March, 2018 and Balance Sheet as at 31 March, 2018 and 1 April, 2017.

b. Sale of Transmission and Distribution (T&D) business in USA

The Company accepted a binding offer of M/s WEG S.A., for acquisition of the Company's Power business in United States of America comprised in the Company's step down subsidiary, CG Power USA Inc. ("PSUS"), at an Enterprise value of USD 37.00 million. Pursuant to that the Company executed a stock purchase agreement ("SPA") on 20 June, 2017 with WEG Electric Corp, for sale of its 100% stake in PSUS. The Company concluded this sale transaction on 31 July, 2017. CG Power USA Inc. ceased to be an overseas subsidiary of the Company and the rest of businesses, i.e. Automation, trading and system, have been transferred into CG Holding Americas LLC, a wholly owned subsidiary of CG International B.V., Netherland.

c. During the year ended 31 March, 2019, the Board of Directors have approved the Scheme of Amalgamation of CG Power Solutions Limited, a wholly owned subsidiary of the Company with the Company. The Company has filed the necessary application to the Hon'ble National Company Law Tribunal of Maharashtra, at Mumbai and such other authorities as required for obtaining necessary approvals for the aforesaid Scheme.

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 105 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Contd.)

Subsequent to year end the Board has considered the operations of the CG Power Solutions Limited as continued operations taking into consideration the significance of outstanding receivables and pending investigation on certain transactions and balances. The Board reviewed the position and restated the comparatives for the year ended 31 March, 2018 and as at 1 April, 2017.

Following subsidiaries / business units are considered as discontinued operations as at 31 March, 2019:

Standalone:

1. Distribution Franchise business (Jalgaon)

Consolidated:

1. CG Sales Networks France SA
2. CG Power Solutions Saudi Arabia Ltd.
3. CG Power Solutions Americas, LLC
4. CG Power Systems Canada Inc.
5. CG Power Equipments Limited

d. The property, plant and equipment ("PPE") and intangible assets pertaining to discontinued subsidiaries were classified as held for sale and hence, no depreciation was recognised on the same in the prior years. Further upon reclassification of discontinued subsidiaries to continuing operations, the assets and liabilities of those operations were subject to overall review and recognised in accordance with the requirements of paragraph 27 of Ind AS 105. Consequent to the restatement, the related depreciation and amortisation of ₹ 83.59 crores has been accounted in the statement of profit and loss for the FY 2017-18 and ₹ 69.72 crores in the retained earnings as on 1 April, 2017.

e. Pursuant to the reclassification from discontinued to continuing business, the Group has also undertaken an overall review of its assets and liabilities, their accounting treatments and presentation in the consolidated financial statements. Based on such evaluation, resultant adjustments of ₹ (128.59) crores and ₹ 42.38 crores have been given effects as at 1 April, 2017 and 31 March, 2018 respectively.

f. <u>Power Distribution Franchise with Maharashtra State Electricity Distribution Company Limited</u>

On 1 June, 2011, the Group had entered into Power Distribution Franchise Agreement ("DFA") with Maharashtra State Electricity Distribution Company Limited ("MSEDCL") for distribution of power in Jalgaon region of Maharashtra, India.

As per the terms of the arrangements, the Company had obtained the right ('franchise') to distribute the electricity for the period of 10 years to the public at large.

MSEDCL should supply / sale electricity to the Group at rate prescribed under regulatory guidelines (MERC directives on load shedding). The Group should distribute and supply the electricity at the tariff determined by the regulatory authorities. The Group should conduct normal maintenance activities of network and other assets to maintain uninterrupted service. The Group is a private operator and MSEDCL is a Government body. The Group undertook obligation of public service granted by MSEDCL. Thus, the arrangement was a public-to-private service concession. The electricity distribution service is totally regulated by the MSEDCL or other Government regulatory authorities.

MSEDCL had given right to the Group to use its distribution assets which would always belong to MSEDCL. During the tenure of the arrangement, if the Group incurs any capital expenditure, the same should vest with MSEDCL at the end of the contract. MSEDCL should reimburse the Group for the capital expenditure incurred at the then value calculated based on pre-determined depreciation rate. Thus, MSEDCL controls significant residual interest in the concession assets. Accordingly, the Group had a contractual right to receive cash from MSEDCL for the capital expenditure incurred.

Therefore, the arrangement was a Service concession arrangement under Appendix C to Ind AS 115. The Group had a contractual right to receive the residual value of the capital expenditure done under the arrangement and accordingly, will recognise financial asset. Further, the Group had right to charge the consumers for the services and therefore, there was an intangible asset.

Consequent to the certain unresolved disputes arising out of the Distribution Franchisee Agreement ("DFA") of the Group with MSEDCL, MSEDCL had exercised its step in rights and taken over the Distribution Franchisee in Jalgaon from the Group with effect from 12 August, 2015. Accordingly, the Group has classified Power Distribution Segment as discontinued operations.

In respect of discontinued Distribution Franchise business, the Group and MSEDCL have entered into final settlement on 16 February, 2018. Based on the same, the Group has written off amount of ₹ 79.56 crores towards receivable from MSEDCL during the year ended 31 March, 2018, which is disclosed under discontinued operations.

Further the considering as per requirements of Ind AS 109 Financial instruments, the Company has measured the asset at amortised cost and recognised expected credit loss of ₹ 22.68 crores during the year ended 31 March, 2018 and presented the same part of loss from discontinued operations before tax. The restated net receivable balance of ₹ 52.12 crores is as at 31 March, 2018. {Refer note 3A(e)}.

In line with applicability of Ind AS 115 Revenue from contracts with customers w.e.f 1 April, 2018, the Group has measured the outstanding receivable and the further expected cash flow, the amount of ₹ 14.94 crores has been adjusted in opening retained earnings as per the standard following modified retrospective approach. However considering the non-recoverability of balance dues of ₹ 34.21 crores, the Group has further provided for ₹ 33.72 crores during the current year, hence net receivable from MSEDCL as at 31 March, 2019 is ₹ 0.49 crores.

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 105 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Contd.)

g. Transformer Division - Kanjurmarg

The Board of Directors had approved, as part of its asset optimisation initiative, and entered into a definitive agreement for sale of its land at Kanjurmarg to Evie. The sale of first phase of land admeasuring 32,387.59 square meters was executed in October 2014. The sale of second phase of land admeasuring 53,198.45 square meters was executed in November 2015. The third phase of sale of land admeasuring 53,462.77 square meters including factory building relating to Transformer Division (T1) was executed in October 2015 with certain prescribed conditions to be complied in four years' time from the date of execution. The plant & machinery of T1 will be shifted to other manufacturing facilities. Accordingly, during the current year, carrying value of land and building amounting to ₹ 279.94 crores has been classified as 'Asset held for sale' in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations. The Group based on its internal assessment determined the fair value of such land and building to be in excess of the carrying amount and hence, in accordance with the relevant accounting standard has recognized such assets at the carrying amount in the consolidated financial statements.

Also during the current year, the Group has recognized a provision for restructuring cost towards closure / shifting of the said manufacturing facility at Kanjurmarg of ₹ 95.39 crores in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. The said provision has been accounted as an exceptional item in the consolidated financial statements (Refer note 51).

h. Others

The Group continues to identify prospective buyer(s) for its Indian subsidiary namely CG Power Equipments Limited (formerly known as "Crompton Greaves Consumer Products Limited"). Hence the business will continue to be reflected as discontinued operations and disclosed as 'Others' segment separately.

Statement of profit and loss of the discontinued operations is as under:

	2018-19				2017-18			
	T&D	Power Distribution	Others	Total	T&D	Power Distribution	Others	Total
Revenue from operations	-	-	-	-	242.25	-	-	242.25
Expenses (net of other income)	(6.65)	33.73	0.01	27.09	314.53	102.24	0.01	416.78
Profit / (loss) before tax from discontinued operation	6.65	(33.73)	(0.01)	(27.09)	(72.28)	(102.24)	(0.01)	(174.53)
Tax income / (expense)	(0.29)	11.78	-	11.49	(0.66)	35.37	-	34.71
Profit / (loss) after tax from discontinued operation	6.36	(21.95)	(0.01)	(15.60)	(72.94)	(66.87)	(0.01)	(139.82)
Gain on sale of Power system USA Business	-	-	-	-	90.68	-	-	90.68
Profit / (loss) after tax from discontinued operations	6.36	(21.95)	(0.01)	(15.60)	17.74	(66.87)	(0.01)	(49.14)

The major classes of assets and liabilities of the discontinued operation are as under:

	As at 31-03-2019			As at 31-03-2018		
	T&D	Power Distribution	Others	T&D	Power Distribution	Others
Assets						
Land and buildings	283.17	-	-	3.24	-	-
Capital work-in-progress	-	-	-	-	-	-
Trade receivables	9.92	0.49	-	12.98	52.12	-
Cash and cash equivalents	1.74	-	0.03	2.30	-	0.04
Deferred tax assets	21.76	-	-	22.64	-	-
Current financial assets- loans	0.07	-	-	0.28	-	-
Other current assets	4.28	-	0.00	3.65	-	-
Assets classified as held for sale (A)	320.94	0.49	0.03	45.09	52.12	0.04
Liabilities						
Non-current financial liabilities – borrowings	-	-	-	-	-	-
Deferred tax liabilities	21.76	-	-	22.36	-	-
Current financial liabilities – borrowings	7.17	-	-	6.76	-	-
Trade payables	9.52	-	0.00	1.04	0.68	0.00
Other current financial liabilities	6.96	-	-	1.36	-	-
Other current liabilities	0.15	-	-	0.12	-	-
Provisions	1.97	-	-	3.17	0.20	-
Liabilities directly associated with assets classified as held for sale (B)	47.53	-	0.00	34.81	0.88	0.00
Net assets directly associated with disposal group (A-B)	273.41	0.49	0.03	10.28	51.24	0.04

₹ crores

46. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 105 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Contd.)

Net cash flows attributable to the operating, investing and financing activities of discontinued operations:

Cash Flows	2018-19	2017-18
Operating	**37.62**	3.69
Investing	**-**	-
Financing	**-**	-

Disposal of Power Systems USA

Consideration received	2017-18
Consideration received in cash and cash equivalents	200.60
Total consideration received	**200.60**

Analysis of assets and liabilities over which control was lost

Assets	2017-18
Non-current assets	
Property, plant and equipment	228.13
Capital work-in-progress	17.44
Other Intangible assets	0.57
Investments	3.44
Current assets	
Inventories	119.31
Trade receivables	95.71
Cash and cash equivalents	2.34
Other current assets	49.71
Total assets (A)	**516.65**
Liabilities	
Non-current liabilities	
Non-current financial liabilities-borrowings	3.44
Deferred tax liabilities	35.71
Current liabilities	
Trade payables	144.79
Other current liabilities	113.45
Provisions	27.00
Total liabilities (B)	**324.39**
Net assets disposed of (A - B)	**192.26**

Gain on disposal of subsidiary	2017-18
Consideration received	200.60
Net assets disposed off	192.26
Cumulative exchange gain reclassified from foreign currency translation reserve to consolidated statement of profit and loss	69.71
Amounts recognised in capital reserve in relation to subsidiaries reclassified to profit and loss	12.63
Gain on disposal of subsidiary	**90.68**

The gain on disposal is included in the loss from discontinued operations in the consolidated statement of profit or loss.

47. 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 & 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

₹ crores

47. FAIR VALUE MEASUREMENTS (Contd.)

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 receivables. 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.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) 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 31-03-2019	Level 1	Level 2	Level 3
Financial assets at amortised cost:					
Non-current financial assets loans	8	6.96	-	6.96	-
Non-current financial assets others (Refer note (a) below)	9	3770.04	-	14.61	-
Non-current investments	6	0.39	0.39	-	-
Total		3777.39	0.39	21.57	-
Financial assets at fair value through profit or loss:					
Derivative instruments	18	8.70	-	8.70	-
Non-current investments	6	129.49	-	129.49	-
Current investments	13	0.01	0.01	-	-
Total		138.20	0.01	138.19	-
Financial liabilities at amortised cost:					
Long-term loans from bank (Refer note (b) below)	22	1441.86	-	1369.66	-
Current maturities for long term borrowings (Refer note (b) below)	28	566.94	-	539.62	-
Finance lease obligation	22	5.68	-	5.68	-
Other financial liabilities (non-current) (Refer note (b) below)	23	298.37	-	5.69	-
Total		2312.85	-	1920.65	-

₹ crores

47. FAIR VALUE MEASUREMENTS (Contd.)

	Note No.	Carrying amount	Fair value		
		As at 31-03-2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:					
Non-current financial assets loans	8	6.87	-	6.87	-
Non-current financial assets others (Refer note (a) below)	9	3216.03	-	20.10	-
Non-current investments	6	0.44	0.44	-	-
Total		3223.34	0.44	26.97	-
Financial assets at fair value through profit or loss:					
Derivative instruments	18	3.70	-	3.70	-
Non-current investments	6	142.46	-	142.46	-
Current investments	13	0.01	0.01	-	-
Total		146.17	0.01	146.16	-
Financial assets at fair value through other comprehensive income:					
Investments	6	121.80	-	-	121.80
Total		121.80	-	-	121.80
Financial liabilities at amortised cost:					
Long-term loans from bank and financial institution	22	1487.01	-	1487.01	-
Current maturities for long term borrowings	28	303.69	-	303.69	-
Finance lease obligation	22	7.52	-	7.52	-
Other financial liabilities (non current) (Refer note (b) below)	23	391.55	-	1.55	-
Derivative instruments	28	40.60	-	40.60	-
Total		2230.37	-	1840.37	-

During the reporting period ending 31 March, 2019 and 31 March, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

Notes:

		As at 31-03-2019	As at 31-03-2018
a)	Closing balances includes below:		
	Advance to others	**1195.09**	945.56
	Advance to other related parties	**2560.34**	2250.37
	Total	**3755.43**	3195.93

As specified in note 3A(y), the Group has estimated the timing of recovery of outstanding balances from such Companies and accordingly, has classified the balances as non-current. The Group plans to initiate the recovery proceedings for these receivables based on consultation with independent legal counsel. The balances are subject to investigation to ensure completeness of such transactions / accounting adjustments as disclosed in note 55. Hence the fair value of these advances is not ascertainable.

		As at 31-03-2019	As at 31-03-2018
b)	Closing balances includes below:		
	Term loans from bank	**72.20**	-
	Term loan from others	**292.68**	390.00
	Current maturities of long- term loans from others	**27.32**	-
	Total	**392.20**	390.00

The facts disclosed or disclosure made or provisions made as above are subject to admission of liability by the Group and the Group reserves all its rights under law to evaluate legality and to further contest the same, as necessary.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

₹ crores

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

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. In order to optimize the Group's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

	As at 31-03-2019	As at 31-03-2018
Floating rate borrowings	3599.97	3453.51

Interest rate sensitivity

A change of 25 basis points in interest rates would have following impact on profit before tax.

	2018-19	2017-18
25 bp increase - Decrease in profit	(9.00)	(8.63)
25 bp decrease - Increase in profit	9.00	8.63

Foreign currency risk

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in overseas markets and purchases from overseas suppliers in various foreign currencies. 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, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Unhedge foreign currency exposure as at 31 March, 2019

	USD	Euro	GBP	IDR	Others	Total
Trade receivables	223.14	155.66	25.70	280.38	50.38	735.26
Loans and other receivables	73.20	154.28	-	-	144.86	372.34
Bank balances in current accounts and term deposit accounts	(100.24)	146.90	20.57	7.78	56.98	131.99
Trade payables	2.62	522.70	6.72	116.61	27.97	676.62
Commission Payable	(19.76)	(1.45)	-	-	-	(21.21)
Long-term borrowings	-	291.58	-	-	(31.21)	260.37
Short-term borrowings	(418.61)	1375.16	-	-	49.84	1006.39
Other short-term financial liabilities	26.82	65.03	321.80	(8.15)	113.65	519.15
Forward contracts for receivable	1.76	-	-	-	-	1.76
Forward contracts for loan	-	3.13	-	-	-	3.13

Unhedge foreign currency exposure as at 31 March, 2018

	USD	Euro	GBP	IDR	Others	Total
Trade receivables	447.98	365.50	32.20	64.16	115.81	1025.65
Loans and other receivables	34.40	(35.64)	-	0.39	54.94	54.09
Bank balances in current accounts and term deposit accounts	(144.44)	249.80	22.09	46.06	50.89	224.40
Trade payables	9.69	333.51	9.65	93.75	43.32	489.92
Commission Payable	(25.07)	(0.11)	-	-	-	(25.18)
Long-term borrowings	239.31	227.36	-	-	2.71	469.38
Short-term borrowings	(315.41)	1211.24	-	-	116.07	1011.90
Other short-term financial liabilities	105.49	568.40	1.17	0.09	60.82	735.97
Forward contracts for receivable	(0.09)	-	-	-	-	(0.09)
Forward contracts for loan	-	(11.75)	-	-	-	(11.75)

₹ crores

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax.

	2018-19		2017-18	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	**(2.48)**	**2.48**	3.27	(3.27)
Euro	**28.33**	**(28.33)**	37.23	(37.23)
GBP	**3.75**	**(3.75)**	0.65	(0.65)
IDR	**3.97**	**(3.97)**	2.04	(2.04)
Others	**4.41**	**(4.41)**	3.92	(3.92)
Increase / (decrease) in profit or loss	**37.98**	**(37.98)**	47.11	(47.11)

1 % increase or decrease in foreign exchange rates will have the following impact on equity

	2018-19		2017-18	
	1% Increase	1% decrease	1% Increase	1% decrease
USD	**1.81**	**(1.81)**	5.48	(5.48)
Euro	**28.00**	**(28.00)**	30.01	(30.01)
GBP	**3.75**	**(3.75)**	0.65	(0.65)
IDR	**3.97**	**(3.97)**	2.04	(2.04)
Others	**2.28**	**(2.28)**	2.20	(2.20)
Increase / (decrease) in equity	**39.81**	**(39.81)**	40.38	(40.38)

Credit risk

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 set accordingly.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

(iv) Significant increases in credit risk on other financial instruments of the same counterparty,

(v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. In case the loans or receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the consolidated statement of profit or loss.

The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets, financial guarantees and derivative financial instruments.

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. 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.

Exposure to credit risk

	As at 31-03-2019	As at 31-03-2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Investments in Government or trust securities	**0.39**	0.44
Investments in debentures or bonds	**0.05**	8.06
Other non-current investments	**129.43**	134.39
Long-term loans and advances	**6.96**	6.87
Other long term financial assets (Refer note below)	**3770.04**	3216.03
Cash and bank balances	**270.76**	426.61
Other short term financial assets	**9.33**	4.02
Short-term loans and advances	**30.66**	47.87
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	**1898.67**	2509.45

₹ crores

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Notes:

	As at 31-03-2019	As at 31-03-2018
Closing balances includes below:		
Advance to others	**1195.09**	945.56
Advance to other related parties	**2560.34**	2250.37
Total	**3755.43**	3195.93

As specified in note 3A(y), the Group has estimated the timing of recovery of outstanding balances from such Companies and accordingly, has classified the balances as non-current. The Group plans to initiate the recovery proceedings for these receivables based on consultation with independent legal counsel. The balances are subject to investigation to ensure completeness of such transactions / accounting adjustments as disclosed in note 55.

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of the receivables (gross of provision) (current as well as non current) has been considered from the date the invoice falls due.

	Amount
As at 31-03-2019	
Up to 3 months	**1231.22**
3 to 6 months	**138.63**
More than 6 months	**528.82**
	1898.67
As at 31-03-2018	
Up to 3 months	1723.19
3 to 6 months	170.93
More than 6 months	615.33
	2509.45

The following table summarizes the change in the loss allowances measured using life time expected credit loss model:

	Amount
As at 1-04-2017	99.29
Provided during the year	77.63
Amounts written off	(47.43)
Reversals of provision	(12.48)
Unwinding of discount	(6.14)
Translation adjustments	(1.76)
As at 31-03-2018	**109.11**
As at 1-04-2018	**109.11**
Provided during the year	**109.33**
Amounts written off	**(17.82)**
Reversals of provision	**(10.80)**
Translation adjustments	**(0.28)**
As at 31-03-2019	**189.54**

No significant changes in estimation techniques or assumptions were made during the reporting period. Also refer note 57 on the going concern consideration.

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's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

As at 31 March 2019	Less than one year	1 to 5 years	> 5 years	Total
Long-term borrowings (excluding unamortised upfront fees of ₹ 16.26) (Refer note below)	539.35	1,326.00	132.12	1997.47
Interest-free sales tax deferral loans from State Government	0.12	-	-	0.12
Finance lease obligation	1.55	5.68	-	7.23
Non-current other financial liabilities (Refer note below)	27.59	260.87	37.50	325.96
Short-term borrowings	1282.89	-	-	1282.89
Trade payables	2314.05	-	-	2314.05
Other financial liabilities	347.18	-	-	347.18

As at 31 March 2018	Less than one year	1 to 5 years	> 5 years	Total
Long-term borrowings (excluding unamortised upfront fees of ₹ 31.18 crores)	302.97	1334.13	184.06	1821.16
Interest-free sales tax deferral loans from State Government	0.12	-	-	0.12
Finance lease obligation	1.61	7.52	-	9.13
Non-current other financial liabilities (Refer note below)	-	325.48	66.07	391.55
Short-term borrowings	1242.91	-	-	1242.91
Trade payables	1870.39	-	-	1870.39
Other financial liabilities	470.16	-	-	470.16

Notes:

	As at 31-03-2019	As at 31-03-2018
Closing balances includes below:		
Term loans from bank	72.20	-
Term loan from others	292.68	390.00
Current maturities of long- term loans from others	27.32	-
Total	392.20	390.00

The facts disclosed or disclosure made or provisions made as above are subject to admission of liability by the Group and the Group reserves all its rights under law to evaluate legality and to further contest the same, as necessary.

The amount of guarantees given on behalf of other related party included in Note 41 represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting year, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

Collateral

The Company has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfill certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered. (Refer note 22 and 26).

Also refer note 57 on the going concern consideration.

Capital management

No changes were made in objectives, policies or process for managing capital during the year ended 31 March, 2019 and 31 March, 2018.

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.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The Group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

	As at 31-03-2019	As at 31-03-2018
Total debt (Refer note below)	3595.86	3432.80
Equity	2185.37	2921.49
Total debt and equity	5781.23	6354.29
Gearing ratio	62.20%	54.02%

Notes:

	As at 31-03-2019	As at 31-03-2018
Closing balances includes below:		
Term loans from bank	72.20	-
Term loan from others	292.68	390.00
Current maturities of long- term loans from others	27.32	-
Total	392.20	390.00

The facts disclosed or disclosure made or provisions made as above are subject to admission of liability by the Group and the Group reserves all its rights under law to evaluate legality and to further contest the same, as necessary.

Hedging activities and derivatives

	As at 31-03-2019		As at 31-03-2018	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward contracts designated as hedging instruments	-	0.04	-	(4.35)

The fair value of derivative liabilities have been determined using rates quoted by the Group's bankers at the reporting date which are calculated by reference to the market interest rates and foreign exchange rates.

The Group entered into forward exchange and commodity contracts to manage its exposure to the variability of cash flows, primarily related to future sales and purchases of inventories denominated in foreign currencies over the next 12 months.

As at 31 March, 2019, the net gain on derivatives of ₹ 5.46 crores (as at 31 March, 2018: net loss of ₹ 3.11 crores) incurred from changes in the fair value of forward foreign exchange and commodity contracts that are highly effective, has been recognized in hedging reserve.

The Group expects that substantially all of this amount will be credited into the profit or loss within 12 months from the reporting date.

49. DISCLOSURES OF LEASES PURSUANT TO INDIAN ACCOUNTING STANDARD (Ind AS) 17 LEASES

(a) Group as lessor:

(i) The Group has given office premise space on cancellable operating lease.

(ii) The rental income from the assets given on lease of ₹ 5.17 crores (Previous year : ₹ 0.81 crores) has been disclosed under Other Income in Note 32 to the statement of Profit and Loss.

(iii) Description of significant operating leasing arrangements:

The Company has taken refundable interest free security deposit under the lease agreements. Agreements contain provision for renewal at the option of either party. Agreement provide for restriction on sub lease.

(iv) The future minimum lease rental receivable under the non-cancellable operating lease is as follows:

	Minimum Lease Rental	
	As at 31-03-2019	As at 31-03-2018
Not later than one year	7.49	-
Later than one year and not later than five years	9.41	-
Later than five years	-	-

49. DISCLOSURES OF LEASES PURSUANT TO INDIAN ACCOUNTING STANDARD (Ind AS) 17 LEASES (Contd.)

(b) Group as lessee:

(i) The Group has taken various residential/ commercial premises and plant and equipment under cancellable operating leases. These lease agreements are normally renewed on expiry.

(ii) The Group has taken certain assets on non cancellable operating lease, the future minimum lease payment in respect of which are as follows:

	Minimum Lease Rental	
	As at 31-03-2019	As at 31-03-2018
Not later than one year	**6.60**	5.39
Later than one year and not later than five years	**7.41**	2.56
Later than five years	**-**	0.00

The lease agreement provide for an option to the Group to renew the lease period at the end of the non-cancellable period. There are no exceptional/ restrictive covenants in the lease agreements.

Lease rental expense in respect of operating leases is ₹ 18.59 crores (Previous year ₹ 18.37 crores)

50. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE

		2018-19	2017-18
Face value of equity share	₹	**2.00**	2.00
Equity shares outstanding	Nos.	**626746142**	626746142
Loss for the year (continuing operations)	₹ crores	**(487.90)**	(671.91)
Earnings per share (for continuing operations)	₹	**(7.78)**	(10.72)
Loss for the year (discontinued operations)	₹ crores	**(15.60)**	(46.79)
Earnings per share (for discontinued operations)	₹	**(0.25)**	(0.75)
Loss for the year (total operations)	₹ crores	**(503.50)**	(718.70)
Earnings per share (for continuing operations and discontinued operations)	₹	**(8.03)**	(11.47)

51. EXCEPTIONAL ITEMS

	2018-19	2017-18
Amount paid towards final settlement of litigation claims	**-**	(27.94)
Curtailment of gratuity liability	**17.16**	-
Provision against trade receivable under litigation	**(35.45)**	-
Provision for impairment of intangible assets under development	**(14.15)**	-
Retrenchment cost - overseas subsidiary	**(14.02)**	-
Provision for expected restructuring cost towards closure/ shifting of the transformer manufacturing unit in Kanjurmarg, Mumbai (Refer note 46)	**(95.39)**	-
Short fall of provident fund liability	**(24.83)**	-
Provision towards overseas business at Hungary	**-**	(107.00)
Total	**(166.68)**	(134.94)

52. Revenue from operations for periods up to 30 June, 2017 includes excise duty. From 1 July, 2017 onwards the excise duty and most indirect taxes in India have been replaced by the Goods and Service Tax (GST). The Group collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended 31 March, 2019 is not comparable with that for the year ended 31 March, 2018.

The comparable figures for Revenue from operations (net of excise duty) are as under:

	2018-19	2017-18
Net revenue from operations	**7997.91**	8031.08

There is no impact of the above on the profit before tax and profit after tax.

₹ crores

53. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 7 STATEMENT OF CASH FLOWS - CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

For the year ended 31 March, 2019

	As at 1-04-2018	Cash Inflows / (Outflows)	Foreign exchange movement impact	Changes in fair values	Recognition of borrowing on classification of joint venture to subsidiary	Effect of reclassification of non-current portion to current	Finance cost charged during the year	As at 31-03-2019
Non-current financial liabilities - borrowings:								
Secured loans								
- Term loans from banks	1450.16	(65.14)	-	-	36.31	(308.26)	12.42	1125.49
Unsecured loans								
- Term loans from banks	36.85	316.37	-	-	-	(39.36)	2.51	316.37
- Finance lease obligations	7.52	(1.84)						5.68
Non-current other financial liabilities								
- Term loans from others	390.00	(70.00)	-	-	-	(27.32)	-	292.68
Current financial liabilities - borrowings:								
Secured loans								
- Term loans from banks	0.00	(0.00)	-	-	-	-	-	-
- From financial institutions	20.20	(20.20)	-	-	-	-	-	-
- Working capital demand loan from banks	665.16	(38.15)	(23.63)	-	-	-	-	603.38
Unsecured loans								
- Working capital loan from banks:								
Demand loan	467.84	159.87	-	-	-	-	-	627.71
Supplier finance facility	89.71	(87.70)	-	-	-	-	-	2.01
Other	-	49.79	-	-	-	-	-	49.79
Current - other financial liabilities:								
Current maturity long term borrowings	302.98	(137.88)	-	-	26.90	374.94	-	566.94
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	-	-	0.12
Current maturities of finance lease obligations	0.71	(0.71)	-	-	-	-	-	-
Interest accrued but not due on borrowings	8.09	(360.48)	-	-	-	-	368.06	15.67
Non controlling interest	38.72	3.63	-	12.47	-	-	-	54.82
Total liabilities from financing activities	**3478.06**	**(252.44)**	**(23.63)**	**12.47**	**63.21**	**-**	**382.99**	**3660.66**

₹ crores

53. DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 7 STATEMENT OF CASH FLOWS - CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (Contd.)

For the year ended 31 March, 2018

	As at 1-04-2017	Cash Inflows / (Outflows)	Foreign exchange movement impact	Changes in fair values	Recognition of borrowing on classification of joint venture to subsidiary	Effect of reclassification of non-current portion to current	Finance cost charged during the year	As at 31-03-2018
Non-current financial liabilities - borrowings:								
Secured loans								
- Term loans from banks	784.18	732.38	63.83	-	-	(130.23)	-	1450.16
Unsecured loans								
- Term loans from banks	113.19	77.35	-	-	-	(153.69)	-	36.85
- Finance lease obligations	8.43	(0.91)	-	-	-	-	-	7.52
Non-current other financial liabilities								
- Term loans from others	390.00	-	-	-	-	-	-	390.00
Current financial liabilities - borrowings:								
Secured loans								
- Term loans from banks	0.44	(0.44)	-	-	-	-	-	0.00
- From financial institutions	34.64	(14.44)	-	-	-	-	-	20.20
- Working capital demand loan from banks	241.06	416.49	7.61	-	-	-	-	665.16
Unsecured loans								
- Working capital loan from banks:								
Demand loan	391.79	76.05	-	-	-	-	-	467.84
Supplier finance facility	88.62	1.09	-	-	-	-	-	89.71
Current - other financial liabilities:								
Current maturity long term borrowings	480.33	(461.27)	-	-	-	283.92	-	302.98
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	-	-	0.12
Current maturities of finance lease obligations	0.67	0.04	-	-	-	-	-	0.71
Interest accrued but not due on borrowings	38.40	(379.93)	-	-	-	-	349.62	8.09
Non controlling interest	8.43	(4.12)	-	34.41	-	-	-	38.72
Total liabilities from financing activities	**2580.30**	**442.29**	**71.44**	**34.41**	**-**	**-**	**349.62**	**3478.06**

54. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Ministry of Corporate Affairs notified Ind AS 115 Revenue from contracts with customers on 28 March, 2018 which is mandatory and effective from 1 April, 2018. The Group has aligned it's policy of revenue recognition with Ind AS 115. The cumulative effect of initial application of Ind AS 115 upto 31 March, 2018 amounting to ₹ 99.84 crores (net of tax effect) has been adjusted in opening retained earnings as per the standard following modified retrospective approach.

	2018-19
Disclosure of Revenue from operations under Ind AS 115	
(i) Transformers, Reactors and Accessories	**3512.61**
(ii) Switchgears, Control Equipments and Accessories thereof	**847.04**
(iii) Traction Electronic, Industrial Drives and SCADA	**415.78**
(iv) Electric Motors, Alternators and Drives Panels	**2737.34**
(v) Electric Steel Stamping and Laminates	**45.89**
(vi) Electric Fans, Ventilation and Pollution Control Systems	**14.95**
(vii) Self Adhesive Tapes	**14.42**
(viii) Self Adhesive Labels	**2.64**
(ix) Others	**407.24**
Total	**7997.91**

	As at 31-03-2019
Contract balances	
Trade receivables	
Non-current	**13.35**
Current	**1695.78**
Contract assets	**219.07**
Contract liabilities	
Advance from customers	**504.67**
Due to customers	**81.23**

	2018-19
Revenue recognised in current year from	
Amount included in contract liability at the beginning of the period	**8.65**
Performance obligations satisfied in previous periods	**5.71**

	2018-19
Revenue reconciliation	
Revenue recognised as per contracted price	**8004.45**
Less: Adjustments	
Discounts	**42.03**
Other adjustments (including liquidated damages, price variance, etc.)	**(35.49)**
Revenue recognised as per consolidated statement of profit and loss	**7997.91**

55. As specified in the Basis of Preparation of the consolidated financial statement and considering the transactions as disclosed in note 3A and as informed by management that further investigation is required to ensure completeness of such transactions / accounting adjustments, Directors of the Company are of the view that consolidated financial statements of the Group and the report of the Board for the relevant prior years may not comply with the provisions of Section 129 and Section 134 of the Companies Act, 2013 and accordingly, intend to propose revision to the consolidated financial statements of relevant prior years as per requirements of Section 131 of the Companies Act, 2013.

56. SUBSEQUENT EVENTS

An independent legal firm which was appointed after performing its investigation submitted a report, which it termed as Phase 1 Report ("the Report") to the Risk and Audit Committee ("RAC") on 6 August, 2019. Given the voluminous and extensive nature of the report, the RAC directed the Operations Committee ("OC") to further analyse the said Report in detail. The RAC received the analysis of the Report from the OC and its recommendations regarding the transactions set out in the Report ("Report Transactions") (refer note 3A). Moreover, certain additional, suspect, unauthorized and undisclosed transactions and entries identified during further verifications ("Additional Transactions") were been brought to the attention of the RAC. Based on the findings of the said Report, the compilation of unaudited consolidated financial

56. SUBSEQUENT EVENTS (Contd.)

position and profit and loss of the Group for the year ended 31 March, 2019 and restated financial information as at 31 March, 2018, 1 April, 2017 and for the year ended 31 March, 2018, after taking into consideration the potential impacts of the Report Transactions and Additional Transactions, along with summary of each of these subject transactions was submitted to Stock exchanges in India (BSE / NSE) on 19 August, 2019.

The Board of Directors through a circular resolution dated 29 August, 2019 have removed Mr. Gautam Thapar as the Chairman of the Board.

Board of Directors of the Company has appointed Mr. Sudhir Mathur as a Whole Time - Executive Director (Non Executive Independent Director upto 10 May, 2019) of the Company with effect from 10 May, 2019 subject to the approval of the Members at the next Annual General Meeting of the Company on the terms and conditions to be subsequently decided by the Nomination and Remuneration Committee and Board of Directors of the Company.

On recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company have at its meeting held on 30 August, 2019 terminated the employment of Mr. V. R. Venkatesh as Chief Financial Officer of the Company. In view of the same, the Board requested and authorised Mr. Susheel Todi, General Manager - Accounts and Taxation, to sign the consolidated financial statements.

57. GOING CONCERN

The Group has incurred a net loss of ₹ 652.38 crores during the year ended 31 March, 2019. As at 31 March, 2019 the Group's current liability exceeds its current assets by ₹ 2115.98 crores as at 31 March, 2019. Further, pending management procedures for promoter affiliate companies and connected parties, there is possible uncertainty in relation to their recoverability leading to impact on net worth.

However, the Group believes the matter stated above would not impact the going concern assumption taking into consideration following mitigating factors and business updates available till date:

- The Board of Directors of the Company are in active discussions with lenders for restructuring the borrowing and fresh capital infusion.
- The Group has a robust unexecuted business order book of over ₹ 7000 crores as on 31 March, 2019.
- Further the Group is evaluating divestments of non-core assets, including but not limited to the sale of Kanjurmarg land without hampering the capability to serve customers.
- The Group also plans to initiate the recovery of receivables from promoter affiliate companies and connected parties based on consultation with independent legal counsel.
- The Board will review the international business with a view to making it a coherent part of business and drive synergies. Based on the strength of the business of the Group and subject to fund raising initiative being achieved, these consolidated financial statements have been prepared on a going concern basis.

58. STANDARDS ISSUED BUT NOT YET EFFECTIVE

New Standard Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees — leases of 'low—value' assets and short-term leases (leases with a lease term of 12 months or less). At the commencement date of a lease, the lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events. (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from current accounting under Ind AS 17. Lessor will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company is in the process of evaluating the effect of these amendments on the consolidated financial statements.

Amendments to other Ind AS

i) Amendments to Ind AS 109, Financial Instruments:

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments. According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

58. STANDARDS ISSUED BUT NOT YET EFFECTIVE (Contd.)

ii) Amendments to Ind AS 12, Income Taxes:

The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax ("DDT") when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be. The second amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not.

If there is uncertainty over tax treatment of an item an entity should predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty.

iii) Amendment to Ind AS 19, Employee Benefits:

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement.

iv) Amendments to Ind AS 23, Borrowing Costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April, 2019.

Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

59. Amounts shown as ₹ 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand).

60. Following the matters described in Note 3A above, figures of the previous years have been regrouped, wherever necessary to reflect the analysis of the Ops committee and recommendation of RAC and to correspond with the current year. Hence, the corresponding component figures as restated / reinstated are comparable with financial statements of all respective years.

For and on behalf of the Board

K.N. Neelkant
CEO & Managing Director
(DIN: 05122610)

Sudhir Mathur
Whole Time Executive Director
(DIN: 01705609)

Jitender Balakrishnan
Independent Director
(DIN: 00028320)

As per our report of even date
For K. K. MANKESHWAR & CO.
Chartered Accountants
ICAI Firm Registration No. 106009W

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Narayan K. Seshadri
Independent Director
(DIN: 00053563)

Omkar Goswami
Non Executive Director
(DIN: 00004258)

Ashish Kumar Guha
Independent Director
(DIN: 00004364)

per Ashwin Mankeshwar
Partner
Membership No. 046219
Mumbai : 30 August, 2019

per Shyamsundar Pachisia
Partner
Membership No. 049237
Mumbai : 30 August, 2019

Ramni Nirula
Independent Director
(DIN: 00015330)
Mumbai : 30 August, 2019

Shikha Kapadia
Company Secretary

Susheel Todi
General Manager - Accounts

10

accounts in foreign currency

STANDALONE BALANCE SHEET AS AT 31 MARCH, 2019

Particulars	As at 31-03-2019		As at 31-03-2018	
	USD million	USD million	USD million	USD million
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	**139.87**		197.59	
(b) Capital work-in-progress	**1.64**		1.26	
(c) Intangible assets	**5.74**		7.55	
(d) Intangible assets under development	**3.39**		4.94	
(e) Financial assets				
(i) Investments	**129.99**		157.82	
(ii) Trade receivables	**0.90**		-	
(iii) Loans	**202.38**		366.97	
(iv) Others	**207.24**		198.24	
(f) Other non-current assets	**0.27**		0.32	
		691.42		934.69
(2) Current assets				
(a) Inventories	**76.81**		63.53	
(b) Financials assets				
(i) Investments	**0.00**		0.00	
(ii) Trade receivables	**170.43**		245.49	
(iii) Cash and cash equivalents	**15.05**		29.64	
(iv) Bank balances other than (iii) above	**2.37**		0.15	
(v) Loans	**5.81**		4.63	
(vi) Others	**5.89**		6.99	
(c) Current tax assets (net)	**4.69**		9.92	
(d) Other current assets	**36.14**		44.62	
		317.19		404.97
(3) Assets classified as held for sale and discontinued operations		**40.55**		8.00
TOTAL ASSETS		**1049.16**		1347.66
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	**18.13**		19.23	
(b) Other equity	**345.30**		618.24	
LIABILITIES		**363.43**		637.47
(1) Non-current liabilities				
(a) Financials liabilities				
(i) Borrowings	**108.63**		155.23	
(ii) Other financial liabilities	**43.13**		60.07	
		151.76		215.30
(b) Provisions		**7.93**		8.18
(c) Deferred tax liabilities (net)		**19.06**		36.16
(2) Current liabilities				
(a) Financials liabilities				
(i) Borrowings	**149.91**		134.44	
(ii) Trade payables				
(A) Total outstanding dues of micro enterprises and small enterprises; and	**17.89**		12.51	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	**206.93**		179.72	
(iii) Other financial liabilities	**97.25**		66.23	
		471.98		392.90
(b) Other current liabilities		**24.03**		41.99
(c) Provisions		**10.97**		15.52
(3) Liabilities associated with group of assets classified as held for sale and discontinued operations		**-**		0.14
TOTAL EQUITY AND LIABILITIES		**1049.16**		1347.66

Note: Closing exchange rate considered for 1 USD as at 31 March, 2019 is ₹ 69.1500 and as at 31 March, 2018 is ₹ 65.1700

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	2018-19		2017-18	
	USD million	USD million	USD million	USD million
Income				
Revenue from operations		762.89		791.11
Other income		39.32		41.90
Total Income		802.21		833.01
Expenses				
Cost of materials consumed	531.12		521.86	
Purchases of stock-in-trade	4.96		7.23	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(10.31)		14.05	
Excise duty	-		15.24	
Employee benefits expense	53.06		50.81	
Finance costs	48.01		46.77	
Depreciation and amortisation expense	14.80		15.82	
Foreign exchange (gain) / loss (net)	8.97		(20.34)	
Other expenses	132.53		135.87	
Total expenses		783.14		787.31
Profit before exceptional items and tax		19.07		45.70
Exceptional items (net)		(216.28)		(20.60)
Profit / (loss) before tax		(197.21)		25.10
Tax expenses:				
Current tax	7.15		4.55	
Deferred tax / (credit)	(5.58)		7.21	
		1.57		11.76
Profit / (loss) from continuing operations after tax		(198.78)		13.34
Loss from discontinued operations before tax	(4.80)		(15.84)	
Tax expense / (credit) on discontinued operations	(1.68)		(5.48)	
Loss from discontinued operations after tax		(3.12)		(10.36)
Profit / (loss) for the year		(201.90)		2.98
Other comprehensive Income:				
A (i) Items that will not be reclassified to profit or loss in subsequent periods				
(a) Remeasurement gain / (loss) on defined benefit plans	(0.49)		(0.91)	
(b) Equity Instruments through other comprehensive income	(17.35)		(4.65)	
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.17		0.31	
B (i) Items that will be reclassified to profit or loss in subsequent periods	-		-	
(ii) Income tax relating to items that will be reclassified to profit or loss	-		-	
Total other comprehensive income for the year		(17.67)		(5.25)
Total comprehensive income for the year		(219.57)		(2.27)
Earnings per share for continuing operations (basic and diluted) (in USD)		(0.32)		0.02
Earnings per share for discontinued operations (basic and diluted) (in USD)		(0.00)		(0.02)
Earnings per share (basic and diluted) (in USD)		(0.32)		0.00

Note: Average exchange rate considered for 1 USD in 2018-19 is ₹ 70.2012 and in 2017-18 is ₹ 64.5442

STANDALONE BALANCE SHEET AS AT 31 MARCH, 2019				
Particulars	As at 31-03-2019		As at 31-03-2018	
	Euro million	Euro million	Euro million	Euro million
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	**124.54**		159.39	
(b) Capital work-in-progress	**1.46**		1.01	
(c) Intangible assets	**5.11**		6.09	
(d) Intangible assets under development	**3.02**		3.98	
(e) Financial assets				
(i) Investments	**115.74**		127.30	
(ii) Trade receivables	**0.80**		-	
(iii) Loans	**180.20**		296.02	
(iv) Others	**184.53**		159.91	
(f) Other non-current assets	**0.24**		0.26	
		615.64		753.96
(2) Current assets				
(a) Inventories	**68.40**		51.25	
(b) Financials assets				
(i) Investments	**0.00**		0.00	
(ii) Trade receivables	**151.75**		198.03	
(iii) Cash and cash equivalents	**13.40**		23.91	
(iv) Bank balances other (iii) than above	**2.11**		0.12	
(v) Loans	**5.17**		3.74	
(vi) Others	**5.24**		5.64	
(c) Current tax assets (net)	**4.17**		8.00	
(d) Other current assets	**32.18**		35.99	
		282.42		326.68
(3) Assets classified as held for sale and discontinued operations		**36.11**		6.45
TOTAL ASSETS		**934.17**		1087.09
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	**16.14**		15.51	
(b) Other equity	**307.46**		498.70	
LIABILITIES		**323.60**		514.21
(1) Non-current liabilities				
(a) Financials liabilities				
(i) Borrowings	**96.72**		125.22	
(ii) Other financial liabilities	**38.41**		48.45	
		135.13		173.67
(b) Provisions		**7.06**		6.60
(c) Deferred tax liabilities (net)		**16.97**		29.17
(2) Current liabilities				
(a) Financials liabilities				
(i) Borrowings	**133.48**		108.45	
(ii) Trade payables				
(A) Total outstanding dues of micro enterprises and small enterprises; and	**15.93**		10.09	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	**184.26**		144.98	
(iii) Other financial liabilities	**86.59**		53.42	
		420.26		316.94
(b) Other current liabilities		**21.39**		33.87
(c) Provisions		**9.76**		12.52
(3) Liabilities associated with group of assets classified as held for sale and discontinued operations		**-**		0.11
TOTAL EQUITY AND LIABILITIES		**934.17**		1087.09

Note: Closing exchange rate considered for 1 Euro as at 31 March, 2019 is ₹ 77.6620 and as at 31 March 2018 is ₹ 80.7910

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	2018-19		2017-18	
	Euro million	Euro million	Euro million	Euro million
Income				
Revenue from operations		**672.36**		658.00
Other income		**34.65**		34.85
Total Income		**707.01**		692.85
Expenses				
Cost of materials consumed	**468.09**		434.05	
Purchases of stock-in-trade	**4.37**		6.01	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(9.08)**		11.68	
Excise duty	**-**		12.68	
Employee benefits expense	**46.76**		42.26	
Finance costs	**42.31**		38.90	
Depreciation and amortisation expense	**13.04**		13.16	
Foreign exchange (gain) / loss (net)	**7.90**		(16.91)	
Other expenses	**116.81**		113.01	
Total expenses		**690.20**		654.84
Profit before exceptional items and tax		**16.81**		38.01
Exceptional items (net)		**(190.61)**		(17.13)
Profit / (loss) before tax		**(173.80)**		20.88
Tax expenses:				
Current tax	**6.31**		3.78	
Deferred tax / (credit)	**(4.92)**		6.00	
		1.39		9.78
Profit / (loss) from continuing operations after tax		**(175.19)**		11.10
Loss from discontinued operations before tax	**(4.23)**		(13.17)	
Tax expense / (credit) on discontinued operations	**(1.48)**		(4.56)	
Loss from discontinued operations after tax		**(2.75)**		(8.61)
Profit / (loss) for the year		**(177.94)**		2.49
Other comprehensive Income:				
A (i) Items that will not be reclassified to profit or loss in subsequent periods				
(a) Remeasurement gain / (loss) on defined benefit plans	**(0.44)**		(0.76)	
(b) Equity Instruments through other comprehensive income	**(15.29)**		(3.87)	
(ii) Income tax relating to items that will not be reclassified to profit or loss	**0.15**		0.26	
B (i) Items that will be reclassified to profit or loss in subsequent periods	**-**		-	
(ii) Income tax relating to items that will be reclassified to profit or loss	**-**		-	
Total other comprehensive income for the year		**(15.58)**		(4.37)
Total comprehensive income for the year		**(193.52)**		(1.88)
Earnings per share for continuing operations (basic and diluted) (in Euro)		**(0.28)**		0.02
Earnings per share for discontinued operations (basic and diluted) (in Euro)		**(0.00)**		(0.01)
Earnings per share (basic and diluted) (in Euro)		**(0.28)**		0.01

Note: Average exchange rate considered for 1 Euro in 2018-19 is ₹ 79.6541 and in 2017-18 is ₹ 77.6015

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2019

Particulars	As at 31-03-2019		As at 31-03-2018	
	USD million	USD million	USD million	USD million
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	252.60		312.08	
(b) Capital work-in-progress	9.78		7.65	
(c) Goodwill	20.37		22.49	
(d) Intangible assets	23.47		28.25	
(e) Intangible assets under development	3.39		5.36	
(f) Financial assets				
(i) Investments	18.78		42.77	
(ii) Trade Receivables	1.93		-	
(ii) Loans	1.01		1.05	
(iv) Others	545.20		493.48	
(g) Deferred tax assets (net)	3.66		9.57	
(h) Other non-current assets	1.42		0.81	
		881.61		923.51
(2) Current assets				
(a) Inventories	172.49		188.18	
(b) Financial assets				
(i) Investments	0.00		0.00	
(ii) Trade receivables	245.23		368.32	
(iii) Cash and cash equivalents	33.84		58.54	
(iv) Bank balances other than (iii) above	5.32		6.92	
(v) Loans	4.43		7.35	
(vi) Others	1.35		0.62	
(c) Current tax assets (net)	4.87		12.04	
(d) Other current assets	99.07		88.03	
		566.60		730.00
(3) Assets classified as held for sale and discontinued operations		46.49		14.92
TOTAL ASSETS		1494.70		1668.43
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	18.13		19.23	
(b) Other equity	297.90		429.05	
		316.03		448.28
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	209.33		229.33	
(ii) Other financial liabilities	43.15		60.08	
		252.48		289.41
(b) Provisions		12.18		11.04
(c) Deferred tax liabilities (net)		34.53		61.01
(d) Other non-current liabilities		-		0.06
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	185.53		190.72	
(ii) Trade payables	334.64		287.00	
(iii) Other financial liabilities	132.21		118.65	
		652.38		596.37
(b) Other current liabilities		189.45		216.45
(c) Provisions		30.78		40.33
(3) Liabilities associated with group of assets classified as held for sale and discontinued operations		6.87		5.48
TOTAL EQUITY AND LIABILITIES		1494.70		1668.43

Note: Closing exchange rate considered for 1 USD as at 31 March, 2019 is ₹ 69.1500 and as at 31 March, 2018 is ₹ 65.1700

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

Particulars	2018-19		2017-18	
	USD million	USD million	USD million	USD million
Income				
Revenue from operations	**1139.29**		1259.60	
Other income	**7.25**		9.60	
Total income		**1146.54**		1269.20
Expenses				
Cost of materials consumed	**722.93**		819.72	
Purchases of stock-in-trade	**4.96**		12.77	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**12.50**		(19.92)	
Excise duty	**-**		15.32	
Employee benefits expense	**151.47**		167.42	
Finance costs	**54.56**		54.17	
Depreciation and amortisation expense	**32.09**		39.03	
Foreign exchange (gain) / loss (net)	**13.83**		(11.04)	
Other expenses	**195.83**		257.89	
Total expenses		**1188.17**		1335.36
Loss before share of profit / (loss) from associates and joint venture, exceptional items and tax		**(41.63)**		(66.16)
Share of loss from associates and joint venture		**-**		(0.27)
Exceptional items (net)		**(23.75)**		(20.91)
Loss before tax		**(65.38)**		(87.34)
Tax expense:				
Current tax	**11.82**		9.87	
Deferred tax / (credit)	**(7.18)**		5.89	
		4.64		15.76
Loss from continuing operations after tax		**(70.02)**		(103.10)
Loss from discontinued operations before tax	**(3.86)**		(12.99)	
Tax credit on discontinued operations	**(1.64)**		(5.38)	
Loss from discontinued operations after tax		**(2.22)**		(7.61)
Loss for the year		**(72.24)**		(110.71)
Attributable to:				
Equity holders of the parent		**(71.72)**		(111.35)
Non-controlling interests		**0.52**		(0.64)
		(72.24)		(110.71)
Other comprehensive income:				
A (i) Items that will not be reclassified to profit or loss in subsequent periods				
(a) Remeasurement gain / (loss) on defined benefit plans	**(2.33)**		(1.32)	
(b) Equity Instruments through other comprehensive income	**(17.32)**		(4.65)	
(ii) Income tax relating to items that will not be reclassified to profit or loss	**0.17**		0.52	
B (i) Items that will be reclassified to profit or loss in subsequent periods	**(1.73)**		(19.35)	
(ii) Income tax relating to items that will be reclassified to profit or loss	**-**		-	
Other comprehensive income for the year		**(21.21)**		(24.80)
Total comprehensive income for the year		**(93.45)**		(135.51)
Attributable to:				
Equity holders of the parent		**(92.93)**		(136.15)
Non-controlling interests		**0.52**		(0.64)
Earnings per share for continuing operations (basic and diluted) (in USD)		**(1.11)**		(1.66)
Earnings per share for discontinued operations (basic and diluted) (in USD)		**(0.03)**		(0.12)
Earnings per share (basic and diluted) (in USD)		**(1.14)**		(1.78)

Note: Average exchange rate considered for 1 USD in 2018-19 is ₹ 70.2012 and in 2017-18 is ₹ 64.5442

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2019

Particulars	As at 31-03-2019		As at 31-03-2018	
	Euro million	Euro million	Euro million	Euro million
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	**224.91**		251.74	
(b) Capital work-in-progress	**8.71**		6.17	
(c) Goodwill	**18.14**		18.14	
(d) Intangible assets	**20.90**		22.79	
(e) Intangible assets under development	**3.02**		4.32	
(f) Financial assets				
(i) Investments	**16.72**		34.50	
(ii) Trade Receivables	**1.72**		-	
(iii) Loans	**0.90**		0.85	
(iv) Others	**485.44**		398.07	
(g) Deferred tax assets (net)	**3.26**		7.72	
(h) Other non-current assets	**1.26**		0.65	
		784.98		744.95
(2) Current assets				
(a) Inventories	**153.59**		151.80	
(b) Financial assets				
(i) Investments	**0.00**		0.00	
(ii) Trade receivables	**218.35**		297.10	
(iii) Cash and cash equivalents	**30.13**		47.22	
(iv) Bank balances other than (iii) above	**4.74**		5.58	
(v) Loans	**3.95**		5.93	
(vi) Others	**1.20**		0.50	
(c) Current tax assets (net)	**4.34**		9.71	
(d) Other current assets	**88.21**		71.01	
		504.51		588.85
(3) Assets classified as held for sale and discontinued operations		**41.39**		12.04
TOTAL ASSETS		**1330.88**		1345.84
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	**16.14**		15.52	
(b) Other equity	**265.26**		346.09	
		281.40		361.61
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	**186.39**		184.99	
(ii) Other financial liabilities	**38.42**		48.46	
		224.81		233.45
(b) Provisions		**10.84**		8.91
(c) Deferred tax liabilities (net)		**30.74**		49.21
(d) Other non-current liabilities		**-**		0.05
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	**165.19**		153.84	
(ii) Trade payables	**297.96**		231.51	
(iii) Other financial liabilities	**117.72**		95.71	
		580.87		481.06
(b) Other current liabilities		**168.69**		174.60
(c) Provisions		**27.41**		32.53
(3) Liabilities associated with group of assets classified as held for sale and discontinued operations		**6.12**		4.42
TOTAL EQUITY AND LIABILITIES		**1330.88**		1345.84

Note: Closing exchange rate considered for 1 Euro as at 31 March, 2019 is ₹ 77.6620 and as at 31 March, 2018 is ₹ 80.7910

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019				
Particulars	2018-19		2017-18	
	Euro million	Euro million	Euro million	Euro million
Income				
Revenue from operations	**1004.08**		1047.66	
Other income	**6.39**		7.98	
Total income		**1010.47**		1055.64
Expenses				
Cost of materials consumed	**637.14**		681.79	
Purchases of stock-in-trade	**4.37**		10.62	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**11.02**		(16.57)	
Excise duty	**-**		12.76	
Employee benefits expense	**133.49**		139.25	
Finance costs	**48.08**		45.05	
Depreciation and amortisation expense	**28.28**		32.46	
Foreign exchange (gain) / loss (net)	**12.19**		(9.18)	
Other expenses	**172.59**		214.49	
Total expenses		**1047.16**		1110.67
Loss before share of profit / (loss) from associates and joint venture, exceptional items and tax		**(36.69)**		(55.03)
Share of loss from associates and joint venture		**-**		(0.22)
Exceptional items (net)		**(20.93)**		(17.39)
Loss before tax		**(57.62)**		(72.64)
Tax expense:				
Current tax	**10.42**		8.21	
Deferred tax / (credit)	**(6.33)**		4.90	
		4.09		13.11
Loss from continuing operations after tax		**(61.71)**		(85.75)
Loss from discontinued operations before tax	**(3.40)**		(10.80)	
Tax credit on discontinued operations	**(1.44)**		(4.47)	
Loss from discontinued operations after tax		**(1.96)**		(6.33)
Loss for the year		**(63.67)**		(92.08)
Attributable to:				
Equity holders of the parent		**(63.21)**		(92.61)
Non-controlling interests		**0.46**		(0.53)
		(63.67)		(92.08)
Other comprehensive income:				
A (i) Items that will not be reclassified to profit or loss in subsequent periods				
(a) Remeasurement gain / (loss) on defined benefit plans	**(2.05)**		(1.09)	
(b) Equity Instruments through other comprehensive income	**(15.27)**		(3.87)	
(ii) Income tax relating to items that will not be reclassified to profit or loss	**0.15**		0.43	
B (i) Items that will be reclassified to profit or loss in subsequent periods	**(1.52)**		(16.10)	
(ii) Income tax relating to items that will be reclassified to profit or loss	**-**		-	
Other comprehensive income for the year		**(18.69)**		(20.63)
Total comprehensive income for the year		**(82.36)**		(112.71)
Attributable to:				
Equity holders of the parent		**(81.90)**		(113.24)
Non-controlling interests		**0.46**		(0.53)
Earnings per share for continuing operations (basic and diluted) (in Euro)		**(0.98)**		(1.38)
Earnings per share for discontinued operations (basic and diluted) (in Euro)		**(0.03)**		(0.10)
Earnings per share (basic and diluted) (in Euro)		**(1.01)**		(1.48)

Note: Average exchange rate considered for 1 Euro in 2018-19 is ₹ 79.6541 and in 2017-18 is ₹ 77.6015

products & services

Power Systems

CG INDIA

TRANSFORMERS

- Auto Transformers (up to 1200kV)
- Distribution Transformers
- Energy Efficient Transformers (BIS Level, IS:1180)
- Dry Type Transformers (Cast Resin)
- BIO Transformers (Filled with Natural/ Synthetic Ester Oil)
- Locomotive Transformers
- Solar Inverter Application Transformers
- Converter Application Transformers
- Traction Transformers
- Furnace Transformers
- Rectifier Transformers
- Shunt Reactors (upto 800kV)
- Variable Shunt Reactors
- Generator Transformers (up to 800kV)
- Systems Transformers
- Phase Shifting Transformers
- Earthing Transformers
- Isolation Transformers
- Coupling Transformers for STATCOM

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
- Condenser Bushings upto 800kV
- Coupling/Grading Capacitors up to 420kV
- Indoor & Outdoor Vacuum Circuit Breakers up to 40.5kV
- Indoor GIS up to 36kV
- Indoor and Outdoor Ring Main Units upto 36kV
- Gas Circuit Breakers upto 800kV
- Lightning Arresters upto 1200kV along with allied accessories (Porcelain as well as Polymer Insulators)
- Disconnectors upto 245kV
- Vacuum Interrupters upto 72.5kV
- LV & MV Vacuum Contactors upto 12kV
- Automatic Vacuum Capacitor Switch/ Outdoor Vacuum Contactor Upto 12kV
- Numerical Protection Relays, Substation Automation & Control Products
- Gas Insulated Switchgear (GIS) 66–145–245kV
- Dead Tank Circuit Breaker (DTB) 72.5kV
- MV Electrical soft starters upto 12kV/100KW–20MW
- Automatic Circuit Reclosers up to 36kV
- Gas Insulated Sectionalizer/Load Break Switch upto 36kV

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

- Site Services
- Repair & Refurbishment
- Condition Monitoring and Diagnostics of Power Apparatus

CG POWER SYSTEMS BELGIUM NV

TRANSFORMERS

- Three phase liquid filled Distribution and Small Power Transformers (up to 30MVA and 132kV)
- Liquid filled Power Transformers (up to 500kV)
- Mobile Transformers (up to 400kV)
- Energy efficient Transformers (as per the EU Eco–design, US DOE regulations and Indian Star program)
- Amorphous Metal Transformers
- Smart Grid Distribution Transformers (up to 4500kVA and 24kV)
- Compact SLIM® Transformer (up to 10MVA and 36kV)
- Compact Bio-SLIM® Transformers (up to15MVA and 72.5kV)
- Green City Transformers (up to 30MVA and 72.5kV)
- Transformers for hazardous areas like ATEX (up to 30MVA)
- Auto Transformers
- Neutral grounding Transformers
- Reactors and Neutral Point Reactors
- Traction Transformers (track side)
- Phase Shifting Transformers
- Converter & Inverter Transformers for Wind, Solar, Storage and Tidal application
- Generator step-up Transformers
- Compact Unit Substations (up to 2.8MVA and 36kV)

- Primary Unit Substations (IEEE type up to 30MVA and 138kV)
- Secondary Unit Substations (IEEE type up to 30MVA and 34.5kV)
- Pad mounted Transformers (up to 10MVA and 36kV)
- Modular Distribution Transformer (IEEE type up to 10MVA and 34.5kV)

CG HOLDINGS BELGIUM NV

SERVICES DIVISION: EMEA

- Installation, Commissioning, Maintenance, Repair & Refurbishment of Transformers, On Line Tap Changers of present and historical products and own brands.
- Installation, Commissioning, Maintenance, Repair & Refurbishment of Transformers and On Line Tap Changers of non CG brands.
- A dedicated Repair Shop for Power Transformers up to 400kV, Pauwels, Ganz and CG brand names plus other brands, Shell and Core–oil emerged type.
- Site intervention Services. On and off shore. Power Utilities. Industry.
- Reverse engineering, refurbishment and repair of ACEC On Line Tap Changers in a dedicated repair workshop
- 24/7 Operations and Maintenance service for onshore/offshore sites.
- Quick delivery of spare parts transformers, transformer related products as well as tap changers.
- Repair and refurbishment of Distribution Transformers
- Oil and SF6 treatment
- Condition Based Monitoring and life extension programs
- Asset Assessment and Diagnostics
- Customer training
- Dedicated Service entities in
  - Belgium (North & South)
  - France (North & South)
  - Saudi Arabia
  - Kuwait and United Arab Emirates (Dubai)
  - UK and Republic of Ireland

SYSTEMS DIVISION: EMEA

- High Voltage Transmission Systems Engineering and Supervisory Services
- Engineering Consultancy for transmission grid operators and Grid compliance analysis
- Turnkey AIS and GIS Transmission Projects up to 765kV, including:
  - Rural Greenfield Electrification projects
  - Transmission Grid connections and Substations for On and Offshore wind parks
  - Industrial HV & MV Substation Installations up to 765kV
  - Modular HV and MV substations up to 220kV
  - Mobile GIS and AIS Substations and Capacitor Banks up to 220kV
  - Mobile HV Circuit Breakers up to 220kV
  - Mobile MV Switchgear up to 220kV
  - Transmission Line Projects up to 400kV
  - Submarine cable and underground cable transmission projects up to 220kV
  - Flexible AC Transmission Systems (FACTS)
- Transmission project asset leasing and renting
- Smart Gid Solutions
- Substation Control and Automation Systems
- Distribution Automation Systems
- Transmission MV and HV SCADA projects
- HV Substation refurbishment projects

CG POWER SYSTEMS IRELAND LIMITED

DISTRIBUTION TRANSFORMER DIVISION

- Single phase Distribution Transformers 15kVA to 200kVA up to 36kV
- Three phase Distribution Transformers 25kVA to 5000kVA up to 72kV
- Mini & Micro self-protected package substations up to 315kVA
- Unit substations with or without protection up to 1000kVA
- MV Distribution System stations complete with MV & LV protection up to 5000kVA
- Interface Transformers up to 5000kVA
- Auto Transformers up to 10000kVA
- Rectifier Transformers
- SLIM® Transformers (up to 36kV)
- Solar Application Transformers
- Tidal Application Transformers
- Battery Storage Application Transformers
- House Transformers up to 40kV
- Three Phase Very Low Loss Transformers
- Refurbishment of Transformers
- Amorphous Core Transformers
- Insulating Liquids: Mineral Oil, Silicon Oil, Synthetic Ester & Natural Ester
- Self-protecting Distribution Transformers (up to 1000kVA)
- Earthing Transformers and Combined Earthing Transformers with Auxiliary
- Series Reactors
- Pad-Mounted Transformers
- Transformers for Electric Vehicle Charging Stations
- Phase Shifting Transformers
- Electric Vehicle Charging Transformers
- Sustainable Peak Load Transformers

CG ELECTRIC SYSTEMS HUNGARY ZRT

TRANSFORMERS DIVISION

- High Voltage Power Transformers (up to 800kV)
- Power Transformers filled with mineral oil (upto 500MVA)
- Power Transformers filled with biodegradable liquid
- Track side Transformers
- Locomotive Transformers
- Traction Transformers
- Mobile Transformers
- Furnace Transformers
- Rectifier Transformers
- Special Purpose Transformers
- Phase Shifting Transformers

SYSTEMS DIVISION

- GIS and AIS Substations up to 400kV
- Industrial and Generation HV & MV Substations Installations up to 400kV
- Underground cable transmission projects up to 220kV
- Transmission MV and HV SCADA projects
- Substation refurbishment projects

- Turn-key substation design Engineering, feasibility study, tender design, full design for execution
- High Voltage Transmission Systems Engineering

SERVICES DIVISION

- Site erection and maintenance of Power Transformers and Gas Insulated Switchgear
- Spare parts for all CGESHU product, means: motor/generator, PT and GIS
- Gas Insulated Switchgear (GIS) extensions for the existing SS, up to 400kV
- Field testing, PT, GIS, RM
- Strategic complete spare equipments for old GIS SS
- Factory overhaul: SF6 Gas Circuit Breakers, High Speed ES, Disconnectors etc.
- SF6 gas handling, absorbent replacement, filtering modification

CG POWER AMERICAS LLC

DISTRIBUTION TRANSFORMERS

- Three-phase Pad-Mounted
- Converter Transformer
- Three-Phase Station Type
- Three-Phase WindPAD
- Three-Phase SolarPAD

POWER TRANSFORMERS

- Small Power Transformers
- Large Power Transformers
- Auto Transformers
- Generator-Step-up Transformers
- Mobile Transformers
- Shunt Reactors
- Medium Power Transformers
- Regulating Power Transformers
- System/Two Winding Transformers

EHV SWITCHGEAR

- 72.5kV Outdoor Gas Circuit Breaker (Dead Tank)
- 36kV–800kV Live Gas Circuit Breaker (Live Tank)
- 12kV–800kV Current Transformer
- 12kV–420kV Inductive Voltage Transformer
- 72.5kV–1200kV Capacitive Voltage Transformer
- 52kV–800kV Condenser Bushing (Oil Impregnated)
- 52kV–145kV Resin Impregnated Paper Bushing
- Gas Insulated Switchgear (Up to 245kV)
- Off Load Disconnector (Up to 245kV)

ARRESTORS

- Distribution Class (Up to 36kV)
- Station Class (Up to 1200kV) *Available both in Porcelain and Polymeric Housing

MV SWITCHGEAR

- Indoor & Outdoor Vacuum Circuit Breaker (Up to 36 kV)
- Gas Insulated Switchgear (Up to 36 kV)
- Auto Recloser (Up to 36kV)
- Sectionalizer (15.5kV)
- Vacuum Contactor (Up to 12kV)
- Numerical Digital Protection Relay (Complaint to IEC61850)

SERVICES

Maintenance, Repair and Retrofit Services for Transformers

QEI INC.

AUTOMATION SOLUTIONS

QEI (formerly CG Automation Solutions) is the oldest and most experienced U. S. Based supplier of SCADA systems for Electric, Transit and Water/Wastewater utilities. CG Automation is a full service company, with the engineering, manufacturing, training, and service personnel to support each customer's SCADA requirements from inception to completion.

- Tone Telemetry Devices
- Remote Telemetry Unit
- Substation Automation
- Substation Automation Solutions

PT CG POWER SYSTEMS INDONESIA

TRANSFORMERS

- 3-phase Power Transformers up to 350MVA – 150kV
- Single phase Transformers up to 200MVA, 500kV
- Phase Shifting Transformers
- Mobile Transformers (up to 90MVA, 220kV)
- Special Purpose Transformers

SYSTEMS DIVISION

- AIS Switchyards up to 500kV
- GIS Switchyards up to 275kV
- Refurbishment/Extension of GIS
- Mobile and Compact Substation up to 100MVA, 220kV
- Mobile Capacitor Banks
- Substation Automation and SCADA projects
- Substation refurbishment projects
- Engineering Consultancy for transmission grid operators

Industrial Systems

MV MOTORS & GENERATORS: CG INDIA

- MV & LV Induction Motor including safe area and all type of hazardous area machines upto 12MW, Polarity upto 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 1MVA to 25MVA in frame size 500 to 1250, upto13.2kV in enclosures type CACA, CACW & SPDP
- Industrial duty DC machines upto 2000kW, in frame size from 315 to 710, Voltage upto 800V, in enclosures type CACA, CACW & SPDP

MV MOTORS: CG HUNGARY

- MV Motors power upto 25MW, Pole number upto 16 in standardised and non standard designs in very low speeds, voltage upto 15kV
- Service: MV Motor refurbishment and overhauling, Stator and Rotor rewinding,

balancing, testing and complete diagnostic at factory and site.

GENERATORS: CG HUNGARY

- Synchronous Generators power from 1MVA upto 70MVA, Voltage upto 13.2kV, in high speed 2 pole for Steam / Gas and as well as Hydro Applications
- Service: refurbishment and overhauling upto 300MVA

LT MOTORS (INDIA)

- AC Motors, Frame 63 to 500 (0.18kW to 630kW)
- TEFC Motors available in Squirrel cage & Slipring constructions, suitable for Safe Area & Hazardous Area
- AC Motors Apex Series, Frame 80 to 355LX (0.75 to 315kW) IE 2 Efficiency and Frame 80 to 355LX (0.75 to 315KW) IE 3 Efficiency
- AC Motor NEMA Range 143 to 504 (0.75 to 150KW) EPACT & OWP and AC Motor NEMA Range 143 to 405 (0.75 to 75KW) Premium
- AC Motor Kibosh Series, Frame 80 to 200L (0.37kW to 30kW)
- Laminated Yoke DC Motors Frame 100 to 355 (2.2kW to 550kW)
- 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 2250kVA)
- Alternator Ustad Series: Slipring Alternators from 5kVA to 82.5kVA

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 Frame: 370 to 5500W, 4 Pole CI Body Single Phase Motors
- Flame Proof Enclosure: 370 to 750W, 4 Pole Motors
- IEC 63–112 Frame: 187 to 2250W, 2/4 Pole Aluminum Body Single Phase Motors
- Open Construction/Customized frames: 20 to 1500W, 2/4/6/8 Pole Motors for Domestic Appliance

COMMERCIAL PRODUCT RANGE

- Domestic Exhaust Fans: 9 Inches and 12 Inches
- Cooler Kits: 18 Inches & 20 Inches
- Cooler Pumps: 20W & 40W for 5 feet and 8 feet height coolers
- Heavy Duty Exhaust Fans: 12 inches to 36 inches
- DOL Starters
- Single Phase Mini Starters
  Recommended motor output: 0.75kw to 2.20Kw
  Relay range: 4 – 20 Amps
  - Single Phase DOL Starters
    Recommended motor output: 0.75Kw to 3.70Kw
    Relay range: 6-32 Amps
  - Three Phase DOL Starters
    Recommended motor output: 0.75Kw to 15kw
    Relay range: 1.5–32 Amp
  - Domestic Pumps
  - Slow speed self priming pumps: 0.5 and 1.0HP
  - Open Well Submersible Pump: 0.5 HP to 2.0HP
  - Mini 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: 3 Inches & 4 Inches
  - Shallow well Jet Pumps: 0.5 and 1.0HP
  - Centrifugal Mono Block Pumps: 0.5 to 2hp

INDUSTRIAL DRIVES AND AUTOMATION (INDIA)

- LV Drives Systems upto 3MW, Voltage upto 690VAC
- DC Drives System upto 5400kW, Voltage upto 1000VDC
- 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)

- LV Drives Systems upto 3MW, Voltage upto 690VAC
- LV Softstarters upto 1.6MW, upto 690V
- Shaft Power Monitors
- Rotating Heat Exchanger Drives with Switched Reluctance Motors
- CG is into solution business for Sector wise application specific solutions & projects

RAIL TRANSPORTATION AND TRACTION

PROPULSION EQUIPMENTS & TRACTION ELECTRONICS

- AC & DC Traction Motors for AC Electric Locos, Diesel Locos, EMUs, DEMUs, SPICs & DETCs
- Traction Alternators for Diesel Locos, DEMUs, SPICs & DETCs
- Traction Electrics for Electric Locos, DEMUs, SPICs & DETCs
- Traction Electrics for MEMUs and EMUs (under development)
- AC Traction Motors for MEMUs and EMUs (under development)

RAILWAY SIGNALLING

- Signalling Relays
- Point Machines
- Data Logger
- BLDC Fan
- Integrated Power Supply System
- 25KVA Underslung Inverter
- EMX Motor B15
- Switch Board Panels

STAMPING AND LAMINATION

- 0.5mm, 0.65mm thick lamination from 65mm (2.6inches) to 1300mm (51inches) diameter in CRNGO and CRCA material in all grades & coatings for guaranteed watt loss & permeability as per customer requirement
- High speed up to 425mm diameter with additional features like air gap cutting, auto stacked stators and stacked & skew rotors
- Notching operation up to 1300mm (51 inches) diameter by single point notching

12

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
Kanjur Marg (East), Mumbai 400 042
Maharashtra, India
Tel +91 (0)22 6755 8320
Email *anindya.basu@cgglobal.com*

Plot No. T1-T5 MPAKVN Industrial Area
District Bhind, Malanpur 477 116
Madhya Pradesh, India
Tel +91 (0)7539 826 900 1751
Email *pradip.kar@cgglobal.com*

Plot No. 29, 30, 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 DVISION
A-3, M.I.D.C., Ambad,
Nashik 422 010
Maharashtra, India
Fax +91 (0)253 238 1247
Email *mukul.srivastava@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, 255 8081, 255 8031, 255 8069
Fax +91 (0)240 255 4697
Email *delip.wakode@cgglobal.com*

ENGINEERING PROJECTS DIVISION
16th Floor, Tower A, Building No 5
DLF Cyber City, Sector 25-A
DLF Phase III, Gurgaon 122 002
Haryana, India
Tel +91 (0)124 462 7700
Fax +91 (0)124 462 7777
Email *sanjay.sahni@cgglobal.com*

Industrial Systems

LARGE AND TRACTION MACHINES
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 MOTORS
Plot No. 9, MPAKVN, Phase 2
Industrial Area, Mandideep 462 046
Madhya Pradesh, India
Tel +91 (0)7480 427 107, 427 102, 427 110
Email *ashok.kulkarni@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 *ramesh.kumar@cgglobal.com*

LT MOTORS (UNIT II)
B-108/109, MIDC Industrial Area,
Ahmednagar 414 111
Maharashtra, India
Tel +91 (0)241 662 4121
Email *gautam.suvarnpathaki@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 *devesh.pandey@cgglobal.com*

DRIVES & AUTOMATION
Plot No. 9, MPAKVN, Phase 2
Industrial Area, Mandideep 462046
Madhya Pradesh, India
Tel +91 (0)7480 426 400, 426 403
Email *pankaj.pandey@cgglobal.com*

RAIL TRANSPORTATION & TRACTION ELECTRONICS
Plot No 9, MPAKVN Phase II,
New Industrial Area
Mandideep 462 046
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Tel +91 (0)7480 426 400, 426 401/402
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Region SEAP

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Notes

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Global Communications
& Corporate Secretarial

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print
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Strong relationships.

Please Note: The venue for the 82nd Annual General Meeting is Patkar Hall, SNDT Women's University, 1 Nathibai Thackersey Road, Mumbai 400 020

CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

(CIN : L99999MH1937PLC002641)
Registered Office: 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai 400 030
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NOTICE

NOTICE is hereby given that the Eighty Second Annual General Meeting of the Members of **CG POWER AND INDUSTRIAL SOLUTIONS LIMITED** will be held on **Saturday, 14 December 2019 at 2:00 p.m. (IST)** at Patkar Hall, SNDT Women's University, 1 Nathibai Thackersey Road, Mumbai 400 020 to transact the following business:

ORDINARY BUSINESS:

Adoption of Financial Statements

1. To consider and adopt:

   (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2019, together with the reports of the Board of Directors and Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2019, together with the report of Auditors thereon.

SPECIAL BUSINESS:

Retirement by rotation of Director – Dr Omkar Goswami (DIN: 00004258)

2. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Dr Omkar Goswami (DIN: 00004258), Director liable to retire by rotation, who does not offer himself for re-appointment be not re-appointed as a Director of the Company and the vacancy so caused on the Board of the Company be not filled."

Ratification of Remuneration payable to the Cost Auditor

3. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 700,000/- (Rupees Seven Lakhs 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 2020, 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."

Appointment of Director – Mr Sudhir Mathur (DIN: 01705609)

4. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152 and Rules made thereunder and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, Mr Sudhir Mathur (DIN: 01705609), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Confirmation of appointment of Mr Sudhir Mathur (DIN: 01705609) as an Independent Director from 1 October 2018 up to 9 May 2019

5. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149,150,152,160 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Members of the Company confirmed the appointment of Mr Sudhir Mathur (DIN: 01705609), as Non-Executive Independent Director of the Company from 1 October 2018 up to 9 May 2019."

Appointment of Mr Sudhir Mathur (DIN: 01705609) as a Whole Time Executive Director with effect from 10 May 2019 for a period of 5 years

6. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149,150,152,196,197 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 other applicable rules under the Act (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 appointment of Mr Sudhir Mathur as Whole Time Executive Director of the Company with effect from 10 May 2019 for a period of five years, on the terms and conditions as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company be and are hereby authorised to alter the terms and conditions and/or revise the remuneration package of Mr Sudhir Mathur, as and when necessary during his tenure as Whole Time Executive Director, in conformity with Section 197, read with Schedule V of the Act.

RESOLVED FURTHER THAT in any of the financial years during the tenure of Mr Mathur, including financial year 2019-2020, if the Company has no profits or its profits are inadequate, the Company shall take requisite approvals for payment of remuneration to Mr Mathur including the approval of the Members of the Company as per the applicable provisions of Schedule V of the Act."

Appointment of Mr Narayan K Seshadri (DIN: 00053563) as an Independent Director

7. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149,150,152,160 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr Narayan K Seshadri (DIN: 00053563), who was appointed as an Additional Director (Non-Executive Independent) of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, with effect from 8 March 2019, and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years from 8 March 2019 up to 7 March 2024."

Borrowing in excess of limits mentioned under Section 180 (1)(c) of the Companies Act, 2013

8. To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules, if any, made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and provisions of the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include person(s) authorised and / or any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to borrow any sum or sums of money, in Indian Rupees and / or in any foreign currency from time to time, at its discretion, for the purpose of the business of the Company or such other purpose, which together with the monies already borrowed by the Company (apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business) may at any time exceed the aggregate of paid up share capital, its free reserves and securities premium of the Company provided that the outstanding amount of monies so raised or borrowed shall not exceed ₹ 5,000 Crores (Rupees Five Thousand Crores).

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may in its absolute discretion determine and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to the above resolution."

By Order of the Board

Shikha Kapadia
Company Secretary and Compliance Officer
Membership No. ACS 20733

Mumbai, 10 November 2019

NOTES:

(a) Proxy(ies):

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE ON HIS/HER BEHALF ON A POLL AND SUCH PROXY(IES) NEED NOT BE MEMBER(S) OF THE COMPANY. Proxy(ies), in order to be effective, must be received by the Company, duly filled, signed (in pen) and stamped, not less than 48 (forty eight) hours before the 82nd Annual General Meeting ('Meeting'). A person can act as a Proxy on behalf of Member(s) not more than 50 (fifty) or such number of Member(s) holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a Proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such Proxy shall not act as a Proxy for any other person or Shareholder.

If a person is appointed as a Proxy for more than 50 (fifty) Members, he shall choose any 50 (fifty) Members and confirm the same to the Company 24 (twenty four) hours before the commencement of the Meeting. In case the Proxy fails to do so, the Company shall consider only the first 50 (fifty) Proxies received in respect of such person as valid.

The Proxy Form in the prescribed format is being sent herewith.

A Proxy Form, if not complete in all respects, will be considered invalid.

During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the Proxy(ies) lodged, between 9.00 a.m. to 6.00 p.m. (IST) provided that not less than 3 (three) days' prior notice in writing is given to the Company.

(b) Explanatory Statement:

An Explanatory Statement as per Section 102 of the Companies Act, 2013 ('Act') in respect of the businesses under Item Nos. 1, 2, 3, 4, 5, 6, 7 and 8 of this Notice, proposed to be transacted at the Meeting and relevant information with respect to Directors seeking appointment at the Meeting under Item Nos. 4, 5, 6 and 7 of this Notice respectively, as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('SS-2'), are annexed to this Notice.

(c) Corporate Representations:

Pursuant to the provisions of Section 113 of the Act, Body Corporate Members who intend to send their authorised representative(s) to attend the Meeting are requested to send, to the Company, a certified copy of the Resolution, of its Board of Directors or other governing body, authorising such representative(s) alongwith the respective specimen signature(s) of those representative(s) authorised to attend and vote on their behalf at the Meeting.

(d) Queries:

Queries on Financial Statements and operations of the Company, if any, may be sent to the Company Secretary at least 7 (seven) days in advance of the Meeting so as to enable the Management to keep the information ready at the Meeting.

(e) Unclaimed/Unpaid Dividends and Shares:

During the financial year 2018-19, 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'), the dividend(s) which have remained unclaimed/unpaid for a period of 7 (seven) consecutive years and the corresponding equity shares have been transferred to the Investor Education and Protection Fund ('IEPF') and Investor Education and Protection Fund Authority respectively.

Further, in compliance with the IEPF Rules, the Company had communicated individually to all the concerned shareholders at their registered addresses, whose share(s) were liable to be transferred, for taking the appropriate action(s). Additionally Notices were also published in the Newspapers - Free Press Journal and Navashakti in this regard.

Unpaid/unclaimed Dividend(s) pertaining to the financial years 2012-2013 to 2014-2015 which, if remain, unclaimed/unpaid for a period of seven consecutive years are due to be transferred to IEPF on the dates given as under:

Date of Declaration of Dividend	Due Date for Transfer to the IEPF
1 November 2012	30 November 2019
6 August 2013	5 September 2020
8 November 2013	7 December 2020
29 January 2014	28 February 2021
5 August 2014	4 September 2021
1 October 2014	15 November 2021
3 February 2015	2 March 2022

Pursuant to the IEPF Rules, the Company has uploaded details of unpaid and unclaimed dividend amount(s) lying with the Company as on 28 September 2018 (date of previous Annual General Meeting) in the Investors section on the website of the Company www.cgglobal.com and also on the website of MCA www.iepf.gov.in. Members are requested to visit the website of the Company and/or MCA to check the status of their unpaid/unclaimed dividends and shares and are requested to contact Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited), the Registrar and Share Transfer Agent of the Company to claim the same.

Shareholders can also view the status of their unclaimed dividend at Investor Access web portal available on the website of the Company at www.cgglobal.com.

(f) Dispatch of Notice and Annual Report through electronic means and inspection of documents:

Electronic copy of the Annual Report for FY 2018-2019 along with Notice of the 82nd Annual General Meeting of the Company are being sent to all the Members whose e-mail address are registered with the Company/Depository Participant(s) pursuant to Sections 101 and 136 of the Act read with relevant rules made thereunder and Regulation 36 of the Listing Regulations as amended from time to time, unless any Member has specifically requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Annual Report for FY 2018-2019 along with Notice of the 82nd Annual General Meeting of the Company is being sent through the permitted mode.

Members can also access the aforesaid documents on the Company's website www.cgglobal.com.

The physical copies of the aforesaid documents and all documents referred to in this Notice and accompanying Explanatory Statement will also be available at the Company's Registered Office for inspection during normal business hours (9:00 a.m. to 6:00 p.m. (IST)) on all working days, excluding Saturdays, upto the date of the Meeting and at the venue of the Meeting.

Members who have not registered their e-mail addresses with the Company can now register the same by sending the duly filled in and signed e-mail registration form attached to this Notice. Even after registering for e-communication, Members are entitled to receive such communication in physical form upon making a written request for the same.

(g) Electronic voting:

In compliance with provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and SS-2, the Company is pleased to provide its Members, holding shares in physical or dematerialised form, facility to vote by electronic means from a place other than the venue of the Meeting ('remote e- voting') on all resolutions proposed to be considered and transacted at the Meeting. The Company has engaged the services of National Securities Depository Limited ('NSDL') to provide remote e-voting facility. Members are requested to refer to the instructions, process and manner for remote e-voting accompanying this Notice.

The cut-off date for determining the Members eligible to vote on resolutions proposed to be considered at the Meeting is Saturday, 7 December 2019. The remote e-voting period will commence on Tuesday, 10 December 2019 at 9:00 a.m. (IST) and end on Friday, 13 December 2019 at 5:00 p.m. (IST).

Members may also note that the facility for voting either through remote e-voting and Ballot Paper shall be made available at the venue of the Meeting and the Members attending the Meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting rights at the Meeting. Further Members who have cast their vote by means of remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again. The e-voting instruction slip should be taken as forming part of this Notice.

Members must note that voting by show of hands will not be available at the Meeting in terms of the aforesaid provisions.

Any person becoming the Member of the Company after the dispatch of Notice of the Meeting and holding shares as on the cut-off date i.e. Saturday, 7 December 2019 may obtain the user ID and password by referring to the e-voting instructions attached to this Notice available on the Company's website www.cgglobal.com and the website of NSDL www.evoting.nsdl.com.

(h) Registrar & Share Transfer Agent & Investor Services Department:

The Company's Registrar & Share Transfer Agent is Datamatics Business Solutions Limited ('DBSL') (Formerly known as Datamatics Financial Services Limited). In addition to the Registrar & Share Transfer Agent, 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 Corporate Secretarial Department at investorservices@cgglobal.com.

Address and details for correspondence with DBSL and the Corporate Secretarial Department are provided in the section titled 'Report on Corporate Governance' in the 82nd Annual Report for FY 2018-2019.

(i) Route Map and Travel Arrangements:

As per the requirements of SS-2, a route map showing directions to reach the venue of the Meeting is given at the end of this Notice. Further the Company has made arrangements for commute, to and fro, from CST Local Station to the venue of the Meeting. Vehicles (with a CG banner affixed) will depart at 1.00 p.m. (IST) from CST Local Station to enable the Members to reach the venue on time.

(j) Dematerialisation of Shares:

Attention is drawn to Regulation 40 of Listing Regulations which has mandated that transfer of securities would be carried out only in dematerialised 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 Registrar & Share Transfer Agent, Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited) at Tel No.022- 6671 2001 to 6671 2006 or e-mail at cginvestors@datamaticsbpm.com.

(k) Miscellaneous:

Members and Proxy(ies) are requested to bring their valid identity proof such as PAN Card, Passport, Aadhar Card or Driving License at the time of the Meeting for identification purpose and the copy of their Annual Report and attendance slip duly filled in and signed for attending the Meeting.

By Order of the Board

Shikha Kapadia
Company Secretary and Compliance Officer
Membership No. ACS 20733

Mumbai, 10 November 2019

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In conformity with the provisions of Section 102 of the Companies Act, 2013 ('Act') and Secretarial Standard-2 ('SS-2') on General Meetings issued by the Institute of Company Secretaries of India, the following Explanatory Statement and annexure thereto should be taken as forming part of this Notice.

Item No. 1

Given the nature and financial magnitude of the observations made (a) in the disclosures dated 19 August 2019 made by the Company to the stock exchanges and (b) by the Joint Statutory Auditors in their 'Basis for Disclaimer of Opinion', as disclosed in the Statutory Audit Reports both on standalone and consolidated financial statements for the year ended 31 March 2019 forming part of the enclosed 82nd Annual Report for FY 2018-2019, neither the Board of Directors nor the Joint Statutory Auditors of the Company can presently claim that the standalone and consolidated financial statements for the financial year ended 31 March 2019, represent a true and fair view of the financial position of the Company. Please note that subsequent to the disclosures dated 19 August 2019 made by the Board of Directors to the stock exchanges, the Company has mandated a detailed independent forensic investigation into the affairs of the Company. It should be noted that there is no certainty on whether any further revision(s) to the accounts under Section 131 of the Companies Act, 2013 may be required in the future. For further details please refer to the 'Significant Matters Relevant to the Year under Review' and 'Director's Responsibility Statement' section of the Directors' Report forming part of the 82nd Annual Report for FY 2018-2019. Kindly also refer in detail the Statutory Audit Reports and notes to accounts of both standalone and consolidated financial statement for the year ended 31 March 2019.

Item No. 2

In accordance with the provisions of Section 152 of the Act, read together with the Articles of Association of the Company, Dr Omkar Goswami (DIN: 00004258), is liable to retire by rotation at the ensuing Annual General Meeting of the Company.

Dr Goswami has not offered himself for re-appointment. The Board proposes that the vacancy caused by his retirement be not filled-up.

The Board of Directors recommends the resolution as set out at Item No. 2 for approval of the Members as an Ordinary Resolution.

Except for Dr Omkar Goswami none of the Directors and Key Managerial Personnel of the Company or their relatives are in any way financially or otherwise, concerned or interested in the resolution as set out at Item No. 2 of the accompanying Notice except to the extent of their shareholding in the Company, if any.

Item No. 3

The Board of Directors of the Company, on the recommendation of the Risk and Audit Committee of the Board, have at their Meeting held on 30 August 2019 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 2020 at a remuneration of ₹ 700,000/- (Rupees Seven Lakhs 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 Risk and 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. 3 of this Notice for ratification of the remuneration payable to the Cost Auditors of the Company for the financial year ending 31 March 2020.

Except to the extent of their shareholding in the Company, if any, 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. 3 of the accompanying Notice.

The Board of Directors recommends the Ordinary Resolution at Item No. 3 for approval of the Members.

Item No. 4, 5 and 6

Mr Sudhir Mathur was appointed as an Additional Director (Non-Executive Independent Director) on the Board of the Company with effect from 1 October 2018 and thereafter as a Whole Time Executive Director of the Company with effect from 10 May 2019. In terms of the provisions of Section 161 of the Act he holds office up to the date of this Annual General Meeting. A notice in terms of Section 160 of the Act has been received from a Member, signifying his intention to propose Mr Mathur's candidature for the office of Director of the Company.

Mr Sudhir Mathur has more than 32 years of rich expertise and experience in operations, finance, marketing, strategic planning and regulatory affairs. He has a proven track record in deploying large capital to enable value creation for companies. Mr Mathur has been exposed to high-growth sectors like Oil & Gas, Telecom and Infrastructure. He was the Chief Executive Officer of Cairn Oil & Gas – Vedanta Limited, where he was instrumental in defining the organisation's strategy and its execution.

Prior to joining Cairn in September 2012, Mr Mathur was the Chief Financial Officer and Head of the Netco Business for Aircel Cellular Limited. He has formerly held several leadership positions of increasing responsibility at Delhi International Airport Limited, Idea Cellular, Ballarpur Industries Limited, and Pricewaterhouse Coopers, India.

Mr Mathur is an Economics graduate from Shri Ram College of Commerce, Delhi University, and earned his Master's degree in Business Administration from Cornell University, New York, USA.

The Board of Directors basis the recommendation of Nomination and Remuneration Committee approved the appointment of Mr Mathur as Whole Time Executive Director of the Company with effect from 10 May 2019 for a period of five years on the following terms and conditions, subject to the approval of Members of the Company:

Salary:

Fixed Pay: ₹ 2.5 Crore per annum.

Annual increment will be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee each year which shall be merit based and will take into account the performance of Mr Mathur against goals set by the Board as well as the performance of the Company.

Perquisites and Allowances:

A basket of perquisites and allowances up to ₹ 1 Crore per annum which would include rent free accommodation owned/leased by the Company, one club membership, car facility and other retiral benefits in terms of the Company's Rules as may be agreed upon with Mr Mathur, up to the above amount.

For the purpose of calculating the above ceilings, perquisites would be evaluated in accordance with valuation principles adopted for Indian Income Tax purposes or reasonable estimates with respect to personal use, as applicable.

Performance Bonus (Target Variable Pay):

In addition to the above, Mr Mathur shall also be entitled to Performance Linked Incentive of ₹ 1.5 Crore as may be determined by the Board basis the recommendation of Nomination and Remuneration Committee taking into consideration various criteria, including the performance of Mr Mathur and the performance of the Company. The variable pay can be of any nature which may include stock options subject to applicable law and requisite approvals.

Thereafter, annually throughout the tenure of Mr Mathur the terms of his remuneration will be determined by the Board basis the recommendation of Nomination and Remuneration Committee for each financial year or part thereof, subject to the applicable provisions of Schedule V of the Act or other applicable provisions of the Act or any other law for the time being in force, taking into consideration various criteria, including the performance of Mr Mathur and the performance of the Company and subject to requisite approvals being obtained. In this regard, in any of the financial years during the tenure of Mr Mathur, including financial year 2019-2020, if the Company has no profits or its profits are inadequate, the Company shall take requisite approvals for payment of remuneration to Mr Mathur including the approval of Members of the Company as per the applicable provisions of Schedule V and other applicable provisions of the Act.

Leave:

Mr Sudhir Mathur shall also be entitled for leave with full pay or encashment thereof, as per the rules of the Company.

Income-tax on the aforesaid remuneration package, as applicable, as per Indian Income-tax law, would be payable by Mr Sudhir Mathur. However, the Company may pay the income-tax on certain non-monetary perquisites as permitted by Income-tax law and approved by the Nomination and Remuneration Committee.

Mr Mathur does not hold any equity shares in the Company either in his individual capacity, or beneficially for others and is not related to any Director or Key Managerial Personnel of the Company.

Other details of Mr Mathur as stipulated under Regulation 36 of the Listing Regulations and SS–2 are provided in the Annexure to this Explanatory Statement.

This Explanatory Statement together with accompanying Notice may be regarded as a memorandum setting out terms of employment of Mr Sudhir Mathur under Section 190 of the Act.

Mr Mathur has contributed significantly in bringing transparency and is in the process of strengthening the internal controls and processes for improving governance. The Board considers that Mr Mathur's association would be of immense benefit to the Company and recommends resolutions at item no. 4, 5 and 6 of the accompanying Notice for:

1) Appointment of Mr Mathur as director liable to retire by rotation,

2) Confirmation of appointment of Mr Sudhir Mathur (DIN: 01705609) as an Independent Director during the interim period from 1 October 2018 up to 9 May 2019.

3) Appointment of Mr Sudhir Mathur (DIN: 01705609) as a Whole Time Executive Director with effect from 10 May 2019 for a period of 5 years on the terms and conditions as mentioned above.

Except for Mr Mathur, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are in any way financially or otherwise, concerned or interested in the resolution as set out at Item No. 4, 5 and 6 of the accompanying Notice except to the extent of their shareholding in the Company, if any.

Item No. 7

Based on the recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company had, at their meeting held on 8 March 2019, appointed Mr Narayan K Seshadri (DIN: 00053563) as an Additional Director (Non-Executive Independent) on the Board of Directors of the Company. In terms of the provisions of Section 161 of the Act, Mr Narayan K Seshadri holds office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a Member proposing candidature of Mr Seshadri for the office of the Director of the Company.

Mr Seshadri is the founder of Tranzmute LLP established to turnaround and rapidly grow high potential underperforming businesses under an unique equity based outcome driven business model. By providing new ideas, management and capital, Tranzmute "invests" in businesses with considerable potential for growth. Mr Seshadri has led several such investments in Financial, Retail, Contract Research & Manufacturing, Textiles, Paper and Lifestyle marketing.

Prior to establishing Tranzmute, Mr Seshadri founded Halcyon Resources & Management Private Limited, and before that the Managing Partner at KPMG's Business Advisory Services Practice which he helped turnaround and rebuild. Before KPMG, Mr Seshadri led Arthur Andersen's Business Consulting Practice in India as part of Andersen's India leadership team. He built this practice to achieve a leadership position in the Consulting.

Mr Seshadri has worked in the UK, Middle East and India and helped on various global initiatives and engagements during his consulting career. Besides the industry sectors that he currently works with, Mr Seshadri has advised the Power, Banking & Financial Services, Agribusiness, Pharmaceutical, Healthcare, IT & ITES Sectors at different levels - from policy formulation to corporate strategy, restructuring and organization transformation.

Mr Seshadri is a Chartered Accountant by profession with over forty years of professional experience.

Other details of Mr Narayan K Seshadri as stipulated under Regulation 36 of the Listing Regulations and SS–2 are provided in the Annexure to this Explanatory Statement.

Mr Seshadri has confirmed that he meets the criteria of independence as provided under Section 149 of the Act and Regulation 16 of Listing Regulations.

In the opinion of the Board, Mr Seshadri fulfils the conditions specified in the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Listing Regulations for his appointment as an Independent Director of the Company and is independent of the Management.

The Board considers that Mr Seshadri's association would be of immense benefit to the Company and desires to avail his services as an Independent Director of the Company. Mr Seshadri has contributed significantly in bringing transparency and establishing governance practices in the Company.

In view of the above and in terms of the provisions of Section 149 and other applicable provisions of the Act, Mr Narayan K Seshadri is proposed to be appointed as an Non-Executive Independent Director of the Company for five consecutive years, from 8 March 2019 to 7 March 2024.

Except Mr Narayan K Seshadri, being an appointee, none of the 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 set out at Item No. 7 of the accompanying Notice. Mr Seshadri is not related to any Director of the Company. The Explanatory Statement together with the accompanying Notice and Annexure thereto may also be regarded as a disclosure under Regulation 36 of Listing Regulations.

The Board of Directors recommends the Ordinary Resolution at Item No. 7 of this Notice for approval of the Members.

Item No. 8

Pursuant to the provisions of Section 180(1)(c) of the Act, the Board of Directors of the Company cannot borrow monies in excess of the amount of paid up share capital, free reserves and securities premium without the approval of the Members of the Company by way of Special Resolution.

The current borrowing as of 31 March 2019 is ₹ 2,455.39 crores (fund based including short term loans) and ₹ 1,380.00 crores (non fund based).

Keeping in view the existing borrowing and additional fund requirements and given the current financial condition of the Company, the Company is in urgent need of both long term capital and working capital and towards this, the management of the Company is in the process of identifying potential sources of capital including but not limited to from banks, financial institutions, lending institutions, bodies corporate and / or such persons / individuals as may be considered fit, which together with moneys already borrowed by the Company (apart from the temporary loans obtained by the Company from its bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital, free reserves and securities premium of the Company. The Company is also seeking external advice on mode and sources of fund raising.

Hence, approval of the Members is sought for availing borrowings up to an amount of ₹ 5,000 Crore (Rupees Five Thousand Crore only) for meeting the immediate funding requirements of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution.

The Board of Directors recommends the Special Resolution at Item No. 8 of this Notice for approval of the Members.

By Order of the Board

Shikha Kapadia
Company Secretary and Compliance Officer
Membership No. ACS 20733

Mumbai, 10 November 2019

ANNEXURE TO ITEM NOS. 4, 5, 6 AND 7 OF THE NOTICE CONVENING THE 82ND ANNUAL GENERAL MEETING OF THE COMPANY

Details of Directors seeking appointment at the 82nd 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 Sudhir Mathur** (Item No. 4, 5 and 6)	**Mr Narayan K Seshadri** (Item No. 7)
DIN	01705609	00053563
Nationality	Indian	Indian
Date of First Appointment on the Board of Directors	1 October 2018 as Additional Independent Director 10 May 2019 as Whole Time Executive Director	8 March 2019 as Additional Independent Director
Age	57 years	62 years
Qualifications	Economics graduate from Shri Ram College of Commerce, Delhi University, and Master's degree in Business Administration from Cornell University, New York, USA.	Chartered Accountant
Capacity	Whole Time Executive Director	Non-Executive Independent Director
Experience and expertise in Specific Functional Areas	Mr Mathur has more than 32 years of rich expertise and experience in operations, finance, marketing, strategic planning and regulatory affairs. He has a proven track record in deploying large capital to enable value creation for companies. Mr Mathur has been exposed to high-growth sectors like Oil & Gas, Telecom and Infrastructure. He was the Chief Executive Officer of Cairn Oil & Gas – Vedanta Limited, where he was instrumental in defining the organisation's strategy and its execution.	Mr Seshadri provides strategic guidance in framing corporate strategy, organisational transformation and risk management. He is a Chartered Accountant by profession with over forty years of professional experience. He has held leadership positions in companies like Andersen and KPMG gaining immense experience before establishing his business of value management, investment advisory and private equity.
List of Directorships held in other Companies	NIL	**Indian Companies:** • Magma Fincorp Limited • P I Industries Limited • Kalpataru Power Transmission Limited • Wabco India Limited • AstraZeneca Pharma India Limited • SBI Capital Markets Limited • Ramky Enviro Engineers Limited • The Clearing Corporation of India Limited • Clearcorp Dealing Systems India Limited • TVS Investments Private Limited • Radiant Lifecare Private Limited (erstwhile Halcyon Finance & Capital Advisors Private Limited)

Name of the Director	Mr Sudhir Mathur (Item No. 4, 5 and 6)	Mr Narayan K Seshadri (Item No. 7)
List of Directorships held in other Companies		• Kritdeep Properties Private Limited (Formerly known as Chanel Estates Private Limited) • Halcyon Resources & Management Private Limited • Halcyon Enterprises Private Limited • A2O Software India Private Limited • Tranzmute Capital & Management Private Limited **Section 8 Companies:** • Svasth-Heart India Foundation **Foreign Companies:** • Secural S.A, Luxembourg • ERL Phase Power Technologies Limited, Canada
Membership/Chairman in the Committees of the Boards of companies in which he is a Director	**CG Power and Industrial Solutions Limited** • Corporate Social Responsibility Committee - Member • Stakeholders' Relationship Committee - Member • Special Situation Committee - Member	**CG Power and Industrial Solutions Limited** • Nomination and Remuneration Committee - Chairman • Special Situation Committee - Chairman **Magma Fincorp Limited** • Audit Committee - Chairman • Nomination & Remuneration Committee - Member • Review Committee - Member • Risk Management Committee - Member **P I Industries Limited** • Audit Committee - Chairman • Managing Committee - Member • Nomination & Remuneration Committee - Member • Risk Management Committee - Member **Wabco India Limited** • Audit Committee - Chairman • Nomination & Remuneration Committee - Chairman • Risk Management Committee - Chairman **SBI Capital Markets Limited** • Committees of Directors - Member • Audit Committee - Chairman • Risk Management Committee - Chairman • Nomination & Remuneration Committee - Chairman • Corporate Social Responsibility Committee - Chairman • Information Technology Strategy Committee - Chairman

Name of the Director	Mr Sudhir Mathur (Item No. 4, 5 and 6)	Mr Narayan K Seshadri (Item No. 7)
		Kalpataru Power Transmission Limited • Risk Management Committee - Chairman • Audit Committee - Member **AstraZeneca Pharma India Limited** • Nomination & Remuneration Committee - Member • Audit Committee - Member **The Clearing Corporation of India Limited** • Risk Management Committee - Member • HR Committee - Member • Nomination & Remuneration Committee - Member **Ramky Enviro Engineers Limited** • Audit Committee - Chairman • Nomination & Remuneration Committee - Chairman • Risk Management Committee - Member
Terms and Conditions of appointment/re-appointment	Kindly refer explanatory statement of this notice at Item No. 4, 5 and 6	Non Executive Independent Director of the Company, not liable to retire by rotation and to hold office from 8 March 2019 up to 7 March 2024
Details of remuneration sought to be paid	As set out in accompanying explanatory statement of this Notice at Item No. 4, 5 and 6.	Entitled to the sitting fees for attending meetings of the Board/Committees and profit based commission as may be approved by the shareholders from time- to-time within the limits set out in the Act.
Last drawn remuneration	Provided in the section titled 'Directors' Report' of the 82nd Annual Report for FY 2018-2019 of the Company accompanying this Notice.	
Number of shares held in the Company	NIL	
Justification for choosing the individual for appointment as Independent Director	N.A.	As set out in accompanying explanatory statement of this Notice at Item No. 7.
Relationship with other Directors'/KMPs	Not related to any Director / Key Managerial Personnel	

By Order of the Board

Shikha Kapadia
Company Secretary and Compliance Officer
Membership No. ACS 20733

Mumbai, 10 November 2019

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

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Strong relationships.

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.

Shareholders who hold shares in dematerialised 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

Shikha Kapadia
Company Secretary
Membership No. ACS 20733

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 alongwith Joint Shareholder(s), if any.

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

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ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

.... Name of the attending Member (In Block Letters)	Member's Folio No. .... DP. ID No.*... Client ID No.*.. No. of shares held ....
Name of the Proxy (In Block Letters) : (to be filled if the Proxy attends instead of the Member)	

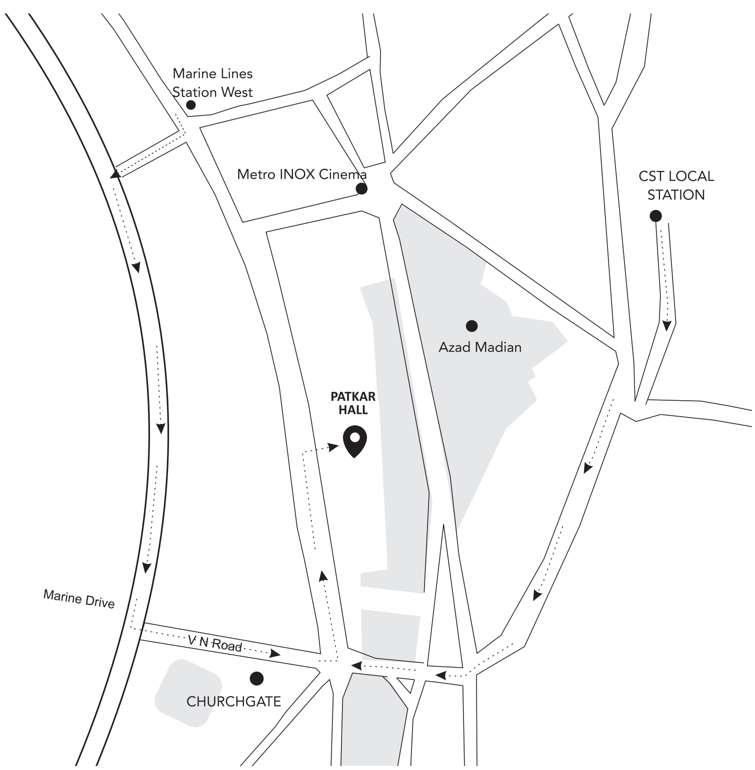
I/We hereby record my/our presence at the 82nd Annual General Meeting of the Company to be held on **Saturday, 14 December 2019 at 2:00 p.m. (IST)** at **Patkar Hall, SNDT Women's University, 1 Nathibai Thackersey Road, Mumbai - 400 020.**

* Applicable for Members holding shares in dematerialised form.

....

Member's/Proxy Signature

ROUTE MAP TO VENUE OF THE 82nd ANNUAL GENERAL MEETING



Note: Bus facility is available from CST Local Station to the venue of the Meeting.

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

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PROXY FORM

(Form No. MGT-11 pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s):
(including joint holders)

Registered address:

E-mail Id:

Folio/Client ID No.:

DP ID No.:

I/We, being the Member(s) of .... shares of the above named Company, hereby appoint

1. Name: .... Address: ....
   E-mail ID: ....Signature:.. or failing him;
2. Name: .... Address: ....
   E-mail ID: ....Signature:.. or failing him;
3. Name: .... Address: ....
   E-mail ID: ....Signature:.. .

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 82nd **Annual General Meeting** of the Company, to be held on **Saturday, 14 December 2019 at 2:00 p.m.(IST)** at Patkar Hall, SNDT Women's University, 1 Nathibai Thackersey Road, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	Voting *(optional - see note 4 below and please mention number of shares)*		
		For	**Against**	**Abstain**
1.	To consider and adopt: (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2019, together with the reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2019, together with the report of Auditors thereon			
2.	Retirement by rotation of Director – Dr Omkar Goswami (DIN: 00004258) and vacancy not filled by the Company			
3.	Ratification of Remuneration payable to the Cost Auditor			
4.	Appointment of Director – Mr Sudhir Mathur (DIN: 01705609) as liable to retire by rotation			
5.	Confirmation of appointment of Mr Sudhir Mathur (DIN: 01705609) as Non-Executive Independent Director from 1 October 2018 up to 9 May 2019			
6.	Appointment of Mr Sudhir Mathur (DIN: 01705609) as a Whole Time Executive Director with effect from 10 May 2019 for a period of 5 years			
7.	Appointment of Mr Narayan K Seshadri (DIN: 00053563) as an Independent Director for a period of 5 years from 8 March 2019			
8.	Borrowing in excess of limits mentioned under section 180 (1)(c) of the Companies Act, 2013			

Signed this .... day of .... 2019 Signature of Member ________________________

Affix Revenue Stamp

Signature of first Proxy holder   Signature of second Proxy holder   Signature of third Proxy holder

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting i.e. on or before 2:00 pm (IST) on Thursday, 12 December 2019.
2 For the Resolutions, Explanatory Statement, Notes and filling instructions please refer to the Notice of 82nd Annual General Meeting of the Company.
3 Please complete all details of member(s) in the form before submission.
4 It is optional to indicate your preference. If you leave 'for', 'against' and 'abstain' column blank on all/any resolutions, your proxy(ies) will be entitled to vote on Poll (if taken) in the manner as he/she thinks fit.

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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

Name & Registered Address of the Sole/ First named Member :

Name(s) of the Joint Member(s) if any :

Registered Folio No./ DP ID No.* /Client ID No.* :

(*Applicable to Members holding shares in dematerialised form)

Dear Member(s),

Sub : Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('SS-2'), the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be considered and transacted at the 82nd Annual General Meeting ('Meeting') by electronic means. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the Meeting ('remote e-voting') will be provided by National Depository Services Limited ('NSDL').

II. The facility for voting, either through e-voting or Ballot Paper shall also be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their voting right at the Meeting.

III. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on Tuesday, 10 December 2019 at 9:00 am (IST) and ends on Friday, 13 December 2019 at 5:00 pm (IST). During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Saturday, 7 December 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

EVEN [E-voting Event Number]	**USER ID**	**PASSWORD/PIN**

V. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Saturday, 7 December 2019.

   Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Saturday, 7 December 2019, may obtain the login ID and password by sending a request at *evoting@nsdl.co.in*

VI. Only a person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories or the Company, as on the cut-off date i.e. Saturday, 7 December 2019, shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting through e-voting or Ballot Paper. A person who is not a Member of the Company as on the cut-off date as provided above should treat this Notice for information purposes only.

VII. The Company has appointed Mr Manish Ghia (Membership No. FCS6252), Partner of M/s. Manish Ghia & Associates, Practising Company Secretaries (C.P. No. 3531) as the Scrutinizer to scrutinize the voting process through remote e-voting and voting at the Meeting venue (through e-voting or Ballot Paper) in a fair and transparent manner.

VIII. The Chairman of the Meeting shall, at the end of discussion at the Meeting on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of e-voting or Ballot Paper for all those Members who are present at the Meeting but have not cast their votes through the remote e-voting facility.

IX. The Scrutinizer shall after the conclusion of voting at the Meeting, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorized by the Board of Directors of the Company, who shall countersign the same and declare the result of the voting forthwith within forty-eight hours of the conclusion of the Meeting.

X. The Results declared along with the consolidated Scrutinizer's Report will be placed on the website of the Company and on the website of NSDL immediately. The results shall also be immediately forwarded to the Stock Exchanges on which the Company's shares are traded i.e BSE Limited and National Stock Exchange of India Limited.

XI. Subject to receipt of requisite numbers of votes, the Resolutions shall deem to be passed on the date of the Meeting.

Instructions for E-voting

The process and manner for remote e-voting consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-voting system

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services 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 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. Your password details are given below:
   a) If you are already registered for e-voting with NSDL, 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 said email ID. Trace the email sent to you from NSDL in 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 beneficiary ID for NSDL account, last 8 digits of beneficiary 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, your "initial password" is communicated to you on your postal address.
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; or
   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.
   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 on NSDL e-voting system

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of CG Power and Industrial Solutions Limited.
4. Now you are ready for e-voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members:

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 email to *scrutinizer@mgconsulting.in* with a copy marked to *evoting@nsdl.co.in*.
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) and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at *evoting@nsdl.co.in*.
4. You can also update your mobile number and email ID in the user profile details which may be used for sending future communication(s).
5. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Saturday, 7 December 2019.