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/59/2022-2023

04th July, 2022

By Portal

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

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

Scrip Id : CGPOWER

Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2021-22 and Notice convening the 85th Annual General Meeting of the Company.

We wish to inform you that the 85th Annual General Meeting ("**AGM**") of the Company is scheduled to be held on **Wednesday, 27th July, 2022** at **03:00 p.m. (IST).** Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the financial year 2021-22 along with the Notice convening the AGM of the Company are enclosed. These are also available on the website of the Company i.e. www.cgglobal.com .

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

Request you to kindly take the above information on record.

Thanking you,

Yours faithfully,
For CG Power and Industrial Solutions Limited

P Varadarajan

P Varadarajan
Company Secretary and Compliance Officer

CG Power And Industrial Solutions Limited * Mumbai-400030 *

Encl: as above

Smart solutions.
Strong relationships.

Gaining momentum

CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Annual Report 2021-22

Contents

Gaining momentum

FY22 has been a defining year for CG in many aspects. While each has its own significance, the social aspect has been the most critical and emotional for us. We saw a homecoming of confidence in us by our customers, vendors, investors and people, as we together prepared to rebuild CG's glory of more than 84 years.

The limitless trust and confidence of all the stakeholders enabled us to realise a turnaround within the first year of operations under the new management and leadership. It speaks loud of our commitment and relationship built over years.

We have successfully resolved many of our legacy issues, and are firming our ground back to move ahead with determination and zeal to serve our customers and partners better.

We are looking beyond the usual and gathering the learning of the past to chart a path of growth and sustainability. We are *Gaining Momentum,* with our inherent capabilities and robust relations, to attain newer highs.

We are CG

A Murugappa Group Company

Key Highlights

17
Manufacturing Units

85
Years in Business

~2,600
Employees

₹5,159 crore
Standalone Turnover

₹3,686 crore
Order Book

₹387 crore
PAT (before exceptional items)

Long-Term Issuer Rating is 'IND AA-' with Stable outlook and Short-Term rating is 'IND A1+'

CG Power and Industrial Solutions Limited (CG) has been transforming under the able leadership and the vision of the new management. Established in 1937, we are an engineering conglomerate with an impressive and diverse portfolio of products, solutions and services for Power, Railways and Industrial equipment and solutions. A pioneer and leader in the management and application of electrical energy, our roots belong to India and branches across the world. In November 2020, Tube Investments of India (TII), a Murugappa Group company, acquired controlling stake in CG.

We are today one of the leading global organisations with permanent footprint and manufacturing facilities across Asia, Europe and North America. We are fast emerging as a first-choice supplier of high quality, "smart" electrical, industrial and consumer products and solutions all over the world.

Our unique and diverse portfolio ranges from transformers, switchgears, circuit breakers, network protection & control gear, project engineering, HT and LT motors, drives, Rail Transportation, Electrification and Signalling System, power automation products and turnkey solutions in all these areas.

Our Vision

To transform your needs into smart solutions for an enhanced quality of life.

Our Mission

To create value by providing integrated solutions and superior knowledge-based products and services in the domain of generation, transmission, distribution and utilisation of electrical energy.

To become the company of choice for utilities, industry and households in the global market, by leveraging technology and productivity through a highly empowered and engaged team.

Our Values

We are led by the Five Lights of the Murugappa Group

INTEGRITY
We value professional and personal integrity above all else. We achieve our goals by being honest and straight forward with all our stakeholders. We earn trust with every action, every minute of every day.

RESPONSIBILITY
We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that befits our size and also reflects our humility.

QUALITY
We take ownership of our work. We unfailingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

PASSION
We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

RESPECT
We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

State-of-the-art Manufacturing facility at Ahmednagar for higher kW & energy efficient Motors (280 frame and above)

Our Business Segments

Industrial Systems

Our Industrial Business is engaged in the business of power conversion equipment which includes a wide spectrum for all industrial applications of Medium and Low Voltage Rotating Machines (Motors, Generators, Alternators), Drives and Stampings for all industrial applications. We are a reputed supplier of equipments & solutions to the Indian Railways for rolling stock, railway electrification, coach and signalling segments for more than three decades. We are one of the oldest enterprises in the Indian electrical industry in existence since 1937.

Our Portfolio


High / Low Voltage AC & DC Motors


Generators / Alternators - AC & DC


Drives and Automation


FHP / Commercial Motors


Stampings and Laminations


Domestic and Commercial Fans


Pumps


Services For Industrial Systems

Traction Machines & System (TMS)


Railway Transportation Traction Electronics


Railway Signaling (RS)

Application Industries

- Agriculture
- Healthcare
- Construction
- Automotive
- Industrial Equipment
- Railways

> **To become a world-class provider of integrated solutions in the area of power conversion and utilisation of electrical energy, to consumers, industries and railways, by offering energy efficient, intelligent, e-enabled products and services.**

Power Systems

CG is one of the largest Electric Equipment manufacturers for the Power and Industrial sector, and also offers turnkey solutions in Power Distribution and Generation.

Our Portfolio

Transformers and Reactors

Switchgear Products- MV / HV / EHV / UHV

Gas Insulated Switchgears (GIS)

Turnkey Solutions

Application Industries

- Utilities
- Industries
- Power plants
- Railways
- Infrastructure Projects
- Renewables
- Smart city Projects
- Data Centres

> **To become a world-class provider of integrated solutions to our global customers in the domain of transmission and distribution of electrical energy, by offering reliable state-of-the-art products and services.**

What Sets Us Apart

Our Investor Value Proposition

Smart solutions.
Strong relationships.

Uniquely Positioned

Eight-decade-strong lineage, know-how and relationships

A strategic network of plants and strong support team

Catering to growth critical sectors like Manufacturing, Railways and Power

At the heart of Atmanirbhar Bharat – sizeable player in the industrial machinery segment

One of the widest bouquet of products under one roof – Industrial Motors, Drives & Automations, Railway Products, Commercial Products, Transformers, and Switchgears

Sustainable Growth Opportunities

Increased focus on industrial automation, digitization and efficiency to drive growth for motors, Drives & Automation

Renewable Power, Smarter Grid, Smart Metering and Distribution reforms to lead to a healthy and competitive power sector

Steady transition towards EV to drive sustained demand growth

Inside out transformation of the power sector – across generation, transmission and distribution – to support demand growth for transformers and switchgears

Resurgent CG

Innovation, expansion (application/geography) and efficiency to drive revenue and profitability growth

CG is back on track – operations normalised, vying for growth

Improved utilisation, cash flow and accruals to help pare debts

Governance, Fiscal Prudence and Sustainable Development to strengthen stakeholders' value

Snapshot FY22

Traction Machines & System of CG's Railway Business commissioned 250th (DETC) Diesel Electric Tower Car in Kashmir Valley "Srinagar"

CG supplied Electrical Propulsion System equipped in a 8-Wheeler Diesel Electric Tower Car (DETC) manufactured at ICF, Chennai. This DETC was handed over to Indian Railway Construction Limited (IRCON, International) after commissioning at Budgam.

CG Railway Business showcased at 14th International Railway Equipment Exhibition (IREE 2021)

CG showcased the indigenously developed Traction Motors for MEMU On Board and 9000 HP high speed locomotives, along with compact, reliable and robust design of Hotel load Converter, used to meet auxiliary power requirements such as lighting, fans, HVAC, heating, battery charging etc. of complete train and Signalling Relays and Point Machines for track application and Surge Arrester for 6000HP locomotive.

DAI introduced Emotron EmoSmart Human Machine Interface (HMI)

DAI introduced Emotron EmoSmart Human Machine Interface (HMI) which is a reliable, robust and durable solution for human-machine intervention in various fields and industrial automation.

CG unveils its new range of Ceiling, Table & Pedestal Fans

CG's Commercial Motors Division, Goa launched a new array of Ceiling, Table & Pedestal Fans to their product basket. The product launch event took place at two different locations in India viz. Delhi on 22 October 2021 and Coimbatore on 25 October 2021. More than 300 Channel Partners attended the event and appreciated the quality, appearance and aesthetics of the fans. CG received on-spot order booking of approx. ₹5 crore during these events.

Jharkhand's first ever 400kV Substation Commissioned at Patratu by EPD

EPD successfully commissioned 400/220kV Grid Substation at Patratu on Turnkey basis on 29 December 2021, the first ever 400kV Substation in Jharkhand, having state-of-the-art technology for Jharkhand Urja Sancharan Nigam Ltd. (JUSNL) under consultancy project of M/s. Power Grid Corporation of India Ltd.

Switchgear Division, Nashik organizes a donation drive for the flood victims

CG's Switchgear Division, Nashik organized a donation drive for the flood victims of Konkan, Maharashtra in association with "Utthan Foundation Bahu Uddeshiya Sanstha, Nashik". They were overwhelmed with the generous donation received from all the Switchgear Division employees and vendors. Donations included clothes, toiletry items, mattresses, bed sheets, blankets and grocery items like rice, wheat bags, sugar, edible oil, spices, jaggery, dry snacks, biscuits, etc.

CG's Industrial Division contributed 65 beds to "Covid Setu"

CG's Industrial Division contributed 65 beds to the COVID Quarantine and Treatment Centre "Covid Setu" at Ahmednagar. The centre was formed by a reputable local Industrial body. Besides, 10 ceiling fans were also donated to Matoshri COVID Centre, Ahmednagar. This contribution was part of a local Industrial drive to create a well-equipped, accessible and large scale COVID centre.

LIM exported first-ever Water Cooled IP44 Protection Synchronous Generator with Double Flywheel Construction

CG's Large Industrial Machines (LIM) Division developed, manufactured and supplied the first-ever "Water Cooled IP44 Protection Synchronous Generator with Double Flywheel Construction" of rating 2000 Kw, 8p, 6.0 kV.

LT Motor's new AerObix Sewage Treatment Plant (STP)

On the occasion of World Environment Day, LT Motors (Unit 1) at Ahmednagar inaugurated its newly operationalized AerObix Sewage Treatment Plant (STP), acquired from M/s Jalshree Corporation Pvt. Ltd, Pune. This setup has an operational Sewage Treatment capacity of 150 cubic meters per day.

LT Motors Unit 1 bags "Most Sustainable Partner Award"

CG bagged the most sustainable partner award at the Burckhardt Compression (India) Pvt. Ltd. Supplier Meet for its various initiatives towards minimizing ecological footprints and paving steps towards sustainable growth.

IRIS Certification for RTTE & TMS Units

Railway Transporation Traction Electronics (RTTE) and Traction Machines & Systems (TMS) of Railway Business successfully received IRIS Certification. The certification audit took place in May and June 2021. The highlight of the audit was "Zero Non Conformity" as the standard requirements were very stringent and the team successfully fulfilled all the requirements.

RTTE wins "Special Jury Award - Large Scale Manufacturing Operator Category"

Rail Transportation Traction Electronics (RTTE) of Railway Business won "Special Jury Award- Large Scale Manufacturing Operator Category" at the 16th Online Continuous Improvement (Kaizen) Competition held in July 2021.

Corporate Information

Chairman
Vellayan Subbiah

Managing Director
Natarajan Srinivasan

Non-Executive Directors
M A M Arunachalam
P S Jayakumar
Shailendra Roy
Sasikala Varadachari
Sriram Sivaram (w.e.f. 11 June 2021)
Kalyan Kumar Paul (w.e.f. 11 June 2021)

Chief Financial Officer
Susheel Todi

Company Secretary
P Varadarajan

Auditors
S R B C & Co. LLP

Bankers
State Bank of India

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

Chairman's Letter

Bouncing Back – Stronger, Bigger & Hungrier

> **Our inherent strengths are navigating our paths as we look at tapping newer opportunities and avenues in the years to come.**

Dear Shareholders,

I am extremely happy to share with you that we have successfully turned around CG Power and Industrial Solutions (CG) in the first full year of operations. About 18 months ago, when we welcomed CG as a subsidiary of Tube Investments of India (TI), in the Murugappa Group, we decided to focus on bringing back the glory of CG. Today, I am filled with excitement and confidence as I see the successful building blocks back together. My heartfelt thanks to all our stakeholders – vendors, partners, customers, our people, bankers, management team and well-wishers, who have believed in us and reinstated their confidence in us.

The world order is changing, and we are aligning to the needs and demands of it. The geo-political situation arising on account of the COVID-19 pandemic and the Russia-Ukraine war, provides us with an opportunity to not only make India self-reliant, but also become a manufacturing hub for supplies to other countries. From the railway offerings to the power system, CG continues to innovate and become a strategic partner for customers in India and globally. As a subsidiary of TI and part of the Murugappa Group, your Company has been led by the Group's strong ethics and governance. This has enabled us to rise like a phoenix from the ashes and gather speed.

FY 2022 has been a defining year for us. We have managed to resolve many legacy issues impacting our Company, and have achieved a complete operational and financial turnaround this year. Our teams have worked round the clock to regain confidence of our vendors, customers and investors. All our businesses have performed to their potential with highest ever sales reported by Motor, Railways, and Transformer Divisions. On a standalone basis, the total sales for the year were at ₹5,159 crore, recording a growth of 104% YoY, and Profit Before Tax (before exceptional items) for the year stood at ₹502 crore as against loss of ₹91 crore in the previous year. Free cash flow generated for the year was at ₹392 crore.

CG is bouncing back – stronger, bigger and hungrier. Our inherent strengths are navigating our paths as we look at tapping newer opportunities and avenues in the years to come.

I would like to keep my letter short and let the results speak for themselves. Hope you enjoy reading our Annual Report 2021-22. The team has put in efforts to bring you well-structured and detailed information of your Company's businesses and operations. The theme, this year, is **Gaining Momentum** - highlights our commitment, values, and faith in our people and the market.

I would like to once again thank each one of you for trusting us and our purpose. We will continue to build across the blocks and become stronger than ever before.

Wishing all good health and prosperity!

Vellayan Subbiah
Chairman

MD's Message

A Defining Year

Dear Shareholders,

The Financial year 2021-22 is the first full year of operations of your Company after the new Promoter, Tube Investments of India took over the Company in November 2020. I am happy to inform to you that the Company made all round progress and staged a big come back during the year under report. Let me share some details.

Operational performance

Your Company has two businesses – Industrial and Power Systems. Within a month of taking over the Company, the new management initiated several steps to revive the operations of the businesses. All the vendors' payments were settled and need based working capital funds were provided without any interruption. Number of meetings with vendors and customers were held to give the confidence that your Company would deliver on all its future commitments. These enablers coupled with a good demand environment helped the businesses improve their performance substantially. The Industrial Systems segment, consisting of the Motor business and Railway business clocked a turnover of ₹3,644 crore, registering a growth of 103% over last year. The Power systems segment, which gets its orders mostly against tenders, bounced back to clock in a turnover of ₹1,516 crore, registering a growth of 107% over last year. It has been possible for the businesses to regain customers and a large part of the market share that was lost in the earlier years. Several new landmarks were achieved during the year:

1. Highest ever sales by Motor business
2. Highest ever sales by Railway business
3. Highest ever Order booking for the Transformer business

It is also gratifying to see the growing Order book of your Company that stood at ₹3,686 crore at the end of the financial year, signalling the confidence regained by your Company among its customers.

> **Your Company today is strongly positioned, both operationally and financially, to grow and seize the potential opportunities. The medium to long-term opportunities and the outlook remains strong.**

Standalone Financial performance

The year witnessed increase in commodity prices and supply chain disruptions that contributed to margin pressures. Your Company managed to ride over the impact and meet the commitments of the customers. For the year ended 31 March, 2022, your Company recorded a turnover of ₹5,159 crore, a growth of 104% over last year, and reported a PAT (before exceptional items) of ₹387 crore, a growth of 272% over the last year. The sales recorded during the year is the highest sales recorded by the Company in the last three years, and also the Profit after tax recorded in the year was the highest recorded by your Company in the past eight years.

Consolidated Financial performance

Consolidated financial statements include the performance of the operating subsidiaries at USA (QEI Inc.) and in Sweden, Germany and Netherlands (Drives and Automation Europe) and other non-operating and holding subsidiaries. For the year ended 31 March, 2022, your Company recorded a turnover of ₹5,561 crore, a growth of 88% over last year and reported a PAT (before exceptional items) of ₹405 crore, a growth of 254% over the last year.

Resolution of Legacy issues

The year also witnessed substantial resolution of legacy issues. Some of the major issues resolved were:

a. **Recasting of accounts**
   Your Company was directed by the Hon'ble NCLT to recast and reaudit its Annual accounts (including that of subsidiaries) for the past five years from FY 2014-15 to FY 2018-19 and in aggregate 148 Accounts had to be reopened, recast and reaudited by Independent chartered accountants appointed by the Ministry of Corporate Affairs ("MCA"). The teams worked round the clock and completed the exercise during the year. The audited recast financial statements, were submitted by the MCA to Hon'ble NCLT and the same were taken on record by the Hon'ble NCLT vide its order dated 26 October 2021 marking the completion of this mammoth exercise. The auditors issued an unmodified Audit opinion on the recast Accounts. Under the provisions of the Companies Act 2013, the Accounts recast shall be final. To give effect to the recasting, your Company undertook voluntary revision of accounts for FY 2019-20 and FY 2020-21.

b. **Settlement of Guarantee obligations of the Company**
   During the year, your Company settled its obligations aggregating to ₹1,406 crore, arising out of the guarantees extended by your Company, to secure the loans given to its subsidiaries.

c. **Sale of property at Kanjurmarg**
   The previous management had entered into an agreement in the year 2015 to sell the property at Kanjurmarg but the sale could not be completed and some disputes arose between the parties. This was pursued, the dispute settled, the sale completed in December 2021 and your Company realised proceeds of ₹402 crore.

   Utilising the sale proceeds and the operational free cash flows, your Company could prepay a debt of ₹650 crore during the financial year. The aggregate Debt outstanding as on 31 March, 2022 was ₹302 crore as against ₹945 crore as on 31 March, 2021.

   The sustained improvement in operational and financial performance and the deleveraging led to an improvement in your Company's financials. The Company's financial ratings improved to AA-/ Stable (Long term) and to A1+/ Stable for the short-term credit.

Outlook

All the businesses of your Company have multiple opportunities for growth. The Industrial Business, given the massive investments in the infra sector and the starting of the Capex cycle, is expected to have a sustained organic growth. Besides, the EV segment is another big opportunity to cater to for the next several years.

In the Railways Business, the Ministry of Railways have unveiled the roadmap for the next decade with significant outlay. The introduction of Vande Bharat trains, setting up dedicated freight corridors, and measures to improve passenger safety, etc., are all new business opportunities for your Company.

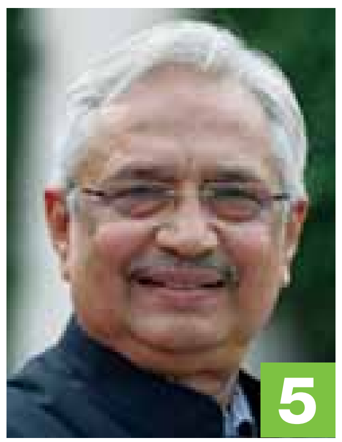
Significant investments are committed in the energy sector. Development of solar parks and ultra mega solar power projects with proposals to set up 25 solar parks targeting over 20,000 MW of solar power over 5 years have been announced. These will result in increased requirement of your Company's products under the Power Systems business.

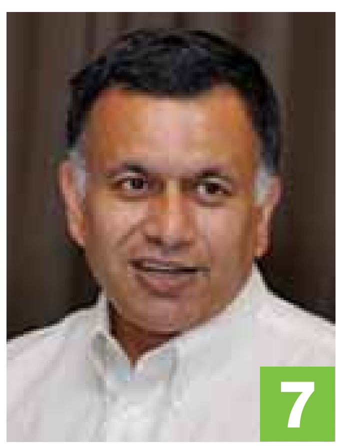
Your Company today is strongly positioned, both operationally and financially, to grow and seize these potential opportunities. The medium to long-term opportunities and the outlook remains strong. However, in the immediate year, your Company needs to face the consequences of the Russia-Ukraine war. The continued disruption in supply chain, high inflation leading to high input costs and margin pressure are challenges to reckon with.

As we take the steps towards cementing our momentum, I express my sincere thanks to all our employees for their commitment and resolve, Directors for their guidance and to our Lenders, Dealers, Customers and the our shareholders for their continued support.

Natarajan Srinivasan
Managing Director

Board of Directors





1

Mr. Vellayan Subbiah

Chairman

Mr. Vellayan Subbiah is a Bachelor of Technology in Civil Engineering from IIT Madras and holds a Master's in Business Administration from the University of Michigan. He has over 25 years of work experience in consulting, technology and financial services.
He is currently the Executive Vice Chairman of Tube Investments of India Limited. He was earlier the Managing Director of Tube Investments of India Limited and also Cholamandalam Investment and Finance Company Ltd. He is currently the Chairman of SRF Ltd., and he is also on the Board of Cholamandalam Financial Holdings Ltd, Cholamandalam Investment and Finance Company Ltd. and Ambadi Investments Ltd. He was a recipient of the Extraordinary Entrepreneur of the Year - TiECON 2014 Award.

2

Mr. Natarajan Srinivasan

Managing Director

Mr. Natarajan Srinivasan is a commerce graduate, a Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has more than 37 years of Corporate work experience spanning across Finance, Legal, Projects and General Management functions. While he started his career with BHEL, his last 15 years of service has been with the Murugappa Group, where he held several senior positions- Director in Murugappa Corporate Board, Group Finance Director, Lead Director - Financial Services Business, Executive Vice Chairman and MD of Cholamandalam Investment and Finance Company Limited.

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

In December 2018, the Government of India appointed Mr. Srinivasan on the Board of Infrastructure Leasing and Financial Services Ltd. He is also an Independent Director on the Boards of Godrej Agrovet Limited and Computer Age Management Services Limited

3

Mr. M A M Arunachalam

Non-Executive Director

Mr. M A M Arunachalam is an MBA graduate from the University of Chicago. He is currently the Executive Chairman of Tube Investments of India Limited. He was the Managing Director of Parry Enterprises India Limited till March 2021. A senior member of the Murugappa family, he is an Industrialist and has over 25 years' experience in varied industrial activities.

He is also on the Boards of Cholamandalam Investments and Finance Company Limited, Cholamandalam Home Finance Limited, Shanthi Gears Limited, Ambadi Investments Limited, and Parry Enterprises India Limited, amongst others.

4

Ms. Sasikala Varadachari

Independent Director

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

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

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

5

Mr. Shailendra Roy

Independent Director

Mr. Shailendra Roy started his career in 1975 and spent 25 years in BHEL. He also served as MD & CEO of a Government of India Undertaking – Bharat Heavy Plates and Vessels Ltd. He has a B.Tech. degree from IIT (BHU) and is a graduate of the Wharton Advanced Management Program.

Later, he headed the business operations of L&T in the Power (coal, nuclear and gas-based) sector, and Corporate Affairs. He was Member of Board of L&T and CEO & MD of L&T Power. He initiated L&T's entry into development of power projects (thermal, solar & hydro), shipbuilding, substations, transmission lines, railway electrification, highways and transportation. He spearheaded L&T Heavy Engineering and Defence business.

He has been awarded the Udyog Rattan Award 2003 by Institute of Economic Studies. He has been conferred with the Hall of Fame Award 2016 for his outstanding achievement and commitment to development of Indian industry at 5th Annual Manufacturing Today conference. He was awarded CEO of the Year Award 2018 by Construction Times magazine. Other honors bestowed on him include the distinguished speaker award by Indo-American Chamber of Commerce (2017) and award for contribution to the Planning Commission by PPMAI (2010-11).

6

Mr. P S Jayakumar

Independent Director

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

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

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

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

7

Mr. Sriram Sivaram

Independent Director

Mr. Sriram Sivaram holds a B.Tech from IIT, Madras, a MS and an MBA from Cornell University. He has worked for more than fifteen years with US based multinational companies in the energy sector where he has held various key management positions. These include Vice President of Global Sales and Marketing for Active Power Inc; President and Chief Technology Officer at Catalyst Power (an ABB Subsidiary); Business Unit Leader – Ancillary Equipment Group at American Power Conversion Corporation, (APC), prior to which he also served as its Country Manager – South Asia and established APC's subsidiary in India. He is currently the Joint Managing Director of Madras Engineering Industries Pvt. Ltd.

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

8

Mr. Kalyan Kumar Paul

Non-Executive Director

Mr. Kalyan Kumar Paul is the President of TI Cycles of India, a unit of Tube Investments of India Limited.

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

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

Ten Years' Highlights

YEAR ENDED 31 MARCH
IN ₹ CRORES

STANDALONE
CONSOLIDATED

	2013		2014		2015^		2016^		2017^		2018^		2019^		2020^		2021^		2022	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
EARNINGS																				
TOTAL INCOME	7624	12609	8064	14207	4770	5961	4552	5761	5066	6042	5486	8313	5504	8040	3226	5158	2568	3075	5204	5603
GROSS SALES AND SERVICES	7571	12533	7994	14058	4590	5867	4277	5649	4812	5975	5106	8169	5356	7998	3169	5110	2526	2964	5159	5561
NET SALES AND SERVICES	7135	12094	7571	13632	4297	5573	3952	5323	4407	5568	5008	8070	5356	7998	3169	5110	2526	2964	5159	5561
EBIDTA*	648	459	687	761	347	603	451	542	513	510	677	6	447	263	160	44	156	219	642	697
PBT@	596	185	713	495	342	355	(1139)	249	129	80	(35)	(1082)	(3544)	(3647)	(1548)	(1400)	824	1427	742	1036
PAT**@	446	(36)	521	244	345	369	(1184)	185	140	72	(13)	(1092)	(2658)	(2778)	(1480)	(1317)	689	1296	627	913
DIVIDEND PAY-OUT	77	77	75	75	50	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WHAT THE COMPANY OWNED																				
GROSS BLOCK (INCL. CAPITAL WIP)	1560	5539	1662	6429	2357	7114	2186	4331	2145	3139	2193	3526	1489	3326	1508	2686	1473	2283	1526	2234
NET BLOCK (INCL. CAPITAL WIP)	775	3066	823	3459	1625	4237	1387	2677	1315	1766	1278	2350	953	2053	898	1517	811	1166	792	1117
INVESTMENTS	1055	791	826	299	1166	436	483	231	446	209	1029	145	899	2	15	2	304	2	343	41
NET CURRENT ASSETS	1825	1795	1810	1489	2840	2171	2282	1556	1221	402	(493)	(1023)	(1322)	(2172)	(2079)	(4030)	(256)	(1424)	436	(408)
NET ASSETS EMPLOYED	3173	5176	3481	5276	5547	6711	4205	4475	4797	3904	5059	4310	755	84	(1121)	(2439)	874	(214)	1548	743

	2013		2014		2015^		2016^		2017^		2018^		2019^		2020^		2021^		2022	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
WHAT THE COMPANY OWED																				
BORROWINGS	14	2029	31	2396	65	2092	582	1528	1724	1892	2367	3529	2280	3414	1990	2757	945	1465	302	352
TOTAL LIABILITIES	2163	6435	2157	7172	1537	5789	2227	3521	3366	4105	4049	7669	4259	7672	3667	6543	2845	4470	2019	3209
NET WORTH OF THE COMPANY																				
SHARE CAPITAL	128	128	125	125	125	125	125	125	125	125	125	125	125	125	125	125	268	268	288	288
RESERVES & SURPLUS	2929	3433	3231	3519	4490	4183	4003	4551	4056	4047	3942	2427	1038	(587)	(442)	(2081)	766	(352)	1531	716
SHAREHOLDERS' FUNDS	3057	3561	3356	3644	4615	4308	4128	4676	4181	4172	4067	2552	1163	(462)	(317)	(1956)	1034	(84)	1819	1004
NET WORTH	3057	3561	3356	3644	4615	4308	4128	4676	4181	4172	4067	2552	1163	(462)	(317)	(1956)	1034	(84)	1819	1004
RATIOS																				
BOOK VALUE PER SHARE (IN ₹)	47.7	55.5	53.5	58.1	73.6	68.7	65.9	74.6	66.7	66.6	64.9	40.7	18.6	(7.4)	(5.1)	(31.2)	7.7	(0.6)	12.6	7.0
EARNINGS PER SHARE (BASIC) (IN ₹)	6.95	(0.56)	8.23	3.86	9.40	5.88	(17.53)	2.95	1.70	1.14	(1.28)	(17.43)	(42.76)	(44.33)	(23.61)	(21.01)	7.94	14.92	4.62	6.72
CASH EARNINGS PER SHARE (BASIC) (IN ₹)	8.17	1.30	10.01	8.67	5.33	8.95	6.82	4.67	5.42	3.82	7.46	(12.22)	2.90	(2.60)	0.26	(3.89)	0.85	0.99	4.12	4.51
CURRENT RATIO	1.87:1	1.39:1	1.86:1	1.28:1	2.94:1	1.5:1	2.05:1	1.54:1	1.44:1	1.11:1	0.84:1	0.83:1	0.63:1	0.65:1	0.37:1	0.32:1	0.87:1	0.6:1	1.26:1	0.86:1
DEBT EQUITY RATIO	0	0.44:1	0	0.45:1	0:1	0.3:1	0:1	0.13:1	0.12:1	0.12:1	0.21:1	0.59:1	0.53:1	NA##	NA##	NA##	0.79:1	NA##	0.17:1	0.35:1
EBIDTA / NET SALES (IN %)	9.1	3.8	9.1	5.6	8.1	10.8	11.4	10.2	11.6	9.2	13.5	0.1	8.3	3.3	5.0	0.9	6.2	7.4	12.4	12.5
RETURN ON NET WORTH (IN %)#	14.58	(1.00)	15.53	6.70	12.76	0.5	(26.45)	(8.10)	2.55	(12.20)	(1.98)	(45.90)	(230.39)	NA##	NA##	NA##	66.64	NA##	34.47	90.90
FIXED ASSETS TURNOVER RATIO (IN TIMES)	9.2	3.9	9.2	3.9	2.6	1.3	2.9	2.0	3.4	3.2	3.9	3.4	5.6	3.9	3.5	3.4	3.1	2.5	6.5	5.0
NO OF PERMANENT EMPLOYEES	5575	9575	5529	9433	4024	7854	3633	7233	3421	6288	3377	5655	3382	5524	2802	3482	2570	2794	2586	2774

* 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
@ After exceptional items
\# On Total Operations
^ Revised/Recasted
\## Net Worth and Capital Employed are negative, therefore ratio is not calculated.

Management Discussion and Analysis

Key Highlights

₹5,159crore
Standalone Turnover

₹3,686crore
Order Book

₹387crore
PAT (before exceptional items)

ECONOMIC OVERVIEW

Global

The year 2021 was marked by strong initial recovery from the world's worst health crisis, followed by high inflationary pressures, supply chain disruptions, geopolitical tensions and later the Russia-Ukraine war that slowed the estimated recovery of global economy, while emergence of new COVID variants in many countries kept the world on the edge of concern.

According to International Monetary Fund (IMF)'s April 2022 World Economic Outlook Update, the world continues on a recovery mode but on a weaker note as Russia-Ukraine war leads to humanitarian crisis and sanctions, new variants threat, and wide-ranging lockdowns in China and restrictions, impact global supplies.

With the pandemic still continuing its grip over economies and population with war setbacks, IMF predicts the global growth to slow down from 6.1% in 2021 to 3.6% in 2022 and 2023.

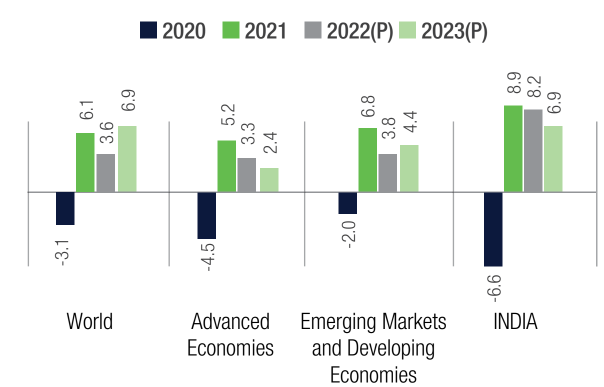
However, the two distinct constituent blocks – Advanced Economies (AEs), and Emerging Markets and Developing Economies (EMDEs) outputs have been significantly positive in 2021 as against the negative growth of 2020. As per IMF, AEs are estimated to show a growth of 5.2% and EMDEs of 6.8% in 2021 as against negative growth of (4.5%) and (2.0%) respectively in 2020. China, a large global GDP constituent in the EMDE block, continues to defy the trend to post an estimated growth of 8.1% in 2021 as against 2.2% in 2020. The country's zero-tolerance policy on COVID-19 and long drawn financial stress have been areas of concern, while the growth is expected to slowdown in 2022 to 4.4%, it is expected to rebound in 2023 with a growth of 5.1%.

IMF predicts the inflationary pressure to remain high due to the impact of war and broadening of the price pressures. In 2022, inflation is projected at 5.7% in AE and 8.7% in EMDE, before moderating in 2023 at 2.5% for the AE and 6.5% for EMDE.

The impact of Russia-Ukraine war is expected to see significant impact on oil and gas prices in 2022 and food prices well into 2023. The crude oil prices increased between August 2021 and February 2022 by 36%, led by a strong recovery in oil demand and short-lived effect of the Omicron variant in 2021. However, the geopolitical tensions and Russia-Ukraine war has led to Brent Crude Oil temporarily reaching USD 140 in early March 2022.

While a lot depends upon the geo-political situation and its repercussions on supply chains and economic activities including movements of oil prices, IEA (International Energy Agency) predicts that global demand for oil in 2022 is projected to increase to 99.7 million barrels a day (mb/d) - up 2.1 mb/d from 2021.

GDP GROWTH (%)



Source: WEO Apr 2022, IMF

Commodity Prices (US Dollars) (%)

	2020	2021 (E)	2022 (P)	2023 (P)
OIL*	(32.7)	67.3	54.7	(13.3)
NON FUEL (average based on world commodity import weights)	6.8	26.8	11.4	(2.5)

* Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was $69.07 in 2021; the assumed price, based on futures markets, is $106.83 in 2022 and $92.63 in 2023.

Source: WEO Apr 2022, IMF

India

After a sharp contraction of (6.6%) in 2020, India, the second largest constituent of EMDE block, has witnessed strong growth recovery at 8.9% in 2021, according to IMF. The fast paced vaccination, supportive government policies and measures have enabled the country to bounce back rapidly. While the outbreak of the second and third wave led by Omicron variant did impact the economic activities during the latter part of FY22, IMF expects India to continue its steady growth in 2022 at 8.2%, before slowing down to a 6.9% in 2023.

National Statistical Office (NSO) in its second advance estimates of national accounts has pegged real GDP (Gross Domestic Product – at Constant 2011-12 prices) growth rate at 8.9% in 2021-22 as against its earlier estimates of 9.2% for the year. This is sharp contrast to 2020-21 wherein GDP growth rate slumped into negative at (6.6%) as per the first revised estimates. The per capita income also saw strong recovery with the second advance estimates indicating a 7.9% growth rate in 2021-22 as against a negative growth of (7.6%) in 2020-21. The overall growth in economic indicators is expected to be backed by strong growth in agriculture and manufacturing sectors.

Second Advance Estimates of National Income and Expenditure Components of GDP at Constant Prices of 2011-12 (%)

	2020-21 (As per First Revised Estimates)	2021-22 (As per Advance Estimates)
GDP	(6.6)	8.9
GVA at Basic Prices	(4.8)	8.3
Per Capita GDP	(7.6)	7.9

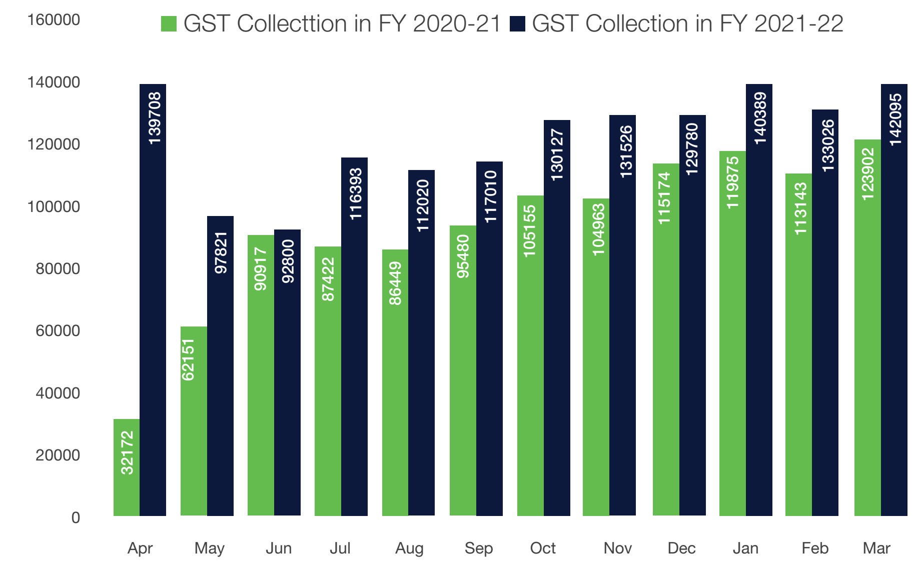
SOURCE: NSO, GOI

However, rising oil prices and other commodity prices due to geo-political risks has set in volatility into the market with high inflationary pressures. While Reserve Bank of India (RBI) has raised its inflation projections to 5.7% for FY23 due to the impact of the ongoing Russia-Ukraine war, the CPI (Consumer Price Index) has already breached RBI's upper threshold of 6% with it touching 6.95% in March 2022. The inflation is expected to remain at 7% till September if energy prices continue to remain at high levels due to the geo-political risks.

2021-22 has been marked by highest tax-GDP ratio of 11.7%, with direct tax to GDP at 6.1% and indirect tax to GDP ratio at 5.6%. The total tax revenue as per the pre-actual figures for 2021-22 is estimated to have grown 34% over last year to ₹27.07 lakh crore from ₹20.27 lakh crore. This was led by growth of 49% in direct taxes, and supported by 20% growth in indirect taxes. The year has been remarkable on GST (Goods and Services Tax) front as well that witnessed a monthly average collection of ₹1.38 lakh crore in FY2021-22. The overall tax revenue growth signifies the rapid economic recovery despite the successive waves of COVID, and well supported by one of the largest immunization programme of the world run by the government. These were also supplemented with better compliance efforts in taxation powered by technology and artificial intelligence.

Government of India's recent Union Budget 2022-23 too has laid down a comprehensive plan to provide boost to various sectors such as infrastructure, railways and power, amid rising inflation and COVID-19 related uncertainties. The government has identified Artificial Intelligence, Geospatial Systems and Drones, Semiconductor and its eco-system, Space Economy, Genomics and Pharmaceuticals, Green Energy, and Clean Mobility Systems as the Sunrise Opportunities and would be contributing to develop R&D in these sectors.

Trends in GST Collection (₹ in crore)



Key highlights of Union Budget 2022-23;

- India's economic growth estimated at 9.2% to be the highest among all large economies.
- Outlay for capital expenditure stepped up sharply by 35.4% to ₹7.50 lakh crore in 2022-23 from ₹5.54 lakh crore in the year 2021-22.
- 60 lakh new jobs to be created under the productivity linked incentive scheme in 14 sectors.
- PLI (Production Linked Incentives) Schemes have the potential to create an additional production of ₹30 lakh crore.
- An additional allocation of ₹19,500 crore for PLI for manufacturing of high efficiency solar modules to meet the goal of 280 GW of installed solar power by 2030.
- ₹20,000 Crore to be mobilized for National Highways Network expansion.
- 100 PM GatiShakti Cargo terminals for multimodal logistics to be developed during the next three years.
- 2000 Km of Railway network to be brought under Kavach, the indigenous world class technology and capacity augmentation in 2022-23
- 400 new Vande Bharat Trains
- Data centers and Energy Storage Systems to be given infrastructure status

> **Government of India's recent Union Budget 2022-23 has laid down a comprehensive plan to provide boost to various sectors such as infrastructure, railways and power, amid rising inflation and COVID-19 related uncertainties.**

INDUSTRY OVERVIEW

The introduction of Production Linked Incentive (PLI) scheme, major boost to infrastructure including physical as well as digital, alongside measures to reduce transaction costs and improve ease of doing business, has led to fast paced recovery at India Inc. The Index of Industrial Production (IIP) has grown by 17.4% (YoY) during April-November 2021 as compared to (15.3%) in April-November 2020.

The higher mining, short-lived restrictions related to Omicron variant of COVID, strong electricity output absorption and a muted downtick in manufacturing are seen as the key factors supporting the strong recovery and growth. However, rising input costs and changing geo-political conditions are expected to be areas of concern in the short term.

As per the second advance estimates of Gross Value Added (GVA) at Basic Prices by Economic Activity (2011-12) by NSO, manufacturing sector saw a strong growth of 10.5% in 2021-22 as against a de-growth of 0.6% in 2020-21.

The government's announcement to sharply increase the outlay for capital expenditure by 35.4% to ₹7.5 lakh crore in 2022-23 from ₹5.54 lakh crore in 2021-22 is expected to boost demand for private companies across sectors with focus on Aatmanirbhar Bharat and Make in India. The move would open up a plethora of opportunities for companies in the private sector who can now participate in infrastructure projects such as new roads, highways, and railways, as well as get orders in various other social welfare projects such as drinking water and housing projects. Moreover, they would also play a key role in the ongoing modernization and development work in the railways and defence. This, in addition to increased special assistance to states for capital expenditure, is expected to provide support and strong order inflows for local companies.

Second Advance Estimates of GVA at Basic Prices by Economic Activity at Constant Prices of 2011-12 (%)

	2020-21 (As per First Revised Estimates)	2021-22 (As per Advance Estimates)
Manufacturing	(0.6)	10.5
Electricity, Gas, Water Supply and Other Utility Services	(3.6)	7.8
Construction	(7.3)	10.0

SOURCE: NSO, GOI

Robotic Coil Taping Process

Power

The Indian Power Sector is going through defining times with significant push given by the government under its various schemes such as 'Power for All', 'One Nation-One Grid', and its climate change mission statement 'Panchamrit', wherein the country realigns its power demand with more focus on alternate sources of power and reduction of its dependence on coal as a raw material to derive electricity. This is in addition to India's ambitious target to achieve Net Zero Missions by 2070. As part of its plan to move from fossil fuel to renewable energy source, the Government of India (GoI) has been working towards rejigging its energy mix to focus on becoming a 'gas-based economy'.

By 2030, the government aims to increase non-fossil fuel-based energy capacity to 500 GW, meeting 50% of its energy requirements by renewable energy sources, and reduce carbon intensity of the economy to less than 45%. As per the latest figures on the National Power Portal (as on March 2022), the total installed capacity stands at 3,95,805.86 MW (395.80 GW). In terms of the sector-wise division of installed capacity, central sector holds 25.01%, state sector 26.49% and private sector 48.50%.

By 2030, the country aims to have 280 GW of installed solar power. To meet this goal the government in the recent Budget announced an additional allocation of ₹19,500 crore for Production Linked Incentive (PLI) for manufacture of high efficiency solar modules.

The government has also approved the Green Energy Corridor (GEC) - Intra-State Transmission System Phase-II scheme. The scheme will facilitate grid integration and power evacuation of approximately 20 GW of Renewable Energy (RE) power projects in seven states namely, Gujarat, Himachal Pradesh, Karnataka, Kerala, Rajasthan, Tamil Nadu and Uttar Pradesh. This scheme will enable the country to achieve its target of 450 MW of installed Renewable Energy (RE) power capacity by 2030. Moreover, it will contribute towards long term energy security of the country and promote ecologically sustainable growth by reducing carbon footprint. It will generate large direct and indirect employment opportunities for both skilled and unskilled personnel in power and other related sectors.

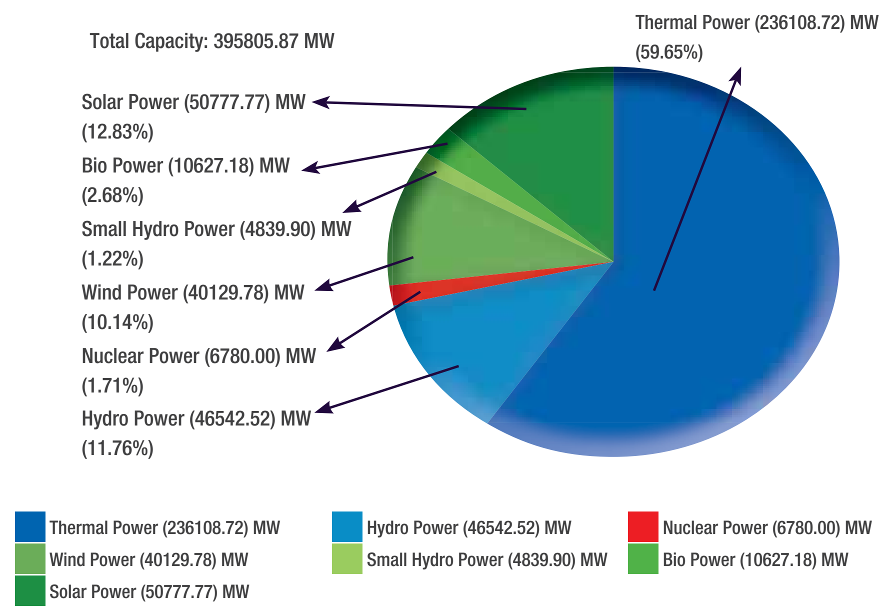
In addition to this scheme, the government is already in the implementation mode of GEC-Phase-I in the states of Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu. It will lead to grid integration and power evacuation of approx. 24 GW of RE power and expected to be completed by 2022. It is aligned to the government's macro initiative of 'One Nation – One Grid' wherein it plans to integrate all regional grids to establish a National Grid, and create Smart Grid led by automation, communication and IT systems.

Near to the closer of FY22, the government launched Reforms-based and Results-linked Revamped Distribution Sector Scheme with the aim to improve the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

The overarching aim of the government is to develop a comprehensive power infrastructure for the country that is smart, integrated and technologically superior and Aatmanirbhar. This would not just solve the country's energy requirement but also make it more sustainable and firewalled from newer cross-border threats. Additionally, it would strengthen the country's local capabilities and position in the export market. The Total FDI inflow in the power sector reached USD 15.84 billion between April 2000-December 2021, accounting for 2.77% of the total FDI inflow in India.

Moreover, the government in Budget 2022 has also announced its plans to provide data centers and energy storage systems infrastructure status. This move is expected to highly benefit the power industry as they see data centers, in specific, as an area of significant revenue opportunity.

Generation Category Wise Installed Capacity (As on 7 April 2022)



SOURCE: NATIONAL POWER PORTAL, GOI

Railways

Indian Railways is the national transporter in the country and is one of the seven 'engines' of growth under the PM GatiShakti program. The sector has been undergoing major overhaul across loco production, signaling systems, track layout, station infrastructure, online payment gateway, technology usage with the aim to make the experience seamless and comfortable.

COIL STRETCHING MACHINE

Key Highlights of Indian Railways achievements in FY22

Particulars	Key achievements
Freight Loading	1418.10 MT
Electrification	6366 RKM
Electric Loco Production and Induction	1,110 Locos (highest ever)
Scrap Scale	₹5316.1 crore (highest ever)
Total Panel/Electronic Interlocking of Stations	444
Kavach	Commissioned at 850 RKM

Source: Ministry of Railways, PIB

The dedicated corridor for freight movement is expected to bring down carbon footprint of industries and cost implications, while streamlining coverage with no barrier into passenger network. The 'One Station-One Product' concept to empower local businesses and supply chains is another initiative by the government as it invites larger private participation and draws industry's focus on being *Aatmanirbhar Bharat.*

As part of government's National Master Plan, 100 cargo terminals for multimodal logistics are proposed to be developed over the next three years. The plan would look into economic transformation, seamless multimodal connectivity and logistics efficiencies in the sector. In addition to it, 2,000 km of railway network is to be brought under Kavach, the indigenous world class technology and capacity augmentation in 2022-23. In the Budget 2022-23, the government also announced additional 400 new-generation Vande Bharat trains to be manufactured in the country during the next three years.

In 2021-22, Indian Railways achieved record historic numbers in freight loading, electrification, New Line/ Doubling/Gauge Conversion, Loco production and integration of technology for ensuring safety. This was predominantly due to government's focus on making Indian Railways world-class and an experiential journey. The government through various policy decisions such as ease of doing business, Aatmanirbhar Bharat and other tax and land related laws has been ensuring creation of equal playing ground for all and at the same time, encouraging local players and suppliers to innovate and to look at bringing new technologies and engineering into India via partnerships.

Electric Vehicles

Electric Vehicle (EV) penetration in Indian market is picking up pace backed by friendly government policies. According to ICRA Research, the EV penetration over the next five years in India, especially in the two-wheeler/ three-wheeler and bus segments, is expected to be 13-15% and 30% respectively.

Of the total new vehicle sales by 2025 in India, ICRA predicts 8-10% to be EVs. However, the level of adoption of EVs in the country will directly depend upon the supporting charging infrastructure. Currently, there are less than 2,000 public charging stations in India, largely into urban areas. In a bid to support faster adoption of EVs in the country, the Government of India has allocated a total of ₹1,300 crore in the FAME (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles) Scheme.

Moreover, it has proactively amended certain guidelines of the charging infrastructure development to support EVs including simplified land and electricity procurement and issued guidance on locations of priority for EV charging infra installation. Even many States have floated their EV policies and subsidized electricity procurement tariffs for EV charging stations. This is expected to make a sizeable population to get access to EV charging stations across the country in the next 3-5 years.

New Compact Version of 145 kV Capacitor Voltage Transformer (CVT)

Business Segments Review

At CG Power and Industrial Solutions Limited (CG), the business operations are spread across two business verticals, including;

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

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

Industrial Systems

Motors

Product	Range	Industry Application	Plant Location
Low Tension Motors and IE2, IE3 and IE4 efficiency Motors	0.18kW to 710kW	Multiple variants and standards, customizable to configurations required for any industry/ equipment. EV Motors for e-mobility.	Ahmednagar, Goa
Fractional Horse Power (FHP) Motors	0.02 kW to 5.5 kW	Used for all general-purpose applications in Domestic, Commercial, Agricultural, Industrial, Healthcare and Construction segments.	Goa
Hazardous area application Motors (LV and HV)	0.37 kW to 12000 kW	Designed to suit the ignitable atmospheres present in hazardous Locations such as Zone1, Zone 2 or Class1 Div 1 and 2.	Ahmednagar, Bhopal
Large Industrial Machines (HT Motors)	Upto 12000 KW	Energy efficient and intelligent motors for various applications in IP23, IP55, IP56 and IP65 enclosures.	Bhopal
Stamping and Laminations	Consumer products to HVDC Generator & Alternators	For Industrial Motors, Alternators, Generators, Consumer goods motors like fan pump,etc., Railway Motors.	Ahmednagar, Goa

Drives & Automation

Product	Range	Plant Location
EMOTRON	Low voltage AC Drives (LV & MV), Soft Starters, Shaft Power Monitor, Solar Drives, PLC and HMI	Bhopal

Commercial Products

Product	Industry Application	Plant Location
Pumps	Domestic and agricultural usage	Contract manufacturing
Exhaust Fans / All purpose fans	Industrial and domestic usage	

Railway Products

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

Industrial Systems Strengths:

- CG has a basket full of products unlike its peers. This gives it an advantage over others across categories.
- CG has requisite approvals and certifications required across the world for various technologically led products. This gives it the advantage to be the preferred partner for its clients across geographies and industries.
- CG is the largest manufacturer of Low-Tension Motors in India.
- CG is the first company to indigenously develop and supply a complete range of IE2, IE3 and IE4 efficiency Motors in India.
- CG is a pioneer in making Motors for application in hazardous area with a market share of more than 60%.
- CG is the only Company to have a NABL accredited test laboratory for LV Motors testing up to 560kW as per IS/IEC 60034-2-1:2014 and IS12615 in India.
- CG is a forerunner in the indigenously developed EV Motors and Controllers for 2Wheelers & 3Wheelers, and bus category.
- CG's innovative 'Smart Motor' solution helps customers monitor motor operations and health remotely for preventive maintenance.
- CG re-launched its Fast Moving Electrical Goods (FMEG) range of products in 2019 after a gap of three years.
- CG's brand "EMOTRON" is well accepted in India, Europe and Middle East.
- Drives and Automation has its state-of-the-art R&D, design and development centres in Sweden and India along with two manufacturing facilities and solution providing teams for various industries in Germany and Netherlands apart from India and Sweden.

- CG Industrial System was the first to build business process automation on the digital platform way back in 2009, which has immensely helped its channel partners and the business.
- CG is a strategic partner in technological upgrade and evolution for Indian Railways offering comprehensive solutions in Rolling stock and Signaling.
- CG's indigenous approach backed by strong R&D and unmatched manufacturing capacity has provided it advantage over others.
- CG is a one stop solution provider for products of Electric Locomotives
- CG is having strong foothold in the business of electric for self-propelled vehicles, Signalling Relay & Point Machines & Traction Machines
- CG has state of the art In-House manufacturing facilities approved by Railways.
- Strong Acceptance & Brand Identity in the Market Place

Certifications

IRIS Certification: ISO /TS 22163:2017 (International Railway Industry Standard)

Integrated Management System Certification

- ISO 14001:2015 – Environmental Management System (EMS)
- ISO 45001:2018 - Occupational Health and Safety (OH&S) management system
- ISO 9001:2015 – Quality Management System (QMS)

Business Performance:

While new COVID variants continued to pose threats, the fast immunization and acceptance of the new normal enabled the business and the country to mitigate impact of the pandemic and national level shutdowns. However, the skyrocketing commodity prices severely impacted the business all across the year. The year saw, for the first time in recent history, commodity prices growing consistently and being revised multiple times.

This scenario was accompanied by strong demand in the market for CG's Industrial Systems products. The Company could pass on the cost burden of increased raw material prices to the customers, only partially, leading to impact on business profitability but was cushioned by strong order book and better inventory and vendor management. The Company also explored synergies with Tube Investments in development of technologically advanced products.

The Company has also emerged as a prominent player in the market of manufacturing of 3 Phase AC Traction Motors, having supplied 2500+ of AC Traction Motors to Indian Railways with 400+ Electric locomotives fitted with CG Traction Motors. Similarly the Company is a leading supplier of metal to carbon relays with over 5 Million installed base in-service and over 50,000 Electrical point machines as installed base.

The Company's portfolio embraces a full range of propulsion equipment required for Electrical locomotives. More than 320 Locomotives are running with the Company's Propulsion System in the Indian Railways. The Company has breakthrough orders of Electrics for MEMU (Mainline Electric Multiple Units) used in suburban transportation & train set, known for faster acceleration and deceleration, built for better energy efficiency and passenger riding experience. Fleet of 6 Rakes of DEMU (Diesel Electric Multiple Units) running successfully, built credential as a supplier of propulsion system integrator for Indian Railways.

BUSINESS PERFORMANCE: INDUSTRIAL SYSTEMS

Consolidated Financial Performance (₹ crore)

INDUSTRIAL SYSTEMS	FY22	FY21	Growth %
Unexecuted Order Book (UEOB)	2240	1742	28.6
Net Revenue	3953	2092	89.0
EBITDA (Including Other Income)	535	265	101.9
EBIT	482	201	139.8
Capital Employed	559	386	44.8
Return on Capital Employed (%)	86%	52%	N.A.

Power Systems

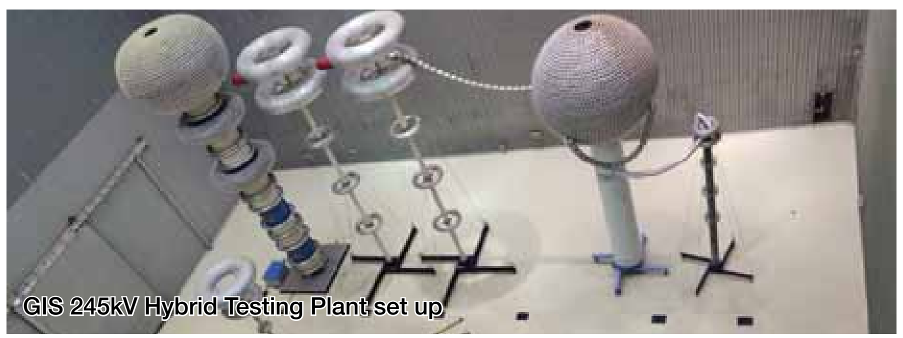
Transformers:

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

Switchgears:

Product	Range	Industry Application	Plant Location
MV Switchgear	Indoor Air Insulated Switchgears (AIS) panels, Outdoor Breakers, Single Pole 25kV Breaker, Line up Roof Brushing Kiosk, Gas Insulated Switchgear (GIS), Indoor/Outdoor Ring Main Units (RMU) up to 36 kV Class	Utilities, Industries, Power plants, Railways, Infrastructure Projects, Renewables, Smart city Projects Data Centres	Nashik
Relay and Automation	CG Series Current and Voltage Numerical Protection Relay, Self-Powered Relay for Ring Main Unit (RMU), Aegis Series Feeder, Transformer and Motor Protection Relays Auto-reclose Relay, Feeder Remote Terminal Unit (FRTU) for RMU automation	Utilities, Industries, Power plants, Railways, Infrastructure Projects, Renewables, Smart city Projects Data Centres	Nashik

Product	Range	Industry Application	Plant Location
EHV Switchgears	Current Transformers, Transformer Bushing, Capacitor and Inductive Voltage Transformer, Grinding Capacitors, Surge Arrestors, SF6 Circuit Breakers 36kV to 765kV. Air Break Disconnectors 36kV to 245kV. Gas Insulated Switchgear 66kV to 245kV (EHV GIS), 245kV Hybrid GIS Dead Tank Breaker 72kV.	Utilities, Industries, Power plants, Railways, Infrastructure Projects, Renewables, Smart city Projects and Data Centres	Nashik
Vacuum Interrupters & HV Instrument transformers up to 170 kV	Vacuum Interrupters 690V to 72.5kV, Vacuum Contractors and Capacitor Switches up to 36kV, Auto -Recloser and Sectionalizer up to 36kV Transformer Bushing 52kV and 72.5kV Current Transformer and Inductive Voltage Transformers ranging from 33kV to 170kV Class	MV Switchgear manufacturers, Power transformer Manufacturers, T&D Utilities	Aurangabad
Power Quality Solutions	Automatic Power Factor Correction System,Fixed Capacitor Banks up to 36kV, Static VAR Compensator (STATCOM) up to 440V,MV Electrical Soft Starter up to 12kV, 20 MW	Transmission and Distribution Utilities, Water Supply Schemes, Steel, Cement, process Industries, Railways and Refineries	Aurangabad


GIS 245kV Hybrid Testing Plant set up

Power Systems Strengths:

- CG has wide range of Electrical Equipments ranging from 33kV to 800kV.
- CGs EHV Instrument Transformers and bushings have proven in service reliability over 25 years. More than 50,000 such units are successfully operating in 48 countries across the world.
- CG manufactures EHV and UHV Instrument transformers suitable for various environmental conditions including ambient temperature of -55°C, Seismic acceleration of 0.5g, Excessively high pollution level meeting with extra high Creep age (i.e. 40 mm/ kV)
- CG Switchgears takes pride in supplying Capacitor Voltage Transformer and Surge Arrester for 1200kV transmission line project by Government of India through Power Grid Corporation of India Limited.
- CG takes pride in developing first indigenous technology for resin impregnated paper bushings, with substantial investments in FY22.
- CG is the first Indian manufacturer to develop and supply Ultra High Voltage 765kV SF6 Gas Circuit Breaker.
- CG is a pioneer in bringing the Vacuum Technology in India with ultra-modern Vacuum Interrupter manufacturing facility in Aurangabad.
- CG is one of the largest manufacturers of Electric Equipment for the Power and Industrial sector and also offers turnkey solutions in Power distribution and generation.
- CG is the first manufacturer of 132kV Green Transformer in India.
- CG's Nashik Plant is having one of the largest Indoor Test Laboratories of 1600kV Ultra High Voltage, comprising of 1600kV Series resonance test system and 3600kV Impulse Voltage test system. Facility-wise, it is among the top 5 in the world.

Certifications:

Power and Distribution Transformers are conforming to IS, IEC, IEEE and ANSI standards.

Switchgear products are conforming to IEC, IEEE, ANSI and GOST standards.

MV Switchgear products – AIS, GIS, RMU & Outdoor Breakers, conforms to IEC 62271-200, IEC 62271-100, IEC 62271-1, IEC 62271-102, IEC-62271-103 International standards.

EHV Switchgear products, Breakers, EHV GIS and Disconnectors are manufactured conforming to IEC 62271-100, IEC 62271-102, IEC62271-203 respectively. Instrument Transformers are manufactured conforming to IEC 61869 and IEEE C57.13, Condenser Bushings conforming to IEC 60137 and Surge arresters conforms to IEC 60099.4

NABL Certification for Power Transformer Testing Laboratory

PRODUCT CERTIFICATION LICENCE:

BEE Certification for Distribution Transformer

BIS IS1180 Certification for Distribution Transformer

लाइसेंस संख्या सी एम/एल - 8200036608 की संलग्नी

ATTACHMENT TO LICENCE NO. CM/L - 8200036608

सीएम/एल संख्या CML/NO	लाइसेंसधारी का पता सहित नाम NAME OF THE LICENSEE WITH THE ADDRESS	उत्पाद का नाम NAME OF THE PRODUCT	भा मा संख्या IS NO.
8200036608	मेसर्स सी जी पावर एण्ड इण्डस्ट्रियल सोलूशन्स लिमिटेड, प्लाट न0 T1 to T5, इण्डस्ट्रियल एरिया,मालनपुर, भिण्ड(म प्र)– 477 116	Outdoor Type Oil Immersed Distribution Transformers	IS 1180(Part 1):2014
8200036608	M/s C.G.Power and Industrial Solutions Limited, Plot No. T1 to T5, Industrial Area, Malanpur, Bhind – 477 116 Madhya Pradesh	Outdoor Type Oil Immersed Distribution Transformers	IS 1180(Part 1):2014

Business Performance:

Despite the continuance of limited impact of pandemic during FY22 and skyrocketing commodity prices marring the pricing strategies, CG's Power Systems Business continued to grow at a steady rate due to industry-wide business rationalisation and government's focus on Aatmanirbhar Bharat, One Nation – One Grid, Power for All and Green Energy Corridor development.

During FY22, Power Systems Unit paid significant focus on improving its sourcing base and strengthening its supply chain network to meet the rising demand in the market and mitigate geo-political led risks. Focus was also given towards inventory rationalisation and improvement of margins. The Company is also exploring synergies with Tube Investments to jointly develop technologically advanced products. The year also saw transformation in terms of shift from variable price formula to client based base price value. Overall, the Business units focused on development of indigenous and energy efficient products to enhance customer reach for wider application and new varieties were added in the product basket for timely deliveries and improvement in operational efficiencies.

BUSINESS PERFORMANCE: POWER SYSTEMS

Consolidated Financial Performance (₹ crore)

POWER SYSTEMS	FY22	FY21	Growth %
Unexecuted Order Book (UEOB)	1686	1164	44.9
Net Revenue	1594	862	84.9
EBITDA (Including Other Income)	200	(23)	969.6
EBIT	161	(82)	296.3
Capital Employed	(423)	(643)	34.2
Return on Capital Employed (%)*	NA	NA	NA

** Note: Capital employed is negative in FY2021 and FY2022. Thus, ROCE is not calculated. Figures have been re-grouped wherever necessary to make these comparable.*

VPI (Vacuum Pressure Impregnation) of Stator Winding

FINANCIAL REVIEW

(₹ crore)

STANDALONE FY2022	STANDALONE FY2021		CONSOLIDATED FY2022	CONSOLIDATED FY2021
5159	**2526**	**Net Sales and Services**	**5561**	**2964**
3732	1750	Cost of raw materials and components consumed and construction material	3936	1974
288	259	Employee benefits expenses	377	372
542	403	Other expenses	592	510
597	**114**	**EBIDTA excluding Other Income (OI)**	**655**	**108**
45	42	Other Income (OI)	42	111
642	**156**	**EBIDTA Including OI**	**697**	**219**
66	166	Finance Costs	68	197
74	81	Depreciation and Amortization	101	138
502	**(91)**	**Profit / (Loss) before exceptional Items**	**528**	**(116)**
240	915	Exceptional Items (net)	508	1543
742	**824**	**Profit / (Loss) after exceptional items**	**1036**	**1427**
		Less: Tax Expenses		
3	-	Current Tax	10	3
112	135	Deferred Tax (Net)	112	144
627	**689**	**PAT for the year from continuing operations**	**913**	**1280**
-	-	Minority Interest	(1)	16
627	**689**	**PAT after Minority Interest**	**912**	**1296**
-	-	Profit / (loss) from discontinued operations before Tax	(0)	0
-	-	Tax expenses on discontinued operations	-	-
-	**-**	**Profit / (loss) from discontinued operations**	**(0)**	**0**
627	**689**	**Net Profit / (loss) for the Year**	**912**	**1296**
560	74	Cash Profit / (Loss) for the Year	603	86

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

Financial Performance, Key Ratios (Standalone)

Ratios	FY2022	FY2021	Reason for significant changes in key ratios
Profitability Ratios			
EBIDTA Margin (excluding OI)	11.6%	4.5%	Increase in margin is mainly on account of higher contribution resulting from increase in revenue and absorption of fixed cost.
Operating Profit Margin (excluding OI)	10.1%	1.3%	Increase in margin is mainly on account of higher contribution resulting from increase in revenue and absorption of fixed cost.
Net Profit Margin (before exceptional items)	7.5%	(8.9%)	Increase in margin is mainly on account of higher contribution due to increase in revenue, absorption of fixed cost and lower finance cost due to prepayment of debt.
RONW on total operations	34.5%	66.6%	Previous year exceptional items value were significantly higher due to cessation of debt liability on account of settlement agreed with lenders.
ROCE (excluding exceptional items) (terminal) on continuing operations	31.2%	10.0%	Return on capital employed has improved on account of increase in operating profit due to increase in revenue and absorption of fixed cost, better working capital management and repayment of debt.
Per Share Ratios			
EPS (Basic) on the basis of total profits from continuing operations (In ₹ Per Share)	4.62	7.94	EPS reduced mainly on account of considering full number of equity shares issued in November and December 2020 in current year as compared to weighted average considered in previous year.
EPS (Diluted) on the basis of total profits from continuing operations (In ₹ Per Share)	4.36	7.50	EPS reduced mainly on account of considering full number of equity shares issued in November and December 2020 in current year as compared to weighted average considered in previous year.
Leverage Ratios			
Debt Equity Ratio	0.2	0.9	Improvement in ratio is mainly due to repayment of debt and increase in profit on account of increase in revenue.
Interest Coverage Ratio for continuing operations	9.7	0.9	Ratio has improved due to lower interest cost resulting from prepayment of loan and increase in profit on account of improved operations.
Assets Efficiency Ratios			
Net Sales to gross working capital of continuing operations (times)	2.5	1.5	Increase in revenue resulted in improvement in the turnover ratio.
Net Sales to net working capital of continuing operations (times)*	11.8	NA	Increase in revenue, payment of overdue creditors, settlement of corporate guarantee obligations and prepayment of CG House debt resulted in improvement in the turnover ratio.
Others Ratios			
Average Debtors Turnover (no. of days)	50	67	Financial stress in previous year impacted revenue and the closing balance of receivables. Since, the days are computed based on average trade receivables, the average receivables days have reduced. Due to these reasons, the comparison of current year debtor days with previous year is not comparable.
Average Inventory Turnover (no. of days)	41	68	Financial stress in previous year impacted revenue and the closing balance of inventory. Since, the days are computed based on average inventory, the average inventory days have reduced. Due to these reasons, the comparison of current year inventory days with previous year is not comparable.
Current Ratio	1.3	0.9	Reduction in current liabilities on account of payment of overdue trade payables, settlement of corporate guarantee obligations and prepayment of CG House Debt has resulted in improvement in the ratio.

** Figures in the denominator of ratio calculation is negative. Therefore, ratio is not calculated and disclosed as NA.*

Business Outlook

With the legacy issues being a story of past, CG is looking ahead with reinforced strength backed by technological innovation, newer products, segments and geographies, and partnerships. The Company aims to be a complete solutions provider in the range of products it offers in the market. It is realigning its positioning to be seen as a leader in the segments it operates based on technology and basket of products it offers. From being a predominantly B2B business, it is affirming its ground as the phoenix, to also be a strong B2C player.

CG has been identifying areas of synergies with Tube Investments and the Murugappa Group to take the pillars of growth much higher in the next 3-5 years. Among the many growth drivers, Electric Vehicles (EVs), Fast Moving Electrical Goods (FMEGs), Railways, Steel, Agriculture, Pharma, Defence, Cement and Renewable Energy are some of the key focus sectors wherein the Company is working to offer world-class and technologically advanced products. The Company sees huge growth potential from government's plans and initiatives in the aforesaid sectors. Some of these initiatives include its plan to achieve Net Zero Emissions by 2070, Power for All, larger dependence on cleaner energy, better water and waste management, modernisation of railways with technologically advanced locos, Housing for All, indigenous development of pharma and defence products, among others.

In a bid to tap these opportunities strategically, CG aims to build sector-focused approach and teams, and has begun its work in this direction. It is committed to serve the nation's mission critical sectors with better and advanced products. To support its strategy, it has planned for investments into Research and Development (R&D), capacity expansion, upgradation of current plants, and hiring of technology experts to empower the Company's talent pool to be a Future Now Company in the space of goods and services of Industrial and Power Systems.


Gel coat on Winding Overhang for better reliability

The Company is working on a range of new products such as the upcoming upgradation of 9,000HP Freight Locomotives and IGBT based propulsion system and other equipments for MEMU and EMU trains.

Human Resource

CG's policy under Murugappa Group of not replacing all separated employees in FY21 led to benefits during FY22. The Company through its Performance Management Process branded as PRIDE, which stands for 'Personal Responsibility in Delivering Excellence', endeavours to align rewards with performance.

As on 31 March 2022, the Company had 2,586 permanent employees.

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

Environment, Health & Safety (EHS)

In view of the COVID-19 pandemic and keeping employee health and safety paramount, CG has issued SOPs to all its employees in accordance with the guidelines of the Central Government, State Government and local authorities. This includes self health declaration, allowing unwell employees to work from home, virtual inspections/audits, regular sanitization of work place and transport vehicles, providing masks and other protective gears, thermal scanning, SpO2 checks, providing touch free hand sanitizers, advising regular hand washing, maintaining social distancing at works, in canteens and in the offices, amongst others. Strict compliance is observed in respect of government guidelines for travel, visitors, contractors and vendors. All these precautions have helped to safeguard all CG units and offices from any adverse impact due to COVID.


FHP Motor Assembly Shop

The Company has also taken up steps to ensure 100% vaccination for all employees.

CG's 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 their operational efficiencies, minimize consumption of natural resources, water and energy and reduce carbon emissions while maximizing production volumes.

CG propagates 'Zero Harm Culture' towards employees, environment and other stakeholders. This is reflected in its Corporate EHS Policy and Cardinal Rules. Through its Corporate EHS Policy, the Company aims not only to comply with legal requisites of safeguarding employees, environment and the society at large but also to set high internal standards for compliance. To monitor compliances and sharing best practices in EHS, a Corporate EHS Review is conducted on monthly basis through virtual meetings with EHS coordinators of all entities.

All the CG units are upgraded for ISO 45001:2018 (Occupational Health and Safety Standard). All CG units in India are certified for quality systems with ISO 9001:2015 Certification/ ISO 14001:2015 Environmental Management System Certification, possess consent to operate from State Pollution Control Board authorities and are complying with the conditions laid down in such consents 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 the guidance of Directorate of Industrial Safety and Health and the State Pollution Control Board. Fire Safety Weeks are also observed in India under the guidance of the Fire Adviser, Ministry of Home Affairs and the Government of India.

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.

CG 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

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

Information Technology & Automation

The pandemic completely upset all traditional business models and posed newer set of challenges relating to availability of resources, predictability of services, delivery assurance and execution capability. All round resilience was need of the hour. Technology was an enabling factor in building resilience in operations, customer service and resource management. The sudden shift presented the perfect opportunity to accelerate technology adoption. WFH (Work From Home) became the norm where IT provided secure, seamless and uninterrupted access to the workplace from anywhere and anytime. With renewed focus on regaining market share, we embarked on Partner-centric technology development and innovation programme. This was our mantra for sustainable growth, customer service and engaging relationships. At CG, we are building on these through multiple digital initiatives:


362 kV Current Transformer (CT)

- Web based Dealer Portal
- Mobile App for dealers & sales team
- After sales services CRM
- WhatsApp for Business
- Sales process automation

CG invests in an innovation programme to constantly evaluate and engage with new and evolving technologies. We have launched IoT based asset health monitoring and diagnostic system. The initial market sentiment is very positive.

To keep pace with sales required rebooting elements in supply chain automation. These have reinforced our relationship with various actors in the ecosystem, rejuvenated suppliers and energised supply chain to withstand hiccups caused by pandemic waves. The initiatives rolled out include:

- Online / Real time vendor financing
- Enriched Vendor Portal
- Online vendor registration
- Commodity booking solution

While adapting the new technologies, it is important that it is done in a safe and secure manner. Cyber security audit was conducted to assess the cyber health of your organisation. CG recognises the importance of cyber security and has embarked on a multi-year cyber health improvement and assurance programme to ramp up its cyber health across all businesses.

Going forward, CG will be undertaking a modernisation of the ERP system by implementing SAP S4 HANA as part of the digital agenda. S4 HANA is the latest offering from SAP systems, which has the latest technology and feature set, supports faster and real-time analytics and better decision-making.

Research and Development (R&D)

At CG, Research and Development (R&D) activity remains at the core of all the activities. The Company is in the process of developing a centralised R&D that would cater to the entire gamut of businesses it operates into. Currently, the Company has it R&D centres in Bhopal, Madhya Pradesh, and Ahmednagar, Maharashtra. The Company plans to relocate / develop a new R&D centre which is expected to attract larger number of young R&D experts. The Company has set a target to hire 20+ R&D experts in the recent future.

With the focus on newer segments and technologically advanced products, CG plans to expand its R&D capabilities and partner with foreign companies into the knowledge and innovation space. Some of the R&D activities undertaken by the Company during the year are given below:

- Completed Eco-design directive compliance for entire range of IP20 and IP54 drives.
- Developed high power stacking blocks for drives greater than 200kW and also DC-DC converter solutions for high power requirements in voltage range of 100 – 800 VDC
- Developed high current (>6000 A) energy efficient distribution transformer
- Successfully developed and launched SF6 Gas 145kV GIS Surge Arrester and Partial Discharge Sensor Suitable for Gas Insulated Switchgear
- Developed 690 V, 5000A, 63 kA rating Vacuum Interrupter (VI) for low Voltage and high Current Circuit Breaker application
- Developed multiple variants of 12kV Ring Main Unit (RMU) family 'Arista-S' for Smart Distribution application suitable for indoor and outdoor installation.
- Indigenously designed and developed two variants of BLDC Industrial fans.
- Developed Switch board cabinet for LHB Garib Rath AC coaches as per IEC 61439

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

Risk Management

CG's comprehensive Risk Management Framework includes a three-pronged approach, taking into account the following:

Risks	Mitigation Measures
Enterprise Risk	Identification and mitigation initiatives are handled through an on-going process for each of the businesses, as well as for CG as a whole. The coverage extends to all key business exposures. After getting a measure of each such enterprise risk, the mitigation actions are tracked.
Process Risk	Involves review of CG's business related operational and financial processes and controls through an Internal audit plan placed before the Board-level Audit Committee. Mechanism exists to track the identified gaps in processes and controls to be corrected through the 'Audit Observations', in monthly interactions with the Business Heads.
Compliance Risk	It comprises of a mechanism of reporting and assurances with respect to adherence of laws and regulations applicable to CG.

Unresolved internal audit observations and associated risks are presented and discussed at the Audit Committee meetings.

CG's Risk Management Committee comprises of four Directors and one Business Head. The Committee members along with the Senior Executives and Business Heads of the Company carry out a detailed review of risk management practices and evaluate the implementation status of mitigation measures. The identified key risks at the entity level are evaluated and prioritised based on quantitative and qualitative aspects of impact and likelihood for timely decision on its mitigation.

Internal Control Systems & their Adequacy

The Company has already designed and implemented a framework to ensure internal financial controls with reference to financial statements. The framework is commensurate with the size, scale and complexity of its business operations. This framework includes entity-level policies (such as code of conduct, delegation of authority, whistleblower policy), process controls, IT General Controls and Standard Operating Procedures (SOPs) for processes. The Company has carried out evaluation of design and effectiveness of these controls and has noted no significant deficiencies that can impact financial reports.

Your Company regularly conducts internal audits of various divisions, sales offices, corporate functions and overseas operations as per the annual plan agreed with Audit Committee at the beginning of the year. The internal auditor focuses primarily on operational and system audits that monitor design review of business processes, tracks evolution of risks and mitigation plan, compliance with the Company wide Delegation of Authority (DoA), adherence to different business specific policies and prudent business practices. The Audit Committee is periodically updated on the significant internal audit observations, compliance with statutes, risk management and control systems. The Audit Committee assesses adequacy and effectiveness of inputs given by internal audit, and suggests improvement for strengthening internal controls from time to time.

On behalf of the Board of Directors

Vellayan Subbiah
Chairman
(DIN: 01138759)
Mumbai, 2 May 2022

Directors' Report

Directors' Report

TO
THE MEMBERS

Your Directors are pleased to present their Eighty-Fifth Annual Report on the business and operations of your Company along with the audited financial statements, both standalone and consolidated, for the financial year ended 31 March 2022.

COMPANY PERFORMANCE

Your Company's standalone turnover from operations was ₹5,159 crore during the year under review, compared to ₹2,526 crore in the previous year representing a YoY growth of 104.24%, and the consolidated turnover was ₹5,561 crore compared to ₹2,964 crore in the previous year, representing a YoY growth of 87.62% over the previous year.

Details of consolidated segment-wise revenue and profit before interest and tax ('PBIT') of the two key business segments – Power Systems and Industrial Systems - and how these compare with the previous financial year are given in **Table 1**. Your Company's financial performance for the year ended 31 March 2022 as compared to the previous year is given in **Table 2**.

01 CONSOLIDATED NET SALES AND PROFIT BEFORE INTEREST AND TAX (PBIT) OF THE BUSINESS

(in ₹ crore)

	2021-22	2020-21
Consolidated Net Sales		
Power Systems	**1,594**	862
Industrial Systems	**3,953**	2,092
Consolidated PBIT		
Power Systems	**161**	(82)
Industrial Systems	**482**	201

02 COMPANY FINANCIAL HIGHLIGHTS

(in ₹ crore)

	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Net Sales and Services	5,159	2,526	5,561	2,964
EBIDTA	642	156	697	219
Less: Finance cost	66	166	68	197
Less: Depreciation	74	81	101	138
Profit / (loss) before exceptional items & tax	**502**	**(91)**	**528**	**(116)**
Exceptional items (net)	240	915	508	1,543
Profit before tax	**742**	**824**	**1,036**	**1,427**
Less: Tax Expense	115	135	123	147
Profit from continuing operations	**627**	**689**	**913**	**1,280**
Less: Minority Interest	NA	NA	(1)	16
Profit for the year	**627**	**689**	**912**	**1,296**

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

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

BUSINESS SEGMENTS:

a) **Industrial Systems:**

The Industrial Systems recorded revenue of ₹3,953 Crore as compared to ₹2,092 Crore during the year 2020-21, registering a growth of approx. 88.96% as compared to previous year. The operating profit before interest and tax of Industrial Systems stood at ₹482 Crore as compared to ₹201 Crore during the previous year, registering a growth of approx. 139.80%.

b) **Power Systems:**

The Power Systems recorded revenue of ₹1,594 Crore as compared to ₹862 Crore during the year 2020-21, a growth of approx. 84.92% as compared to previous year. The operating profit before interest and tax of Power Systems stood at ₹161 Crore as compared to loss before interest and tax of ₹82 Crore during the previous year, registering a growth of approx. 296.34%.

KEY ACCOMPLISHMENTS DURING THE YEAR

a) **CG House Debt Settlement**

As mentioned in the previous Annual Report for the financial year 2020-21, the one-time settlement of funded facilities and restructuring of the non-funded facilities extended to and availed by the Company, as agreed with the then lenders of the Company ("Lenders") in November 2020, inter alia included payment of around ₹150 crore (Rupees One Hundred and Fifty Crore) to the Lenders, out of the proceeds from the sale of "CG House" property of the Company, within a period of five years ("CG House Debt").

During the year under review, the Company settled the CG House Debt by pre-payment of the discounted value of debt aggregating to ₹133 Crore and the CG House Property is now free of any encumbrance.

b) **Settlement of guarantees issued for overseas subsidiaries**

During the year under review, the Company has settled its guarantee obligations towards Standard Chartered Bank (Singapore) Limited of approx. Euro 26.176 Mn by issuance of 1,38,45,000 equity shares and cash settlement of approx. Euro 3.66 Mn (~₹32 Crore). Further, the dues of IndusInd Bank

of approx. USD 32.5 Mn relating to guarantee obligations of CG International BV, a subsidiary of the Company, were settled by cash settlement of approx. USD 6.5 MN (~ ₹49 Crore). Further, an agreement has also been reached with EXIM Bank for settlement of the Company's guarantee obligations to it.

c) **Sale of land at Kanjurmarg**

During the year under review, the Company completed the sale of 3rd tranche of land at Kanjurmarg for a sale consideration of ₹382 crore and used the sale proceeds for pre-payment of part of the existing term loan availed from State Bank of India.

DIVESTMENTS AND OTHER DEVELOPMENTS

As stated in the previous year's Annual Report of the Company, due to financial stress and unviable operations, decisions were taken from time to time to prune / close down certain subsidiaries of the Company. The status of divestments and other developments in respect of the subsidiaries of the Company are given below:

Name of the Subsidiary	Status
CG Holdings Belgium NV CG Power Systems Belgium NV CG Sales Networks France SA CG Power Solutions Saudi Arabia Co. CG Electric Systems Hungary Zrt.	Bankruptcy proceedings ongoing
CG - GANZ GENERÁTOR- ÉS MOTORGYÁRTÓ Korlátolt Felelősségű Társaság	Liquidated during the year under review
CG Power Solutions UK Limited; CG Power & Industrial Solutions Middle East FZCO; CG Sales Networks Malaysia Sdn. Bhd; CG Power Systems Canada Inc	In the process of being voluntarily liquidated, subject to receipt of statutory and regulatory approvals
CG International (Holdings) Singapore Pte. Ltd CG Middle East FZE	Board has approved proposal for winding up
CG Power Solutions Limited	The Company has initiated Corporate Insolvency Proceedings under the Insolvency and Bankruptcy Code, 2016 and the same is pending before NCLT.

DIVIDEND

Considering the inadequacy of profits on account of the accumulated previous year losses, your Board does not recommend any dividend for the financial year ended 31 March 2022.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31 March 2022, your Company had 3 Indian and 10 foreign subsidiaries (excluding 2 subsidiaries in Belgium along with their subsidiaries declared as bankrupt; 4 subsidiaries in voluntary liquidation and 1 subsidiary declared insolvent). During the year under review, your Company has not incorporated or acquired any company.

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

Highlights of performance of operational subsidiaries of the Company are given below:

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

CG Adhesive Products Limited ("CGAPL") is the Company's subsidiary in Goa. Its name was changed from CG-PPI Adhesive Products Limited to CG Adhesive Products Limited with effect from 15 March 2022. Your Company holds 81.42% of CGAPL's equity share capital. CGAPL manufactures and deals in specialty adhesive tapes and labels.

During the year under review, CGAPL recorded revenue of ₹23.24 crore (previous year: ₹15.30 crore) and registered profit before tax of ₹3.78 crore (previous year: ₹0.82 crore).

2. **QEI, LLC:**

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

During the year under review, QEI, LLC recorded revenue of \$10.33 Mn i.e. equivalent to ₹77.89 crore (previous year: \$9.17 Mn i.e. equivalent to ₹67.06 crore). It registered profit before tax of \$3.18 Mn i.e. equivalent to ₹23.96 crore (previous year: \$2.45 Mn i.e. equivalent to ₹17.89 crore).

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

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

During the year under review, CG Drives & Automation Sweden AB recorded revenue of SEK 258.69 Mn i.e. equivalent to ₹208.19 crore (previous year: SEK 241.12 Mn i.e. equivalent to ₹208.52 crore) and registered profit before tax of SEK 7.11 Mn i.e. equivalent to ₹5.72 crore. (previous year: SEK 2.58 Mn i.e. equivalent to ₹2.23 crore).

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

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

During the year under review, CG Drives & Automation Germany GmbH recorded revenue of €19.67 Mn i.e. equivalent to ₹165.78 crore (previous year: €15.64 Mn i.e. equivalent to ₹137.18 crore). It registered profit before tax of €0.80 Mn i.e. equivalent to ₹6.75 crore (previous year: €0.22 Mn i.e. equivalent to ₹1.96 crore).

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

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

During the year under review, CG Drives & Automation Netherlands BV recorded revenue of €6.34 Mn i.e. equivalent to ₹53.42 crore. (previous year: €6.80 Mn i.e. equivalent to ₹59.59 crore) and registered profit before tax of €0.59 Mn i.e. equivalent to ₹4.99 crore. (previous year: €0.34 Mn i.e. equivalent to ₹2.99 crore).

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

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

MATERIAL ORDERS OF REGULATORS / COURTS / TRIBUNALS

a) **Re-opening of the books of accounts by the Ministry of Corporate Affairs**

During the year under review, the books of accounts of the Company and its subsidiaries, for the financial years 2014-15 to 2018-19 were re-opened and re-cast pursuant to an order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') on 5 March 2020 based on a petition filed by the Ministry of Corporate Affairs ('MCA'). The audited recast financial statements, were submitted by the MCA to NCLT and the same were taken on record by the NCLT vide its order dated 26 October 2021.

b) **Voluntary revision of financial statements**

Considering that closing balances in the recast financial statements of the Company for the financial year ended 31 March 2019 will have to be carried forward as opening balances for the financial year 2019-20, the financial statements of the Company for the financial year 2019-20 and 2020-21 were required to be revised to give effect to the changes as stated above.

In view of the above, the Company had made an application to NCLT for voluntary revision of the financial statements of the Company for the financial years 2019-20 and 2020-21 in order to maintain consistency with the recast books of accounts. The NCLT, vide its order dated 22 December 2021, approved the said application and allowed the voluntary revision of financial statements of the Company for financial years 2019-20 and 2020-21. The revised financial statements for financial years 2019-20 and 2020-21 were then approved by your Board and thereafter adopted by the shareholders at the previous Annual General Meeting of the Company held on 31 January 2022.

UPDATE ON INVESTIGATIONS

The investigations by Central Bureau of Investigation (CBI), Serious Fraud Investigation Office (SFIO) and Enforcement Directorate (ED) into the affairs of your Company and its subsidiaries pertaining to the past period and against the erstwhile promoters/ directors of the Company relating to transactions that took place when the Company was under the control of the previous management / promoters, details of which have already been reported to the stock exchanges / in the Annual Report of the Company for the financial year 2020-21, are in progress. Your Company is extending full co-operation to these agencies and information and documents as sought by them are being promptly provided by the Company.

AUDITORS AND AUDIT REPORTS

STATUTORY AUDITORS

M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) ('SRBC'), the existing Statutory Auditors of the Company, were appointed at the 81st Annual General Meeting of your Company, to hold office for a term of five years up to the conclusion of 86th Annual General Meeting of your Company.

The Auditor's Report on the financial statements of the Company for the year ended 31 March, 2022, which forms part of the Annual Report of the Company, does not contain any qualification, reservation or adverse remark.

COST AUDITOR

As per the requirement of Section 148(1) of the Act read with rules made thereunder, your Company is required to maintain cost accounts and records. Accordingly, your Company has maintained cost accounts and records for financial year 2021-22 as applicable for its product range.

During the year under review, the Company filed the Cost Audit Report for the financial year 2020-21 with the Registrar of Companies, Mumbai, within the prescribed statutory timelines.

Upon recommendation of the Audit Committee, the Board has re-appointed M/s R. Nanabhoy & Co., as Cost Auditor of your Company for financial year 2022-23 at a remuneration of ₹7,70,000/- (Rupees Seven Lakhs Seventy Thousand only) per annum plus out-of-pocket expenses and taxes, as applicable. The Act mandates that the remuneration payable to the Cost Auditor is ratified by the shareholders. Accordingly, a resolution seeking the shareholders' ratification of the remuneration payable to the Cost Auditors for the financial year 2022-23 is included in the Notice convening the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

Your Company had appointed M/s. Parikh & Associates, Practising Company Secretaries, Mumbai (Firm Registration Number: P1988MH009800), to undertake the Secretarial Audit of the Company for financial year 2021-22.

Your Company has generally complied with the Secretarial Standards and the Secretarial Audit Report is annexed in Form MR-3 for financial year 2021-22 as Annexure 4 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

INTERNAL FINANCIAL CONTROLS

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. The Company has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

BOARD OF DIRECTORS

Composition

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

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

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

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

Appointment of Directors during the year

During the year under review, based on the recommendations of the Nomination and Remuneration Committee, your Board had appointed Mr. Sriram Sivaram and Mr. Kalyan Kumar Paul as Additional Directors in the capacity of Non-Executive Independent Director and Non-Executive Non-Independent Director of the Company, respectively, with effect from 11 June 2021. Their appointment as Directors was approved by the Members through Postal Ballot on 30 December 2021.

Retirement by rotation

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

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

INDEPENDENT DIRECTORS' DECLARATION

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

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

The Company has received a certificate from M/s Parikh & Associates, 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.

BOARD MEETINGS

During the financial year 2021-22, your Board of Directors met 9 times, in accordance with the provisions of the Act, SEBI LODR and other statutory provisions.

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

COMMITTEES OF THE BOARD

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

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

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

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

KEY MANAGERIAL PERSONNEL ('KMP')

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

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

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

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

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

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

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

In line with the requirements of the Act and the SEBI LODR, an annual evaluation of performance of the Board, its Committees and individual Directors was carried out during the year under review. Pursuant to the provisions of Schedule IV of the Act and Regulation 25 of the SEBI LODR, the Independent Directors of your Company, at their meeting held on 23 March 2022, evaluated the performance of Non-Independent Directors, the Board as a whole, performance of the Chairman; and also assessed the quality, quantity and timeliness of flow of information between the Management and the Board.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

RELATED PARTY TRANSACTIONS

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

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

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to the provisions of Section 186 of the Act and Schedule V of the SEBI LODR, particulars of loans, guarantees given and investments made by your Company during financial year 2021-22 are given in the notes to the Financial Statements.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 of the SEBI LODR, the Business Responsibility Report for the year 2021-22 highlighting the initiatives taken by the Company in the areas of environment, social, economic and governance is given in the Section titled "Business Responsibility Report", which forms part of this Report and is also available on the website of your Company under: https://www.cgglobal.com/financials

ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

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

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

The Risk Management Committee of the Board reviews the key risks associated with the businesses of your Company and their mitigation measures.

RESEARCH AND DEVELOPMENT (R&D)

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

Power Systems

- Developed and successfully conducted short circuit test of Trackside Transformer of 21.6/30.24 MVA, 110/27 kV for Indian Railways.
- Expanded product range by introducing three Phase Zig-Zag connected power transformer filled with Environment Friendly Ester oil and also developed high current (>6000 A) energy efficient distribution transformer.
- Added three new varieties of Capacitor Voltage Transformers (CVTs) to product basket to enhance the customer reach for wider applications and launched new design of Current Transformer (CT) with Internal Arc Test withstand capability to prove the safety and reliability.
- Successfully developed / launched new products such as
  - 362 kV Instrument Transformers for exports
  - New application condenser bushings i.e. Oil to Oil bushings for Transformer and Instrument Transformers meeting Indian Railways (RDSO) specifications
  - SF6 Gas 145kV GIS Surge Arrester and Partial Discharge Sensor Suitable for Gas Insulated Switchgear
  - SF6 Gas 145kV GIS with Compact Circuit Breaker with reduced size,
  - 690 V, 5000A, 63 kA rating Vacuum Interrupter (VI) for low Voltage and high Current Circuit Breaker application.
  - 36 kV Load Break Switch for switching of Transformers and 12 kV, 200 Amp (Capacitive current), 3 Pole Vacuum Contactor for Capacitor Switching application.
  - 52 kV, 2000A Off Circuit Tap Changer (OCTC) for Railway's track side Power Transformers.
  - Multiple variants of 12kV Ring Main Unit (RMU) family 'Arista-S' for Smart Distribution application suitable for indoor and outdoor installation.
- Expanded product range in Instrument Transformer by developing polymeric insulator current and Inductive Voltage transformer for 0.5g seismic acceleration application.

Industrial Systems

- Completed Eco-design directive compliance for entire range of IP20 and IP54 drives which comply with the highest efficiency class as defined by IEC 61800-9-2.
- Developed and type tested the E2.1 frame for 75 and 90kW drives with 20% reduction in size with better competitiveness.
- Developed high power stacking blocks for drives greater than 200kW which reduces the floor space requirement in higher powers by approx. 30% and also developed DC-DC converter solutions for high power requirements in voltage range of 100 – 800 VDC which opens up application possibilities in renewable energy segment including fuel cell power generation and also for traditional sectors like automotive test beds and marine.
- Compact liquid cooled drives were developed primarily for marine segment in Europe which enables the company to offer 33% more power in the same volumes compared to earlier design.
- Developing Premium efficiency IE4 Non safe area application Motor (FLP series) for hazardous area to meet international and Indian standard requirements.

Railways

- Indigenously designed and developed two variants of BLDC Industrial fans - 65 W, 18" and 85 W, 24", providing performance parameters like Air delivery and speed comparable to that of 150 W, 18" and 200 W, 24" Induction motor based Industrial fans.
- Designed and developed Switch board cabinet for LHB AC coaches and also developed switch board cabinet for LHB Garib Rath AC coaches (including two cubicles under-slung and on-board) as per IEC 61439, which operates on 3 Phase 750V AC, 50 Hz and consists of all power and control switchgear for coach lighting, Air conditioning, Pantry, Pump control, Sanitary system, Public Addressing system and Head on Generation (HOG) filters selection etc.

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

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

ENVIRONMENT, HEALTH AND SAFETY (EHS)

A detailed review of the Environment, Health and Safety (EHS) measures undertaken by your Company is given in the Section titled "Management Discussion and Analysis", which forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is now a part of the Murugappa Group, which is known for its tradition of philanthropy and community service.

It may be noted that in view of the average net profits of the Company for past three financial years being negative, there was no statutory requirement to incur any CSR expenditure during the year under review. Accordingly, your Company has not incurred any CSR expenditure during the year under review.

However, your Company is committed towards inclusive growth and based on the recommendation of the Board-level CSR Committee; your Company will be identifying focus areas / CSR initiatives to be carried out in the coming financial years in order to have a maximum impact.

Details of the composition of the CSR Committee and CSR Policy of the Company are given in the Section titled 'Annual Report on CSR initiatives for financial year 2021-22' in Annexure 2 of this Report.

REGISTRAR AND SHARE TRANSFER AGENT

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

PARTICULARS OF EMPLOYEES

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

EMPLOYEE STOCK OPTION PLAN 2021

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

During the year under review, your Company has granted 18,34,100 options to the eligible employees under ESOP 2021.

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

COMPLAINTS RELATING TO SEXUAL HARASSMENT

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

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

VIGIL MECHANISM

Your Company has set up a vigil mechanism, viz. a Whistle Blower Policy, as per the provisions of Section 177 of the Act and Regulation 22 of the SEBI LODR to enable its stakeholders to report violations, genuine concerns, unethical behaviour and irregularities, if any, which could adversely affect the Company's operations. None of the Whistle Blowers was denied access to the Chairman of the Audit Committee of the Board.

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

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI LODR, your Company has formulated a Dividend Distribution Policy. It is available on the website of the Company under: https://www.cgglobal.com/policy

PUBLIC DEPOSITS

Your Company has not accepted any deposits from public or its members under Chapter V of the Act and no deposits were outstanding as on 31 March 2022.

SHARE CAPITAL

During the year under review, your Company has allotted equity shares on preferential allotment / private placement basis as follows:

a) On 5 July 2021, your Company allotted 1,38,45,000 equity shares to Standard Chartered Bank (Singapore) Limited on preferential allotment basis, for settlement of guarantee obligations of the Company under the Guarantee Obligations (SCB) Settlement Agreement.

b) On 11 February 2022, your Company allotted 9,00,00,000 equity shares to Tube Investments of India Limited ("TII") pursuant to conversion of 9,00,00,000 warrants by TII into equal number of equity shares, and receipt of the balance amount due on the warrants so exercised by them. Pursuant to the above conversion, the aggregate shareholding of TII has increased to 55.57% of the share capital of the Company. As on the date of this report, TII continues to hold the balance 8,52,33,645 warrants of the Company, which are exercisable on or before 25 May 2022.

Consequently, as on the date of this Report, the share capital of the Company is as follows:

- The authorised share capital of your Company is ₹407,60,00,000/- (Rupees Four Hundred Seven Crore And Sixty Lakh) divided into 203,80,00,000 equity shares of ₹2/-(Rupees two) each.
- The subscribed and paid-up share capital of your Company stood at ₹288,36,86,058/- (Rupees Two Hundred And Eighty Eight Crore Thirty Six Lakhs Eighty Six Thousand and Fifty Eight only) consisting of 144,18,43,029 equity shares of ₹2/- (Rupees two) each.

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

At the beginning of the financial year under review, the Company had 1,04,462 Global Depositary Receipts (GDRs). Pursuant to the approval of the Board of Directors on 5 February 2021, the trading of the GDRs of the Company on London Stock Exchange ('LSE') was cancelled and the GDRs were delisted from LSE w.e.f. 24 May 2021. Company did not have any outstanding GDRs at the end of the financial year under review.

ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Act, a copy of the Annual Return of the Company as on 31 March 2022 is placed on the website of the Company and the same is available on the following link: https://www.cgglobal.com/financials

REPORTING OF FRAUDS BY AUDITORS

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

OTHER DISCLOSURES / REPORTING

a) Issue of equity shares with differential rights

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

b) Insolvency and Bankruptcy Code (IBC)

The following entities had filed petitions under IBC in the previous year(s) in respect of amount dues to them. All their dues have since been paid, no-dues certificate obtained from them and consequently the petitions have been dismissed as withdrawn / in the process of being withdrawn:

- JMD Precision Equipments Private Limited
- ATO (I) Limited
- Permali Wallace Private Limited
- Hi-Tech Radiators Private Limited
- Cargill India Private Limited

c) Onetime settlement with any bank or financial Institution

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) the annual Financial Statements for the year ended 31 March 2022 have been prepared in conformity with the applicable accounting standards along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2022 and of the profit of the Company for the year ended on that date;

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

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

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

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

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

Vellayan Subbiah
Chairman
(DIN: 01138759)
Mumbai, 2 May 2022

Annexures to Directors' Report

ANNEXURE 1

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

A. CONSERVATION OF ENERGY

1. ENERGY CONSERVATION MEASURES TAKEN

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

MEASURES TAKEN TOWARDS ENERGY CONSERVATION AT VARIOUS UNITS:

Industrial

- FHP unit replaced Higher HP drinking water pump with lower HP energy efficient pump with water level controller to optimize pump operation
- FHP unit installed one stop switch for all the lights and fans on assembly line, VFD for assembly conveyor belts and auto cut-off timer for feeder machines to switch off the machine during idle operation.
- LTM units 1 and 2 ensured optimum utilisation of melting furnace for die casting operation to reduce power consumption
- Stamping unit replaced old reciprocating compressor with VFD operated screw compressor for reducing power consumption and has installed online energy consumption monitoring system to check deviations for timely corrections

Railway

- Initiatives like maintaining power factor above 0.95 resulted in reduction of energy cost
- Replacement of 30 industrial fans of 200W based on Induction motor technology with 85W BLDC motor based technology fans, resulted in good saving of energy consumption.
- 750 kVA Current Balance and Power Factor Correction (CBPFC) panel designed and developed for Composite Converter testing, in order to balance 3 Phase current at Grid Side (11 kV), which resulted in improving the power factor and reducing the reactive power consumption from the grid.

Power

a) Transformers

- The Distribution Transformer Plant at Gwalior installed 35kW air compressor in place of 75kW for operation of heavy air consuming pneumatically operated equipment resulting in power saving of ~25% per month, and also implemented gas based heating system for oven.
- The Power Transformer plant at Bhopal installed timer on winding shop AC to ensure optimum use of AC, installed drive on another motor of cooling tower which is controlled by water temperature, installed VFD on 5T crane for LT movement for safety, replaced 35 street lights with LED lighting, Insulation of chilled water tank to restrict temperature loss. All these steps resulted in saving of 2700KWH per day

b) Switchgears

- Completed conversion of high wattage conventional lighting to energy efficient LED lighting along with smart/intelligent lighting solutions resulting in 134KW reduction in lighting load.
- Installation of 20HP VFD (AC Drive) along with PID Control Panel for MELCO Winding Machine Paper Preheating Air Handling Unit (AHU) and up-gradation of CVT Washing Station for Instrument and Transformer plant.
- Rockwool hot insulation work turret tank of transformer oil filtration plant of 750kV EHV Lab.
- Energy conservation of compressor through elimination of artificial demand, leakages, improving efficiency, condition monitoring of FRLs etc. (Optima Air Approach) in EHV & MV Switchgear Division.
- Installation of 15HP VFDs (AC Drives) for 02 Roots Air Blowers of Sewage Treatment Plant for energy conservation in EHV & MV Switchgear Division.
- Upgradation of chilled water system of Autoclaves & other process plants for Instrument Transformer and Bushing Plant.
- Upgradation of Assembly Area Oven of EHV plant to reduce Heat Losses by installation of Thyristor along with PID Controller for efficient heating system (instead of On/Off Control)
- Energy conservation for FY22 of Nashik Switchgear Plant is 2.50 Lakhs KWh with cost saving of ₹23.75 Lakhs.

2. ALTERNATE SOURCES OF ENERGY

- Motors unit is harnessing around 25% of electricity requirement through the use of energy generated from roof top solar panels.
- Railways Business installed Roof top Solar Panels and is using green energy drive
- Under Power Purchase agreement, the Transformers Division carried out execution of Solar generation plant with capacity of 348KW for Distribution Transformer plant based at Gwalior. For FY22, 4.40 Lakhs solar units were generated from Solar plant and saving of ₹21.07 Lakhs were achieved.
- Under the 'Solar as A Service' Model, execution of roof top solar panels (992kWp) for EHV and MV Switchgear plants based at Nashik were carried out.
- Achieved energy conservation of 12.49 Lakhs units and cost saving of ₹60.52 Lakhs.

3. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

Industrial

- Replacement of CFL office lamps with energy efficient LEDs
- Roof top solar panel installation at Stamping units at Goa and Ahmednagar

Railways

- Replacement of motor generator based AC Traction motor Testing setup with Variac Transformer based setup resulting in reduction of 50% energy consumption in A.C traction motor testing
- Changing the Alternator test setup from Direct current based to VFD based Alternating current resulting in a 35% saving in energy consumption in Traction Alternator testing.

Power

- Capital Investment of ₹5.78 Lakhs and 15 Lakhs was made in financial year 2021-22 by Distribution Transformer plants based at Gwalior and by EHV and MV Switchgear plants based at Nashik respectively

B. TECHNOLOGY ABSORPTION

1. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

Industrial

- Motor Division and DAI is in the process of developing solution for EV application

Railway

- Indigenously designed and developed 85W BLDC Technology based 24 inch Industrial fans.
- Developed Switch board cabinet for LHB AC coaches which operates on 3 Phase 750V AC, 50 Hz and consists of all power and control switchgear for coach lighting, Air conditioning, Pantry, Pump control, Sanitary system, Public Addressing system and Head on Generation (HOG) filters selection etc.
- Developed Switch board cabinet for LHB Garib Rath AC coaches which includes two cubicles underslung and on-board.

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

Industrial

- Use of alternate grade of electric steel for cost optimization.
- Lamination design optimization to improve utilization factor of steel sheet.
- FHP Unit initiated the vendor development for Import substitution of mechanical switch
- LT Motors has completed its entire range development for IE4
- DAI has gone ahead with digitization of online test reports which reduced the paper consumption of approx. 22.5 kg Per Month
- DAI launched new VSS Series up to 2.2 KW

Railways

- Mainline Electric Multiple Unit application with On Board propulsion Electrics (MEMU-OB) is a complete solution to be offered to Indian Railways which comprises of Traction transformer, Traction converter, Auxiliary Power converter, Train control & management system and various other sub system components.
- Working on development of Composite Converter (CC) which is a hybrid product which comprises the features of both IGBT Power Converter & Hotel Load Converter (HLC).

3. IMPORTED TECHNOLOGY

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

01 IMPORTED TECHNOLOGY

Details Of Technology Imported	Year Of Import	Whether The Technology Has Been Fully Absorbed	If Not Fully Absorbed, Areas Where Absorption Has Not Taken Place, And The Reasons Thereof
Nil			

4. EXPENDITURE ON R&D

Details of the R&D expenditure is given in Table 2.

02 EXPENDITURE ON R&D (in ₹ crore)

PARTICULARS	AMOUNT
A. Capital	7.22
B. Revenue	23.11
C. Total (A + B)	**30.33**
Total R & D expenditure	
As a percentage of turnover (continuing operations)	0.59%
As a percentage of profit before tax (continuing operations)	4.09%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

03 FOREIGN EXCHANGE EARNING & OUTGO (in ₹ crore)

PARTICULARS	AMOUNT
Total Foreign Exchange Earned	305.76
Total Foreign Exchange Used	239.09

On behalf of the Board of Directors

Vellayan Subbiah
Chairman
(DIN: 01138759)
Mumbai, 2 May 2022

ANNEXURE 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES FOR FINANCIAL YEAR 2021-22

1. **BRIEF OUTLINE ON CSR POLICY OF THE COMPANY**

CSR POLICY

The Company is committed 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 sensitized towards our communities and develop them 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.

2. **COMPOSITION OF CSR COMMITTEE**

The CSR Committee of the Company comprises of the following:

Sl. No.	Name of Director	Designation / Nature of Directorship
1.	Mr. Shailendra Roy	Chairman, Independent Director
2.	Mr. P. S. Jayakumar	Member, Independent Director
3.	Ms. Sasikala Varadachari	Member, Independent Director

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**

https://www.cgglobal.com/about_csr

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not applicable.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Nil

6. **Average Net Profit of the Company as per Section 135(5):**

The average net profit of the Company as per Section 135(5) was negative i.e. ₹(235.83) crore.

7. (a) **Two percent of average net profit of the Company as per Section 135(5):**

Nil, since the average net profit of the Company as per Section 135(5) was negative.

(b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years.**

Nil

(c) **Amount required to be set off for the financial year, if any;**

Nil

(d) **Total CSR obligation for the financial year (7a + 7b – 7c)**

Nil

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount spent for the Financial Year (in ₹ Crore)	Amount Unspent (in ₹ Crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
NIL	Not applicable				

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹ Crore)	Amount spent in the current financial year (in ₹ Crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Crore)	Mode of Implementation – Direct (Yes / No)	Mode of Implementation through Implementing Agency –	
				State	District						Name	CSR Registration Number

Not applicable

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(8)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹ Crore)	Mode of Implementation – Direct (Yes / No)	Mode of Implementation through Implementing Agency –	
				State	District			Name	CSR Registration Number

NIL (refer note)

Note: During the year under review, there was no statutory requirement to incur any CSR expenditure by the Company, in view of the average net profits of the Company for past three financial years being negative.

(d) **Amount spent in Administrative Overheads –** Nil

(e) **Amount spent on Impact Assessment, if applicable –** Not applicable

(f) **Total amount spent for the Financial Year (8b + 8c + 8d + 8e) –** Nil

(g) **Excess amount for set off, if any:**

Sl. No.	Particulars	Amount (in ₹ Crore)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil (since average net profit was negative)
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii) – (i)]	Not applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii) – (iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹ Crore)	Amount spent in the reporting Financial year (in ₹ Crore)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹ Crore)
				Name of the fund	Amount (in ₹ Crore)	Date of transfer	
	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the Project was commenced	Project duration	Total amount allocated for the project (in ₹ Crore)	Amount spent on the project in the reporting Financial year (in ₹ Crore)	Cumulative amount spent at the end of reporting Financial year (in ₹ Crore)	Status of the project completed / ongoing
NIL								

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

(a)	Date of creation or acquisition of the capital asset(s).	Not applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) –** Not Applicable.

Shailendra Roy
Chairman of CSR Committee
(DIN: 02144836)

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Mumbai, 2 May 2022

ANNEXURE 3

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

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

1. Details of the ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year ended 31 March 2022 are provided in **Table 1**.
2. 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**.
3. The median remuneration of employees increased by 0.69% as compared to previous financial year.
4. The number of permanent employees on the rolls of the Company as on 31 March 2022: 2,586 (as against 2,570 as on 31 March 2021).
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   Average increase in salary of Company's employees is 7.71% other than the Managerial personnel. On the other hand, the managerial remuneration increased by 1.96% in FY 2021-22 as compared to FY 2020-21. However, this is not comparable for the reason mentioned in the Notes appended to Table 1 below.
6. Remuneration is as per the Remuneration Policy of the Company.

01 Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the financial year ended 31 March 2022 and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year under review:

Sr. No.	Name of Director/Key Managerial Personnel	Designation	Ratio of remuneration of director to median remuneration of all employees	% increase/(decrease) in comparison to previous financial year
1.	Mr. Vellayan Subbiah	Chairman, Non-Executive Non-Independent Director	3.83	Not comparable. Please refer to the Notes appended below
2.	Mr. Natarajan Srinivasan	Managing Director	66.12	
3.	Mr. M A M Arunachalam	Non-Executive Non-Independent Director	2.23	
4.	Mr. P S Jayakumar	Non-Executive Independent Director	3.39	
5.	Ms. Sasikala Varadachari	Non-Executive Independent Director	3.03	
6.	Mr. Shailendra Roy	Non-Executive Independent Director	2.05	
7.	Mr. Sriram Sivaram*	Non-Executive Independent Director	1.78	
8.	Mr. Kalyan Kumar Paul*	Non-Executive Non-Independent Director	1.25	
9.	Mr. Susheel Todi	Chief Financial Officer	24.51	
10.	Mr. P Varadarajan**	Company Secretary	11.55	

* Appointed w.e.f. 11 June, 2021

** Appointed as Company Secretary w.e.f. 01 April, 2021.

Notes:

1. For the aforesaid purposes, median remuneration has been computed by ascertaining the cost to Company of all employees as on 31 March 2022, in all categories, whether workmen or white collar employees. Remuneration includes variable pay paid during the year under review.

2. Mr. Vellayan Subbiah, Mr. Natarajan Srinivasan, Mr. P S Jayakumar, Mr. M A M Arunachalam, Ms. Sasikala Varadachari, Mr. Shailendra Roy were appointed on 26 November, 2020 i.e. in the part of FY 2020-21, hence their remuneration figures are not comparable.

3. Mr. Susheel Todi was appointed on 05 February, 2021 i.e. in the part of the FY 2020-21, hence his remuneration figure is not comparable.

4. Mr. Sriram Sivaram, Mr. Kalyan Kumar Paul and Mr. P Varadarajan were appointed in FY 2021-22; hence their remuneration figures are not comparable.

On behalf of the Board of Directors

Vellayan Subbiah
Chairman
(DIN: 01138759)
Mumbai, 2 May 2022

ANNEXURE 4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2022

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

To,
The Members,
CG Power and Industrial Solutions Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, and to the extent made available to us and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

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

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

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

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

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

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

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

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

 (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

 (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)

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

 (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and

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

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

 (a) The Electricity Act, 2003 and Rules

 (b) Explosives Act, 1884 and Rules

 (c) Batteries (Management and Handling), Rule 2001

 (d) Petroleum Act, 1934 and rules

 (e) The Energy Conservation Act, 2001

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

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

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

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

We further report that:

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

ANNEXURE 4 (Contd.)

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

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

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

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

i. On 5th July 2021, Company allotted 1,38,45,000 equity shares to Standard Chartered Bank (Singapore) Limited on preferential allotment basis, for settlement of guarantee obligations of the Company under the Guarantee Obligations ('SCB') Settlement Agreement.

ii. On 11th February 2022, Company allotted 9,00,00,000 equity shares to Tube Investments of India Limited ("TII") pursuant to conversion of 9,00,00,000 warrants by TII into equal number of equity shares, and receipt of the balance amount due on the warrants so exercised by them. Pursuant to the above conversion, the aggregate shareholding of TII has increased to 55.57% of the share capital of the Company. Further, TII continues to hold the balance 8,52,33,645 warrants of the Company, which are exercisable on or before 25th May 2022.

iii. The shareholders of the Company had, through special resolution passed by Postal Ballot on 23rd September 2021, approved the introduction and implementation of Employee Stock Option Plan 2021 ('ESOP 2021' / 'Scheme') and authorised the Board / Nomination and Remuneration Committee to issue to the eligible employees, such number of Options under the ESOP 2021, as would be exercisable into, not exceeding 2,70,00,000 (Two Crore Seventy Lakhs) fully paid-up equity shares of Rs.2 each in the Company. During the year under review, Company has granted 18,34,100 options to the eligible employees under ESOP 2021.

We further report the following:

a) During the year under review, the books of accounts of the Company and its subsidiaries, for the financial years 2014-15 to 2018-19 were re-opened and re- cast pursuant to an order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ('**NCLT**') on 5th March 2020 based on a petition filed by the Ministry of Corporate Affairs ('**MCA**'). The recast financial statements were submitted by the MCA to NCLT and the same were taken on record by the NCLT vide its order dated 26th October 2021.

b) Considering that closing balances in the recast financial statements of the Company for the financial year ended 31st March 2019 will have to be carried forward as opening balances for the financial year 2019-20, the financial statements of the Company for the financial year 2019-20 and 2020-21 were required to be revised to give effect to the changes as stated above.

In view of the above, the Company had made an application to NCLT for voluntary revision in financial statements of the Company for the financial years 2019-20 and 2020-21 in order to maintain consistency with the recast books of accounts. The NCLT, vide its order dated 22nd December 2021, approved the said application and allowed the voluntary revision of financial statements of the Company for financial years 2019-20 and 2020-21. The revised financial statements for financial years 2019-20 and 2020-21 were then approved by the Board and thereafter adopted by the shareholders at the previous Annual General Meeting of the Company held on 31st January 2022.

For Parikh & Associates
Company Secretaries

Signature:
Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331D000252564
PR No.: 1129/2021

Place: Mumbai
Date: May 02, 2022

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

ANNEXURE 4 (Contd.)

'Annexure A'

To,
The Members,
CG Power and Industrial Solutions Limited

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

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

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

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

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

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

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

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: May 02, 2022

Signature:
Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331D000252564
PR No.: 1129/2021

Report on Corporate Governance

Report on Corporate Governance

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS COMPOSITION

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

As on 31 March, 2022, your Company's Board comprised of 8 Directors, out of which 7 Directors were Non-Executive Directors. The Company has a Non-Executive Chairman. The Company had 4 Independent Directors (**'IDs'**), including 1 Women ID, which comprised half of the total strength of the Board.

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

INDEPENDENT DIRECTORS

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

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

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

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

BOARD MEETINGS

Board Meetings are convened at appropriate intervals with a maximum time gap of not more than 120 days between two consecutive meetings. Notice along with the agenda papers is sent to the Directors in advance. In case of exigencies or urgency of matters, resolutions are passed by circulation for such matters as permitted by law and noted at the subsequent meeting.

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

Nine (9) Board Meetings were held during the year. The dates on which the Meetings were held are as follows:

Sr. No	Date of Board Meeting	Board Strength	No of Directors Present
1	11 May, 2021	6	6
2	11 Jun, 2021	8	8
3	02 Aug, 2021	8	8
4	18 Aug, 2021	8	8
5	09 Sep, 2021	8	8
6	21 Oct, 2021	8	7
7	31 Dec, 2021	8	8
8	27 Jan, 2022	8	8
9	23 Mar, 2022	8	8

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year, attendance at the last Annual General Meeting (**'AGM'**), the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31 March 2022, are given in Table 1.

Pursuant to provisions of regulation 17(3) of SEBI LODR, the Board periodically reviews the compliance reports of all laws applicable to the Company. The Company uses the facility of Video Conferencing, permitted under Section 173(2) of the Act read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014.

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

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

01 Composition, attendance and details of the Board of Directors during the financial year 2021-22

Name of Director	Category	Attendance Particulars		No. of Representations		
		Board Meeting	Last AGM	Directorship#	Committee Chairperson##	Committee Membership##
Mr. Vellayan Subbiah	Non-Executive; Non-Independent; Chairman	9	Yes	9	1	4
Mr. M A M Arunachalam	Non-Executive; Non-Independent	9	Yes	9	2	6
Mr. Kalyan Kumar Paul$	Non-Executive; Non-Independent	7	Yes	3	-	-
Mr. P S Jayakumar	Non-Executive; Independent	9	Yes	13	4	8
Ms. Sasikala Varadachari	Non-Executive; Independent	9	Yes	4	-	2
Mr. Shailendra Roy	Non-Executive; Independent	9	Yes	4	-	1
Mr. Sriram Sivaram$$	Non-Executive; Independent	8	Yes	3	-	-
Mr. Natarajan Srinivasan	Managing Director	9	Yes	4	3	6

$ Appointed as an Additional Non-Executive, Non-Independent Director of the Company with effect from 11 June, 2021

$$ Appointed as an Additional Non-Executive, Independent Director of the Company with effect from 11 June, 2021

Directorships include directorships as on 31 March 2022 in only Indian companies (including the Company) but exclude alternate directorships.

Committee Chairmanship and Membership as on 31 March 2022 includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (including the Company). Number of Committee Memberships disclosed (Audit and Stakeholders' Relationship Committee) includes post of Chairperson held by the concerned director in the said Committee.

OTHER DIRECTORSHIPS

As on 31 March 2022, none of the Directors on the Board hold directorships in more than twenty companies (including ten public limited companies) or is an Independent Director in more than seven listed companies. Further, none of the Directors is a member of more than ten Committees or a chairperson of more than five Committees across all public limited companies. For the purpose of determination of limit of the Board Committees, the chairpersonship / membership of only the Audit Committee and the Stakeholders' Relationship Committee have been considered as provided in Regulation 26(1) (b) of SEBI LODR. Further, the Directorship of Directors is in conformity with Regulation 17A of SEBI LODR.

Names of other listed entities where directors of the Company hold directorship and the category of such directorship as on 31 March 2022 are given in Table 2.

02 Directors and their Directorships in other listed companies as on 31 March, 2022

Name of the Director	Directorship in other Listed Companies	Category
Mr. Vellayan Subbiah	SRF Limited	NEI
	Tube Investments of India Limited	MD
	Cholamandalam Financial Holdings Limited	NENI
	Cholamandalam Investment and Finance Company Limited	NENI
Mr. M A M Arunachalam	Shanthi Gears Limited	NENI
	Tube Investments of India Limited	NENI
	Cholamandalam Investment and Finance Company Limited	NENI
Mr. Kalyan Kumar Paul	-	-
Mr. P S Jayakumar	Adani Ports and Special Economic Zone Limited	NEI
	JM Financial Limited	NEI
	HT Media Limited	NEI
Ms. Sasikala Varadachari	Sundaram -Clayton Limited	NEI
	Tube Investments of India Limited	NEI
Mr. Shailendra Roy	-	-
Mr. Sriram Sivaram	-	-
Mr. Natarajan Srinivasan	Godrej Agrovet Limited	NEI
	Computer Age Management Services Limited	NEI
	Infrastructure Leasing and Financial Services Limited (Debt Listed)	ND

- Non-Executive Non-Independent- NENI
- Non-Executive Independent- NEI
- Managing Director- MD
- Nominee Director-ND

SELECTION AND APPOINTMENT OF DIRECTORS

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

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

BOARD EFFECTIVENESS EVALUATION

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

INDEPENDENT DIRECTORS' MEETING

Independent Directors' Meeting in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulations 25(3) and 25(4) of SEBI LODR was convened on 23 March, 2022, inter alia to review the performance of Non-Independent Directors and the Board as a whole and review the performance of the Chairman for Financial Year 2021-22 and the flow of information between the Board and the Management. All Independent Directors were present at the said meeting.

DIRECTORS' SHAREHOLDING AND RELATIONSHIP INTER-SE

As on 31 March, 2022, except Mr. M A M Arunachalam, Mr. Shailendra Roy and Mr. Kalyan Kumar Paul who held 1,85,000 equity shares, 5,000 equity shares and 30,000 equity shares of the Company, respectively, none of the other Directors held any shares in the Company. Further, none of the Directors on the Board is related to each other.

DIRECTORS' INDUCTION AND FAMILIARISATION

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

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

CORE SKILLS / EXPERTISE /COMPETENCE

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

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

- Financial Management
- Global Business environment perspective
- Business Leadership
- Technology
- Mergers & Acquisitions
- Board insights

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

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

Skills / Expertise/Competencies	Name of the Director							
	VS	MAM	KKP	PSJ	SV	SR	SS	NS
Financial Management	✓	✓	-	✓	✓	✓	✓	✓
Global business environment perspective	✓	✓	✓	✓	✓	✓	✓	✓
Business Leadership	✓	✓	✓	✓	✓	✓	✓	✓
Technology	✓	✓	✓	-	-	✓	✓	✓
Mergers and Acquisition	✓	✓	-	✓	✓	✓	✓	✓
Board Insights	✓	✓	✓	✓	✓	✓	✓	✓

VS- Vellayan Subbiah
MAM- M A M Arunachalam
KKP- Kalyan Kumar Paul
PSJ - P S Jayakumar
SV- Sasikala Varadachari
SR- Shailendra Roy
SS- Sriram Sivaram
NS- Natarajan Srinivasan

THE COMMITTEES OF THE BOARD

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

AUDIT COMMITTEE (AC)

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

As of 31 March, 2022, the AC comprised of 3 Non-Executive Directors of which 2 are Independent Directors as under, who are financially literate and have relevant finance exposure.

Name	Designation	Category of Directorship	Attendance
Mr. P S Jayakumar	Chairman	Non-Executive; Independent	8
Ms. Sasikala Varadachari	Member	Non-Executive; Independent	8
Mr. Vellayan Subbiah	Member	Non-Executive; Non-Independent	8

TERMS OF REFERENCE:

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

Eight (8) Audit Committee Meetings were held during the year. The dates on which the Meetings were held are as follows:

Sr. No	Date of AC Meeting	Member Strength	No of Members Present
1	8 Jun, 2021	3	3
2	11 Jun, 2021	3	3
3	2 Aug, 2021	3	3
4	9 Sep, 2021	3	3
5	21 Oct, 2021	3	3
6	31 Dec, 2021	3	3
7	27 Jan, 2022	3	3
8	23 Mar, 2022	3	3

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

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

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

NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

As on 31 March, 2022, the NRC comprised of 3 Non-Executive Directors of which 2 are Independent Directors as under:

Name	Designation	Category of Directorship	Attendance
Mr. P S Jayakumar	Chairman	Non-Executive; Independent	2
Mr. Vellayan Subbiah	Member	Non-Executive; Non-Independent	2
Mr. Shailendra Roy	Member	Non-Executive; Independent	2

Note: During the year, Mr. M A M Arunachalam resigned as the member of a NRC w.e.f 20 December 2021

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

a) Formulate evaluation policies for 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 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.
h) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.

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

Sr. No	Date of NRC Meeting	Member Strength	No of Members Present
1	11 Jun, 2021	4	4
2	18 Nov, 2021	4	4

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

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

REMUNERATION OF DIRECTORS

i. Remuneration of Executive Director

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

The details of remuneration paid to the Managing Director for the year ended 31 March 2022 are as follows:

(Amount in ₹)

Name	Salary & Allowances	Perquisites & Contribution	Variable Pay	Total
Mr. Natarajan Srinivasan Managing Director	2,64,60,000	54,18,684	52,02,000	3,70,80,684

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

Note 2: A sum of ₹ 52,02,000 was paid during the year towards variable pay for the year 2020- 21, for which provision was made in the accounts for that year.

Note 3: Mr. Natarajan Srinivasan, Managing Director, was granted 4,53,140 Options, pursuant to Employee Stock Option Scheme 2021 at an exercise price of ₹156.20 per equity share, being the market price.

ii. Remuneration of Non-Executive Directors

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

The details of sitting fees paid to Non-Executive Directors for the year ended 31 March 2022 are as follows:

Name of the Director	Sitting fees (Amount in ₹)
Mr. Vellayan Subbiah	21,50,000
Mr. M A M Arunachalam	12,50,000
Mr. Kalyan Kumar Paul	7,00,000
Mr. P S Jayakumar	19,00,000
Ms. Sasikala Varadachari	17,00,000
Mr. Shailendra Roy	11,50,000
Mr. Sriram Sivaram	10,00,000

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

As of 31 March, 2022, the CSR Committee consisted of 3 Non-Executive Independent Directors i.e. Mr. Shailendra Roy as Chairman, Mr. P S Jayakumar and Ms. Sasikala Varadachari as Members.

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

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

No Corporate Social Responsibility Committee Meeting was held during the year. During the year under review, there was no statutory requirement to incur any CSR expenditure, in view of the average net profits of the Company for past three financial years, being negative.

STAKEHOLDERS’ RELATIONSHIP COMMITTEE (‘SRC’)

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

As on 31 March, 2022, the SRC consisted of the following four Directors, wherein three are Non-Executive Directors:

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

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

Sr. No	Date of SRC Meeting	Member Strength	No of Members Present
1	23 Mar, 2022	4	4

Your Company reports to the Directors at periodic intervals, the number and category of shareholder complaints received and the status of their resolution. In order to expedite the process, the Board of Directors has also delegated authority to the Company Secretary to approve the share transmission, sub-division etc.

Details of investor complaints received and redressed during the Financial Year 2021-22 are as follows:

Opening Balance	01
Received During the Year	19
Resolved During the Year	20
Closing Balance	--

The above complaints were related to non receipt of share certificates sent for Transfer / Demat, non-receipt of dividend, non receipt of Annual Report and Legal Notice in relation to transmission case. None of the Complaints were pending for a period exceeding 30 days. All requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.

Mr. P Varadarajan, Company Secretary acts as Secretary to this Committee.

RISK MANAGEMENT COMMITTEE (RMC)

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

As on 31 March, 2022, the RMC consisted of the following four Directors and a senior employee of the Company:

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

* Inducted w.e.f 2 August, 2021

** Inducted w.e.f 13 March, 2022

Terms of reference:

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

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

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

(c) Business continuity plan.

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

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

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

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

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

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

Sr. No	Date of RMC Meeting	Member Strength	No of Members Present
1	22 Sep, 2021	4	4
2	17 Mar, 2022	5	5

CODE OF CONDUCT AND BUSINESS PRACTICES

Your Company has adopted CG's Code of Conduct and Business Practices' in terms of Regulation 17(5) of the SEBI LODR. Pursuant to Regulation 26(3) of the SEBI LODR, all the Board Members and Senior Management of the Company as on 31 March 2022 have affirmed their compliance with the Code of Conduct. The said Code of Conduct is available on the website of the Company.

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

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

INFORMATION ON GENERAL BODY MEETINGS

Annual General Meeting ('AGM')

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

03 Last three Annual General Meetings held and special resolutions passed

Financial Year	Location	Date	Time (IST)	Special Resolutions Passed
2018-19	Patkar Hall, SNDT Women's University, 1 Nathibai Thackersey Road, Mumbai 400 020	14 December 2019	2:00 p.m.	Approval to borrow in excess of limits mentioned under Section 180 (1)(c) of the Companies Act, 2013
2019-20	The meeting was conducted through Video Conferencing and Other Audio Visual Means. The deemed venue of the meeting was the registered office of the Company	19 October 2020	3:00 p.m.	1. Approval for waiver of recovery and ratification of managerial remuneration paid to Mr. Sudhir Mathur, Whole Time Executive Director for the financial year 2019-20, due to loss in the said financial year 2. Approval for payment of remuneration to Mr. Sudhir Mathur, Whole Time Executive Director in case of loss or inadequacy of profit.
2020-21	-do-	31 January 2022	1.30 p.m	Nil

EXTRAORDINARY GENERAL MEETING

Details of the Extraordinary General Meetings of the Company held during the Financial Year 2021-22 along with Special Resolutions passed are indicated in Table 4:

04 Extraordinary General Meetings held during Fthe Financial Year 2021-22

Date	Time (IST)	Location	Resolutions Passed	Outcome
7 June 2021	02:30 p.m.	The meeting was conducted through Video Conferencing and Other Audio Visual Means. The deemed venue of the meeting was the registered office of the Company	Approval for issue of Equity Shares on Preferential Allotment / Private Placement Basis to Standard Chartered Bank (Singapore) as per the terms set out under the Guarantee Settlement Agreement. Appointment of Mr. Natarajan Srinivasan (DIN: 00123338) as a Managing Director for a period of two years from 26 November 2020 up to 25 November 2022 and approval for terms of remuneration, including remuneration to be paid in case of loss or inadequacy of profits in any financial year during his tenure. Waiver of recovery and ratification of managerial remuneration paid to Mr. Natarajan Srinivasan, Managing Director of the Company for the financial year 2020-21 in case of loss or inadequacy of profits in the said financial year.	The resolution was passed with requisite majority.

POSTAL BALLOT

The following Resolutions were passed through postal ballot during the financial year 2021-22:

- Approval for Employee Stock Option Plan 2021 ('ESOP 2021') and grant of Stock Options to the employees of the Company under the ESOP 2021 on 23 September 2021; and
- Appointment of Mr. Sriram Sivaram (DIN: 01070444) as an Independent Director and Appointment of Mr. Kalyan Kumar Paul (DIN: 08935145) as a Non-Executive Non-Independent Director on 30 December 2021.

The postal ballots were conducted in accordance with the procedure laid down under section 110 of the Act read with rule 22 of the Companies (Management and Administration) Rules, 2014. Mr. Prashant S. Mehta, Proprietor of P. Mehta & Associates, Practicing Company Secretary acted as a scrutinizer for postal ballots. All the resolutions were passed with requisite majority by the shareholders.

The details of voting pattern of the postal ballots are as follows:

1. Special Resolution for approval for Employee Stock Option Plan 2021 ('ESOP 2021') and grant of Stock Options to the employees of the Company under the ESOP 2021

Mode	Total votes Cast	In Favour			Against		
		No. of Share-holders	Votes	% of votes in favour	No. of Share-holders	Votes	% of votes in against
E-Voting	95,66,22,732	1,439	91,71,32,215	95.87	227	3,94,90,517	4.13

2. Ordinary Resolution for appointment of Mr. Sriram Sivaram (DIN: 01070444) as an Independent Director; and

Mode	Total votes Cast	In Favour			Against		
		No. of Share-holders	Votes	% of votes in favour	No. of Share-holders	Votes	% of votes in against
E-Voting	90,22,16,710	1,058	90,21,80,570	99.99	44	36,140	0.01

3. Ordinary Resolution for appointment of Mr. Kalyan Kumar Paul (DIN: 08935145) as a Non-Executive Non-Independent Director

Mode	Total votes Cast	In Favour			Against		
		No. of Share-holders	Votes	% of votes in favour	No. of Share-holders	Votes	% of votes in against
E-Voting	90,22,17,478	1,048	90,17,71,871	99.95	50	4,45,607	0.05

No special resolution is proposed to be conducted through postal ballot.

MEANS OF COMMUNICATION

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

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

- Submits quarterly, half yearly and annual results of your Company to the National Stock Exchange of India Limited and BSE Limited through their designated web portals and also uploads on company's website (www.cgglobal.com) in the "Investors" Section. These results are simultaneously published in two leading newspapers: Financial Express (English) and Loksatta (Marathi).
- 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
- Under "Investors-Shares Related" section on your Company's website 'live' share prices, as well as graphical information relating to the historical share prices and published financials is provided. 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 it's Annual Report as well as other shareholder correspondences electronically to

Members whose e-mail address are registered with the Company / Depository Participants / RTA.

GENERAL SHAREHOLDER INFORMATION

CIN: L99999MH1937PLC002641

Registration Date: 28/04/1937

Address of the Registered Office and Contact Details:

6th Floor, CG House, AB Road, Worli, Mumbai 400030

Tel No.: +91 22 2423 7777

85TH ANNUAL GENERAL MEETING

Date: 27 July 2022

Time: 3.00 pm

Venue: The 85th Annual General Meeting of the Company ('AGM') is being conducted through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility and the deemed venue for the AGM shall be the Registered Office of the Company.

DIVIDEND PAYMENT DATE

No dividend has been recommended, declared or paid during the financial year 2021-22.

FINANCIAL YEAR AND TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING 31 MARCH 2023

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

Tentative calendar of Board Meeting for consideration of financial results for remaining part of financial year ending 31 March 2023 is given below:

First quarter results:

On/before 14 August 2022

Second quarter results:

On/before 14 November 2022

Third quarter results:

On/before 14 February 2023

Last quarter results and annual audited results:

On/before 30 May 2023

NAME AND ADDRESS OF THE STOCK EXCHANGES

Name of Stock Exchange	Address
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400 051

STOCK CODE

BSE Limited (BSE): 500093

National Stock Exchange of India Limited (NSE): CGPOWER

ISIN: INE067A01029

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

GDR Code: 5090318*

*Listing and admission to trading of the Global Depository Receipts ("**GDR**"), on the London Stock Exchange ("**LSE**"), 10 Paternoster Sq., London EC4M 7LS, United Kingdom, stands cancelled and the GDRs have been delisted from LSE w.e.f. 24 May, 2021.

Your Company has paid the annual listing fees for the Financial Year 2022-23 to each Stock Exchanges on which its securities are listed.

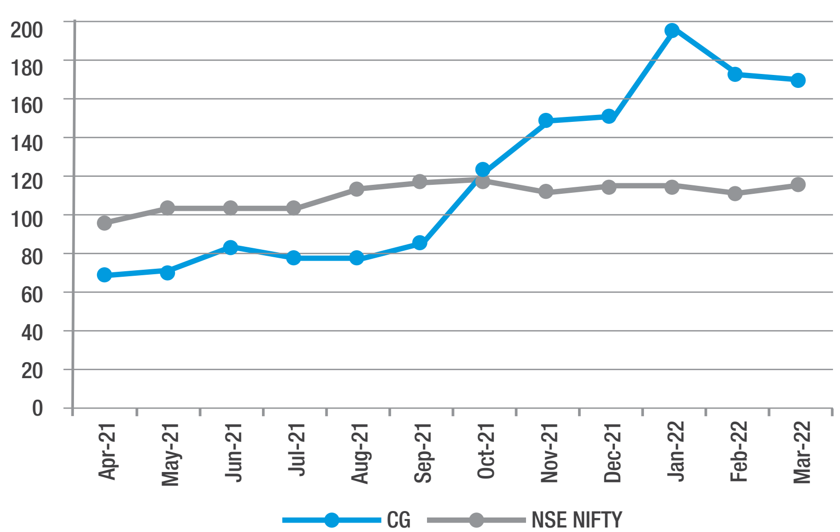
Market Price Data and Comparison

Monthly high and low price of the equity shares of the Company from 1 April 2021 to 31 March 2022 is given in Table 05 and performance in comparison to NSE Nifty is given in Chart A forming part of this Report.

05 Market Price Data (Amount in ₹)

	BSE Ltd		National Stock Exchange of India Ltd	
Month	High	Low	High	Low
Apr-21	80.45	64.90	80.65	64.85
May-21	92.00	67.60	91.95	67.70
Jun-21	89.50	75.60	89.80	76.00
Jul-21	82.90	71.00	82.50	71.70
Aug-21	90.70	74.05	91.00	74.05
Sep-21	123.20	84.50	122.95	84.85
Oct-21	158.70	112.50	158.65	114.00
Nov-21	172.50	142.65	169.50	142.80
Dec-21	201.00	146.00	199.00	147.00
Jan-22	209.05	167.60	208.90	168.00
Feb-22	188.50	160.55	188.50	160.50
Mar-22	194.00	154.00	194.25	154.00

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



SHARE TRANSFER SYSTEM

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

All requests for transfer and/or dematerialization of securities held in physical form should be lodged with the office of the Company's Registrar & Share Transfer Agent, Datamatics Business Solutions Limited, for dematerialization.

Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrar within 15 days.

The following compliances pertain to share transfers, grievances, etc.

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

In terms of Regulation 40(1) of SEBI LODR, as amended, securities can be transferred only in dematerialized form w.e.f. 1 April 2019, except in case of request received for transmission or transposition of securities.

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

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

DISTRIBUTION AND CATEGORIES OF SHAREHOLDING

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

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

06 Distribution of shareholding as on 31 March 2022

No of Shares	No of Shareholders	% of Shareholders	No. of Shares Held	% of Total
Upto 500	1,43,262	80.76	1,50,09,715	1.04
501 – 1,000	12,213	6.88	97,33,271	0.68
1,001 – 2,000	8,281	4.67	1,24,93,815	0.87
2,001 – 3,000	3,560	2.01	91,24,159	0.63
3,001 – 4,000	1,812	1.02	64,98,991	0.45
4,001 – 5,000	1,599	0.90	75,30,141	0.52
5,001 – 10,000	2,964	1.67	2,18,31,726	1.51
10001 – above	3,699	2.09	1,35,96,21,211	94.30
Total	**1,77,390**	**100.00**	**1,44,18,43,029**	**100.00**

07 Categories of shareholders/ Shareholding pattern as on 31 March 2022

Category	No of Shares of ₹ 2 each	% of Shareholdings
Promoters	80,23,61,677	55.65
Financial Institutions/ Banks	1,54,870	0.01
Insurance Companies	6,72,251	0.05
Mutual Funds	3,56,62,205	2.47
Alternate Investment Funds	3,73,86,275	2.59
Central Government / State Government(s) / President of India	22,140	0.00
Qualified Institutional Buyer	22,20,349	0.15
Foreign Investors	21,17,38,361	14.69
Directors	35,000	0.00
Domestic Companies	8,77,75,576	6.09
Individuals	26,38,14,325	18.30
Total	**1,44,18,43,029**	**100.00**

Dematerialisation of Shares

As on 31 March 2022, 99.81% of the total equity shares of your Company were held in dematerialized form, compared to 99.74% in the previous year.

Data on number of shares held in dematerialized and physical mode as on 31 March 2022 is given in Table 8 below:

08 No. of shares held in dematerialized and physical as on 31 March 2022

Sr. No.	Particulars	No. of Shares	% of Total Capital Issued
1	Held in dematerialized form in NSDL	1,31,62,39,658*	91.29
2	Held in dematerialized form in CDSL	12,27,97,279	8.52
3	Held in Physical form	28,06,092	0.19
	Total	**1,44,18,43,029**	**100.00**

Note-1: The Company has forfeited 42,300 equity shares.

Note-2: * As on the date of this Report, the Corporate Action Form submitted by the Company to Depositories for 9,00,00,000 equity shares allotted to Tube Investments of India Limited on conversion of warrants is yet to be given effect by depositories, pending receipt of listing approval from BSE Limited. Approval of NSE received.

REGISTRAR AND SHARE TRANSFER AGENT

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

DATAMATICS BUSINESS SOLUTIONS LIMITED

Unit: CG Power and Industrial Solutions Limited

Plot No B-5, Part B Cross Lane, MIDC,
Andheri (East) Mumbai 400 093

Tel: + 91 (0) 22 6671 2001 to 6671 2006

Fax: + 91 (0) 22 6671 2011

Email: cginvestors@datamaticsbpm.com

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

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

GLOBAL DEPOSITORY RECEIPTS (GDRs)

At the beginning of the financial year, the Company had 1,04,462 Global Depository Receipts (**'GDRs'**). Pursuant to the approval of the Board of Directors on 5 February 2021, the trading of the GDRs Program of the Company on London Stock Exchange (**'LSE'**) was cancelled and the same was delisted from LSE w.e.f. 24 May 2021 and Company did not have any outstanding GDR's at the end of the financial year.

WARRANTS

On 26 November 2020, the Company had issued and allotted 17,52,33,645 warrants to TII (**'Warrant Holder'**) on preferential allotment basis, each warrant carrying a right exercisable by the Warrant Holder to subscribe to one Equity Share per Warrant within 18 months from allotment.

Aggregate consideration for subscribing to equity shares upon exercise of the warrants is ₹150,00,00,001/- (Rupees One Hundred Fifty crore One only). An amount equivalent to 25% of the aggregate consideration was paid at the time of subscription and allotment of each Warrant and the balance 75% of the aggregate consideration shall be payable by the Warrant Holder against each warrant at the time of allotment of shares pursuant to exercise of the options attached to Warrant(s) to subscribe to Equity Share(s). The Warrant Holder may convert the warrants at one time or in multiple tranches.

On 11 February 2022, TII has exercised the right of conversion of 9,00,00,000 (Nine Crore only) warrants into equity shares and deposited the balance 75% subscription money of ₹57,78,00,000/- (Rupees Fifty Seven Crore Seventy Eight Lakh only) payable in respect of these warrants, in the Bank Account of the Company. Pursuant to exercise of options attached to the Warrants by TII, as stated above, and receipt of the balance amount due on the Warrants so exercised, the Board of Directors of the Company, vide resolution dated 11 February 2022, has allotted 9,00,00,000 (Nine Crore only) fully paid up equity shares of ₹2 each, at a price of ₹8.56 (Rupees Eight Decimal Five Six only) (including premium) per equity share to TII.

It may be noted that TII continues to hold the balance 8,52,33,645 (Eight Crore Fifty Two Lakh Thirty Three Thousand Six Hundred Forty Five only) warrants of the Company, exercisable on or before 25 May 2022.

NON-CONVERTIBLE DEBENTURES

The Company, TII and Lenders of the Company had executed binding agreements for One Time Settlement and restructuring of funding facilities and guaranteed debt of the Company. In terms of the said binding agreements, the Company had allotted to Lenders, 20,000 unlisted, unsecured, redeemable, Non-Convertible Debentures ('NCDs') at a face value of ₹1,00,000 aggregating to ₹200 crore by way of conversion of an amount not exceeding ₹200 crore from the fund based facilities as part of the settlement. SBICAP Trustee Company Limited has been appointed as the debenture trustee in relation to the NCDs.

As on 31 March 2022, the Company has 20,000 outstanding NCDs at a face value of ₹1,00,000/- each.

PREFERENTIAL ALLOTMENT / PRIVATE PLACEMENT

During the period under review, the Company has allotted 1,38,45,000 equity shares at a price of ₹73.10/- per Equity Share aggregating to ₹1,01,20,69,500/- for consideration other than cash, to Standard Chartered Bank (Singapore) Limited (**'SCB'**), a Qualified Institutional Buyer, on a preferential allotment basis for settlement of obligations under the Guarantee Obligations (SCB) Settlement Agreement.

Post the said allotment of equity shares, SCB held 1.02% (One decimal zero two per cent) of the paid up equity share capital of the Company. Further, the shareholding of SCB was decreased to 0.96% (decimal nine six per cent) due to further allotment of shares to Tube Investment of India Limited.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company does not trade in commodities. Hence, disclosure relating to commodity price risks and commodity hedging activities is not given.

MONITORING AGENCY REPORT

In compliance with the provisions of Regulation 32 of SEBI LODR, read with Regulation 164A(6) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Company obtains the Monitoring Agency Report quarterly, issued by ICICI Bank Limited, the Monitoring Agency appointed to monitor the utilization of proceeds of the Preferential Issue of the Company.

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 will 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: investorservices@cgglobal.com

CREDIT RATING

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

OTHER DISCLOSURES

DISCLOSURE OF MATERIAL RELATED PARTY TRANSACTIONS

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

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

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Company has set up a vigil mechanism, viz. a Whistle Blower Policy, as per the provisions of Section 177 of the Act and Regulation 22 of the SEBI LODR to enable its employees, Directors, customers and vendors to report violations, genuine concerns, unethical behavior and irregularities, if any, which could adversely affect the Company. The mechanism also provides for adequate safeguards against victimization of the persons using the mechanism and provides direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. None of the Whistle Blowers was denied access to the Audit Committee of the Board.

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

FEES PAID TO STATUTORY AUDITORS

Total fees for all services paid by your Company and its subsidiaries, on a consolidated basis, to statutory auditors of the Company and other firms in the network entity of which the statutory auditors are a part, during the year ended 31 March 2022, is as follows:

(₹ in crore)

Particulars	SRBC & CO LLP and their Network Entities
Fees for audit and related services	1.23
Other Fees	0.98
Total	**2.21**

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

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

RECOMMENDATIONS OF THE COMMITTEES OF THE BOARD

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

CEO/CFO CERTIFICATION

For the Financial Year 2021-22, Mr. Natarajan Srinivasan, Managing Director and Mr. Susheel Todi, Chief Financial Officer of the Company, have furnished the annual certification on financial reporting and internal controls to the Board in terms of the SEBI LODR, which forms part of this report.

SUBSIDIARY COMPANIES

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

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

UNCLAIMED SHARES

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

During the financial year 2021-22, seven shareholders claimed 1,904 shares which were transferred to their respective demat accounts.

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 9.

09 Details of unclaimed shares

Beginning of the Year		No. of Shareholders who approached for Transfer	No. of Shareholders to whom Shares were Transferred	End of the Year	
No. of Shareholders	No of Shares			No. of Shareholders	No of Shares
1,191	2,49,696	7	7	0	0

Note: During the financial year 2021-22, 2,47,792 equity shares held by 1184 shareholders were transferred to the Investor Education and Protection Fund (IEPF) Authority.

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

During the Financial Year 2021-22, 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, from the date they became due for payment, have been transferred to the IEPF Authority, established by the Central Government.

Mr. P Varadarajan, Company Secretary, is the IEPF Nodal Officer. His contact details are - CG Power and Industrial Solutions Limited, 10th Floor, CG House, Dr Annie Besant Road, Worli, Mumbai - 400 030. Tel: 91 22 2423 7777
Email: ho.secretarial@cgglobal.com

STRICTURES/PENALTY/ DETAILS OF NON-COMPLIANCE

During the Financial Year 2018-19, National Stock Exchange of India Limited ('**NSE**') and BSE Limited ('**BSE**') levied fine of ₹ 16,46,100/- and during Financial Year 2019-20, NSE & BSE levied fine of ₹ 19,82,400/-and ₹ 19,88,300/- respectively, on the Company, for non compliance of Regulation 33 of SEBI LODR. Though the Company clarified to Exchanges regarding due compliance of relevant regulation, it deposited fines with Exchanges under protest. Except as aforesaid, there has been no penalty imposed on the Company or no strictures have been passed against it by SEBI or Exchanges or any other statutory authorities on any such matters, during the last three years.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DISCRETIONARY REQUIREMENTS

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

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Certificate from M/s Parikh & Associates, 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 SEBI LODR, is attached to this Report.

COMPLIANCE WITH CORPORATE GOVERNANCE

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

CERTIFICATE ON CORPORATE GOVERNANCE

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

On behalf of the Board of Directors

Vellayan Subbiah
Chairman
(DIN: 01138759)
Mumbai, 2 May 2022

CEO/CFO CERTIFICATION

To
The Board of Directors
CG Power and Industrial Solutions Limited ('the Company')

We have reviewed the Standalone and Consolidated Financial Statements and Cash Flow Statements of the Company for the **year ended 31st March, 2022** and certify that:

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

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

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

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

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

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

  (1) there was no significant change in internal control over financial reporting during the year ended 31st March, 2022;

  (2) there was no significant change in accounting policies during the year ended 31st March, 2022 other than what have been disclosed in the notes to the financial statements; and

  (3) There are no instances of significant fraud of which we have become aware during the year ended 31st March 2022.

Natarajan Srinivasan
Managing Director

Susheel Todi
Chief Financial Officer

Mumbai, 2nd May 2022

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of the conditions of Corporate Governance by CG Power and Industrial Solutions Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

For Parikh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS: 8331 CP No: 9511
UDIN: F008331D000252511
PR No.: 1129/2021

Mumbai, May 02, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Vellayan Subbiah	01138759	26.11.2020
2.	M A M Arunachalam	00202958	26.11.2020
3.	Sriram Sivaram	01070444	11.06.2021
4.	Palamadai Sundararajan Jayakumar	01173236	26.11.2020
5.	Shailendra Narain Roy	02144836	26.11.2020
6.	Sasikala Varadachari	07132398	26.11.2020
7.	Kalyan Kumar Paul	08935145	11.06.2021
8.	Natarajan Srinivasan	00123338	26.11.2020

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

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

For Parikh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS: 8331 CP No: 9511
UDIN: F008331D000252476
PR No.: 1129/2021

Mumbai, May 02, 2022

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 31st March, 2022.

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Mumbai, 2nd May, 2022

Business Responsibility Report

Business Responsibility Report

AIM OF BUSINESS RESPONSIBILITY REPORTING

The Company aims to provide integrated solutions and superior knowledge based products and services in the domain of generation, transmission, distribution and utilization of electrical energy. While aiming so the Company's focus is to achieve excellence by optimum utilization of resources, taking due care of the environment and building products that have economic and social value.

This report documents our efforts across all the sustainability parameters.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L99999MH1937PLC002641
2.	Name of the Company	CG Power and Industrial Solutions Limited ('the Company' or 'CG')
3.	Registered address	CG House, 6th Floor, Dr. Annie Besant Road, Worli, Mumbai – 400 030, Maharashtra, India
4.	Website	www.cgglobal.com
5.	E-mail id	investorservices@cgglobal.com
6.	Financial Year reported	2021-2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus – 271
		Manufacture of other electrical equipment – 279
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Transformers, Switchgear (MV & HV)
		Motors, Drives & Automation
		Railway Traction Motors; Traction Electronics and Railway signaling products
9.	Total number of locations where business activity is undertaken by the Company	Refer to section titled 'Establishments' forming part of 85th Annual Report 2021-22.
	a. Number of International Locations	
	b. Number of National Locations	
10.	Markets served by the Company – Local/State/National/International	India, Indian Sub-continent, Europe, Americas, Asia Pacific, Africa and Middle East

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹ in crore)	288.37
2.	Total Turnover (₹ in crore)	5,159.18 (Revenue from operations - standalone)
3.	Total profit after taxes (₹ in crore)	627.06 (Net profit for Financial Year 2021-22 - standalone)
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer to report on Corporate Social Responsibility Report for Financial Year 2021-22, Annexure-2 of the section titled 'Directors' Report' forming part of the 85th Annual Report 2021-22
5.	List of activities in which expenditure in 4 above has been incurred	Please refer to report on Corporate Social Responsibility Report for Financial Year 2021-22, Annexure-2 of the section titled 'Directors' Report' forming part of the 85th Annual Report 2021-22.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. As on 31 March 2022, your Company had 3 Indian Subsidiaries and 10 foreign subsidiaries – excluding: a) 2 subsidiaries in Belgium and their subsidiaries declared as bankrupt, b) 4 subsidiaries in voluntary liquidation, c) 1 subsidiary declared insolvent.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) :	The Company's Code of Conduct and Business Practices is applicable to all Employees and Directors of the Company and also extends to all subsidiaries.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	CG's commitment to best business practices extends to all its suppliers, contractors and other entities acting on behalf of them, regardless of their size or geographical location.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

(a)	Details of Director/Directors responsible for BR for implementation of the BR policy/ policies:	
1.	DIN Number	00123338
2.	Name	Mr. Natarajan Srinivasan
3.	Designation	Managing Director
(b)	Details of BR Head:	
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Mr. Aniruddha Khekale
3.	Designation	Executive Vice President HR
4.	Telephone number	+91 22 2423 7818
5.	E-mail id	aniruddha.khekale@cgglobal.com

2. **Principle-wise (as per NVGs) BR Policy/Policies**

a. **Details of compliance (Reply in Y/N)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
	P1: Ethics and Transparency	Refer Note 1								
	P2: Product Responsibility									
	P3: Wellbeing of employees									
	P4: Responsiveness to Stakeholders									
	P5: Respect Human Rights									
	P6: Environmental Responsibility									
	P7: Public policy advocacy									
	P8: Support inclusive Growth									
	P9: Engagement with Customers									
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	Refer Note 1								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The policies are communicated to internal stakeholders and are available on the Company's website and intranet. Policies are communicated to external stakeholders through the website of the Company and Regulatory filings.								
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company's various factories have been subject to audit by external certification agencies. No dedicated Business Responsibility audit has been conducted.								

Note:

1. **Principle-wise Policy Index:**

P1: Ethics and Transparency	Code of Conduct and Business Practices, Supplier Code of Conduct, Whistle Blower Policy, Prevention of Sexual Harassment Policy, Code for Fair Disclosure, Policy for Determination of Materiality of Disclosures.	Prevention of Sexual Harassment Policy is available on Company's intranet. Rest of the policies can be accessed through Company's website: www.cgglobal.com
P2: Product Responsibility	Corporate Quality Policy	Can be accessed through Company's website: www.cgglobal.com
P3: Wellbeing of employees	Code of Conduct and Business Practices, Whistle Blower Policy, Prevention of Sexual Harassment Policy, EHS Policy, Employee Handbook on Company Policies	Prevention of Sexual Harassment Policy, EHS Policy and Employee Handbook on Company Policies is available on Company's intranet. Rest of the policies can be accessed through Company's website: www.cgglobal.com
P4: Responsiveness to Stakeholders	CG Values Corporate Social Responsibility Policy	Can be accessed through Company's website: www.cgglobal.com
P5: Respect Human Rights	Code of Conduct and Business Practices, Supplier Code of Conduct.	Can be accessed through Company's website: www.cgglobal.com
P6: Environmental Responsibility	Environment, Health and Safety (EHS) Policy and EHS Cardinal Rules, Code of Conduct and Business Practices, Supplier Code of Conduct and Corporate Social Responsibility Policy	EHS Cardinal Rules are available on Company's intranet. Rest of the policies can be accessed through Company's website: www.cgglobal.com
P7: Public Policy Advocacy	The same is advocated in the Code of Conduct and Business Practices and internal processes and practices established based on this principle.	The Code of Conduct and Business Practices can be accessed through Company's website: www.cgglobal.com
P8: Support Inclusive Growth	Corporate Social Responsibility Policy	Can be accessed through Company's website: www.cgglobal.com
P9: Engagement with Customers	Corporate Quality Policy	Can be accessed through Company's website: www.cgglobal.com

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Not applicable since the response to none of the Principles at serial number 1 is in negative.

3. **Governance related to BR:**

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The BR performance revolves around several policies which is assessed by the BR Head periodically based upon its importance and impact on the Company's operations and activities.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes an Annual Report on its Corporate Social Responsibility initiatives as part of the Directors' Report and Business Responsibility Report both of which are available on the website of the Company www.cgglobal.com. These Reports are published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1 : ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Virtues of honesty, integrity and fairness while conducting the business is the priority and are non-negotiable.

In light of the significant financial irregularities that have occurred in the Company in the past and the consequential investigations and significant financial restatements that have followed both at the standalone and consolidated levels, the Board has taken measures to protect the interest of the Company and its various stakeholders.

With the appropriate managerial and structural changes in place, the Company will be able to leverage the goodwill that it has created over a number of years.

The current Board will continue to take the necessary steps to improve the policies and processes and to create an environment that meets with the ethical, legal and business expectations.

The investigations by CBI, SFIO and ED into the affairs of the Company and its subsidiaries pertaining to the past period and against the erstwhile promoters/directors of the Company relating to transactions that took place when the Company was under the control of the previous management / promoters, details of which have already been reported to the stock exchanges / in the Annual Report of the Company for the financial year 2020-21, are in progress. The Company is extending full co-operation to these agencies and information and documents as sought by them are being promptly provided by the Company.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

   The Company's Code of Conduct and Business Practices which inter alia includes guidelines relating to ethical behavior, bribery and corruption is applicable to all the employees and the Directors of CG and also extends to all the Subsidiaries of the Company. All the suppliers, services providers and entities acting on behalf of them are bound by CG's Supplier Code of Conduct and are required to commit their operations subject to the provisions contained in this Code. Acknowledgement to the provisions of these Codes is a pre- requisite for any employment, contract or business relationship with the Company.

   The Company also obtains annual confirmations from its employees and Directors on the Code of Conduct and Business Practices of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   The Company has set up a Whistle-blower mechanism as an avenue for voicing of concerns inter alia relating to unethical behaviour. During the year, there were three complaints under the Company's Whistle Blower mechanism which were investigated in detail and closed. This policy is in line with the commitment of the Company to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication.

PRINCIPLE 2: PRODUCT RESPONSIBILITY

The Company is committed to enhance customer satisfaction by providing products that meets high quality and safety standards which is achieved through its investment in Research & Development, Innovation & Technology. The quality objectives set and followed at all levels of the organization serve as a benchmark to ensure the quality of the products being manufactured and helps in identifying the focus areas for improvement of the processes. The Company on continuous basis assesses the opportunities for improvement in processes and resources used.

The Company continues to invest its substantial time, effort and resources in Research and Development activities to ensure that its products without compromising on the performance, contribute to sustainability throughout their life cycle. All the products of the Company have adequate labeling to avoid any accidents and have instructions with regard to its disposal.

All manufacturing plants of the Company along with its vendors, suppliers and service providers work towards achieving environment and socio-economic sustainability objectives in the best possible manner. The Company also actively utilizes 6-sigma techniques for quality enhancement and control in its processes and has a full time qualified six-sigma team having black belt and green belt employees across its manufacturing units.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:

   a. The MV Switchgear-Relay (S2) and HV Switchgear (S3) units in India developed Controlled Switching Device, which is used for switching the Power Transformers. This minimizes the switching inrush current less than 0.5 PU which in turn helps increasing the life of switchgear, cables and Power Transformer. The conventional switching method inrush current will be in the range of 5 to 6 PU. This was developed with the existing infrastructure and is a strategic development for import substitution. CG is the only company to supply the controller with all makes of EHV breakers.

   b. Traditionally, petroleum based mineral oil is used as an insulating medium in power and distribution transformers. Due to its low cost, mineral oil has been an industry standard for decades; but it is both – flammable and environmentally damaging if it leaks or is spilled from a transformer. Ester oil is a viable natural alternative to mineral oil for use in transformers. It is eco-friendly and fire-safe, provides benefits like low maintenance, extended asset life and continuous overloading of the transformer. As the Company is highly committed towards its environmental initiatives with high performance reliable equipment, the transformer units have worked together closely with R&D to develop ester oil filled transformers for both Distribution Transformers & Power Transformers ranges. The Company's transformer units have designed and developed ester oil transformers in 33kV, 66kV and 132kV ranges. In addition, the Company is also working on the development of 220kV ester oil filled transformer. At present, the transformer units of the Company are geared-up and focused to be a leader in ester oil transformer technology to supply a more reliable, safe and responsible product.

c. The Company has developed design and manufacturing competence for Instrument Transformers and Surge Arresters up to 800 kV with Polymeric insulators. Products with polymeric insulator are becoming more and more popular now owing to its shatterproof, explosion proof characteristics and light weight construction. Polymeric insulators are made of fibre re-enforced plastic externally covered with silicon sheds. Manufacturing process of polymer insulator is well engineered and facilitates automation as against the crude manufacturing of porcelain. The earlier technology for insulators was porcelain (which is still in use), which has a basic environmental disadvantage that in the unlikely event of product failure when porcelain shatters, pieces of it travel with a bullet speed and destroy almost all surrounding equipment and environment including every threat to human life, if present near the place of incident whereas polymeric insulator not only will sustain more pressure due to excellent physical properties but also will just develop a crack and release the energy and will not shatter.

Currently the products required for Europe and American subcontinent are necessarily with polymer insulators and for other regions almost all the global utilities including India are in the phase of specification change from porcelain to polymer.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)::

a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

These products limit the inrush current which will help reduce the investment in building infrastructure, protect the nearby equipment, increases the fire safety, protects the human life from accidents, reduction of down time and saving of space in metro cities where space is costly.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company's sustainability objectives covers all domains of operations with emphasis on energy and resource efficient products, systems and services, ways of lowering our own energy intensity and waste, occupational health safety, environment and community development. While procuring of any new equipment or raw material, the Company focuses on environmental concern and hazard identification. Simultaneously focus is also on constant reduction in use of hazardous material like chrome, cyanide, lead, thermocol etc.

The Company's sustainability agenda also extends to suppliers, vendors and business partners through the Supplier Code of Conduct and the Policy on Environment, Health and Safety (EHS) to which they have to commit. The Company also conducts Supplier Qualification Programme (SQP) Audits, Safety Audits and EHS drives for its vendors.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has a practice of purchasing goods and services from both local and global suppliers including SMEs subject to the cost effectiveness, availability of local suppliers and closer proximity to the Company's manufacturing facility.

The Company has tied up with local technical institutes like ITI for training the students in areas such as winding of motors, etc., on regular basis.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Various initiatives were undertaken by the Company for sustainable growth and for protection of environment including:

a) Elimination of hazardous chemical and effluent generation;

b) Use of renewable energy sources, roof top solar panel installed in all the units

c) Reduction of waste through continuous monitoring;

d) Replacement of wooden packing with steel which can be recycled

e) Rain water harvesting;

f) Reuse and recycling of raw materials such as transformer oil, copper and aluminum electrical steel is reused by melting and making new components.

g) Sewage and effluent treatment plants have been installed and waste water from these plants is re-used for portable use;

h) Segregation and appropriate disposal of waste.

PRINCIPLE 3: WELLBEING OF EMPLOYEES

The Company has always believed that success of an organization is largely dependent on the development and contribution of its employees and thus is committed to create and sustain a positive and healthy work culture through improving organizational effectiveness, providing safe and ethical work environment and maintaining stability and sustainability amidst growth and ever-changing business environment. CG fosters equal opportunities and treatment of all its employees as the position of the employee in the Company is decided only on the basis of merits and not by extraneous factors, which is reflected in the Company's value of Performance Excellence. The Company believes in celebrating individuality and promotes diversity and inclusion within the organization. CG commits itself to respect and to ensure respect for the principles stipulated in the "Universal declaration of Human Rights of 1948" and for the fundamental Conventions of the International Labour Organization (ILO).

The various policies adopted by the Company have been instrumental in not only safeguarding the interests of the employees but also ensuring their welfare. CG's Code of Conduct and Business Practices and Handbook on Company's policies provides guidelines for employee well-being relating to participation, freedom, equality, good environment and harassment free workplace. The safety of the women employees of the Company is secured by CG's policy on 'Prevention of Sexual Harassment.' Employee related policies are updated on timely basis in line with the amendments in laws applicable for employee's welfare.

At CG, learning is a continuous process and hence various training programs, sessions, workshops on various subjects were conducted. This learning experience had a positive impact on the attitude of the employees and strengthened their capabilities.

The Company through its Performance Management Process branded as PRIDE, which stands for 'Personal Responsibility In Delivering Excellence', endeavors to align rewards with performance.

To make the Company a fun place to work, activities such as talent contests and offsite team- building are conducted across businesses to boost motivation and productivity, overall contributing to a positive work environment.

1.	Please indicate the Total number of employees:	5,005
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis:	2,419
3.	Please indicate the Number of permanent women employees:	104
4.	Please indicate the Number of permanent employees with disabilities:	0
5.	Do you have an employee association that is recognized by management:	Yes
6.	What percentage of your permanent employees is member of this recognized employee association:	44.47%
7.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
	- Permanent Employees	78%
	- Permanent Women Employees	100%
	- Casual/Temporary/Contractual Employees	70%

Details of Number of complaints received in the last financial year and pending, as on the end of the financial year:

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

PRINCIPLE 4: RESPONSIVENESS TO STAKEHOLDERS

The Company endeavors to create meaningful and sustainable value for the society. With that end and intent, the Company employs various mechanisms and practices, at periodic intervals, for engaging with both its internal stakeholders (employees) and external stakeholders (customers, suppliers, investors and society) to create sustainable impact in the lives of the beneficiaries and thus, enable them to be facilitators of further and larger development.

Being a socially responsible organisation, the Company through its Corporate Social Responsibility (CSR) initiatives builds active and long term partnerships with the surrounding communities to significantly improve the condition of the most underserved amongst them. The Company does extensive work in the field of Skill Development and Education, Community outreach and sustainability. The CSR policy of the Company is available on the website of the Company at www.cgglobal.com.

1. Has the company mapped its internal and external stakeholders? Yes/No

   The Company has mapped its key internal and external stakeholders and carries out engagements at regular intervals through general meetings, press releases, training programmes and community outreach.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   The Company through its intervention in the field of skill development and education, community outreach and sustainability contributes towards the holistic development of the underprivileged communities. The direct and indirect stakeholders involving both internal and external stakeholders having real difficulties in accessing basic necessities are identified through an exhaustive need assessment surveys across CG locations in collaboration with our partner organizations. The assessment also includes obtaining views from our employees along with focused group discussions with government officials, industries and the local communities. While working with identified communities Company gets referrals for other needy, underprivileged communities from the existing stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   In view of the average net profits of the Company for past three financial years being negative, there was no statutory requirement to incur any CSR expenditure during the year under review. Accordingly, the Company has not incurred any CSR expenditure during the year under review.

PRINCIPLE 5: RESPECT HUMAN RIGHTS

The Company strives to create and sustain discrimination free habitat, promote harmony and advocate fair employment opportunities. The Company values and recognizes every individual equally and treats them fairly and with dignity irrespective of their race, colour, creed, ancestry, ethnic origin, religion, sex, nationality, age, physical handicap/disability or marital status. The Company's Values of Performance Excellence and Nurturance encourage performance culture and discourages personal bias.

The safety and health of employees are of paramount importance and the Company intends to provide and maintain a safe, healthy and productive workplace, in consultation with our employees, by addressing and remediating identified risks of accidents, injury and health impacts. The Company ensures maintaining a safe work place and work hard to minimize the risk of incidents, injuries and health hazards for all the employees. The Company prohibits forced labour, child labour, etc.

The Company encourages others associated with it to uphold the highest standards of human rights protection. The aspects of human rights aspects are systematically integrated in to its business operations and business relationships which ensure preservation of these rights across the value chains.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   Yes, aspects of human rights forms part of the Company's Code of Conduct and Business Practices and various human resource practices/ policies which extend to all employees, Board Members of the Company and subsidiary/group/joint venture entities of the Company. The Company expects the same high standards on human rights protection from all its Stakeholders. Thus, as part of its contracting processes through its Supplier Code of Conduct, the Company encourages its suppliers to respect human rights and commit to eradicate forced, compulsory or trafficked labor from their businesses.

   Acknowledgments of the provisions of these Codes are a mandatory condition for any employment, contract or business relationship with the Company.

2. How many stakeholder complaints with respect to Human Rights violation have been received in the past financial year and what percent was satisfactorily resolved by the management?

   Nil

PRINCIPLE 6: ENVIRONMENTAL RESPONSIBILITY

The Company believes that environmental conservation is a core component of its business which is accomplished through Environment, Health and Safety (EHS) initiatives. Being a manufacturing Company, CG has always strived to maintain an equitable balance between economic growth and environment protection.

It is ensured that EHS standards at all CG units are continuously ahead of legislation and are benchmarked with the best international practices. All our units in India are certified for quality system ISO 9001:2015, Environmental Management System ISO 14001:2015 Certification and for Occupational Health and Safety Standard, the units are upgraded for ISO 45001:2018. All units in India have clearance to operate from State Pollution Control Board authorities and are complying the conditions laid down in consent to operate.

EHS governing principles are fully incorporated and implemented in all business decisions such as product development, procurement, plant/ machinery/ process selection, customer service etc. The Company encourages sharing of process and product innovations within the group and extending it to benefit of the industry and key members of its value chain.

The Company through its Corporate EHS policy and cardinal rules is not only committed to minimize the adverse impact on the environment and community at large but also to ensure health and safety of all the employees and stakeholders across all factories and establishment. Its "zero-harm culture" endeavors to create a meaningful and sustainable value for the environment and the community that it operates in. The Company is building increased commitment at all levels in the organization to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of the stakeholders.

It also regularly conducts trainings on Environment, Health and Safety (EHS) awareness and sustainable growth at all plant locations with an aim to renew commitments of employees and general public, to work safely and ensure integration of Environment Management System and Occupational Health and Safety in our work culture and lifestyle. In order to motivate the employees to observe the highest standards of EHS in their operations, the Company has laid down various programs to recognize and reward employees who drive EHS.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

   The Company's Corporate EHS Policy and Cardinal Rules are applicable to all employees of the Company and extend to all visitors and contractors of the Company. Moreover, through the Company's Code of Conduct and Business Practices and the Supplier Code of Conduct, all the employees, subsidiaries, suppliers and partners are encouraged to be compliant with applicable laws and regulations, including environmental laws and regulations.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   The Company initiates tree plantation drives on a periodic basis and also maintains green areas inside and surrounding the factory and office premises.

   Being in the space of "Energy Management", the Company addresses, contributes and develops awareness about energy conservation, energy sustainability & alternate energy utilization in the communities that it is part of. The Company also continuously improvises its products and technologies in terms of energy efficiency, material use and recyclability to reduce carbon footprints and minimize the environmental impacts of the Company's products.

3. Does the company identify and assess potential environmental risks? Y/N

   EHS targets are assigned to each division through ISO 14001 (Environmental Management System) audits and are regularly monitored through an EHS scorecard at business review meetings. Corporate EHS audit, with focus on EHS implementation and performance, are conducted periodically for all units. Corrective actions generated from these audits and various EHS events risks are captured and tracked for closure in an online Event Reporting System (ERS). Further the Board of Directors of the Company also reviews compliance processes and material occurrences in areas of EHS, every quarter. Red flags are critical EHS compliance status being monitored and reviewed periodically.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   The Company has not applied for any projects under the Clean Development Mechanism. However as a part of its commitment towards sustainable development and conservation of the environment, the Company is continually undertaking several initiatives for effective utilization of energy resources and minimization and control of waste. Further Company also encourages complete elimination of hazardous substances from its manufacturing process. On pilot basis, it has installed waste to manure convertor machines which convert food waste and other biodegradable waste in to manure. The manure is being utilized for gardening purpose inside the campus. Annual Environmental Statement are being submitted to State Pollution Control Board by the respective entities.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes. Towards Company's objective of sustainable development, several initiatives were taken for use of renewable sources of energy and clean technology. Some of them are as follows:

   a. Maintaining green areas inside the factory and office premises and conducting periodical plantation drives;
   b. Replacement of conventional roof with insulated MS roof for use of natural light and regulating temperature, thus control on power consumption;
   c. Use of natural gas against conventional fuel;
   d. Elimination of use of hazardous materials from manufacturing across several products;

e. Using Thermic Fluid Heated Ovens for transformer manufacturing;

f. Replacement of conventional lights with energy efficient LEDs;

g. Water sprinklers installed to regulate temperature;

h. Preventive maintenance of plant and equipment performed to reduce the energy consumption;

i. Conducted energy audits to save energy and awareness on conservation were created among employees through leaflets, posters and seminars.

j. Rain water harvesting has been initiated in most manufacturing units.

k. Use of Solar system by installation of Solar Power Plants (OPEX model) across all units for electricity generation.

More details pertaining to conservation of energy and technology absorption are provided in Annexure 1- Conservation of energy, technology absorption and foreign exchange earnings and outgo, of section titled 'Directors' Report' of the 85th Annual Report 2021-22 of the Company.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Considering the nature of industry, the quantum of wastes/emissions is well within the permissible limits laid down by CPCB/SPCB in the "consent to operate" issued by them. All manufacturing facilities have well maintained Effluent and Sewage treatment plants as per applicability. Results of quality parameters of the treated effluents are being monitored periodically and displayed at main security gates of respective entities.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

PRINCIPLE 7: PUBLIC POLICY ADVOCACY

The Company has memberships with trade and industry associations through which the Company makes efforts to further contribute on specific sustainable business issues and participates in a number of exhibitions organized by these associations/bodies.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of various industry associations viz.:

a. Confederation of Indian Industries (CII);

b. Bombay Chambers of Commerce and Industry (BCCI);

c. Engineering and Export Promotion Council of India (EEPC);

d. Federation of Indian Exporters Organization (FIEO);

e. Indian Electrical and Electronics Manufacturers Association (IEEMA);

f. Maharashtra Economic Development Council (MEDC);

g. Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA);

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company's authorized officials represent the Company in various industry forums. They understand their responsibility while representing the Company in such associations, and while they engage in constructive dialogues and discussions they refrain from lobbying or influencing public policy with vested interests. This principle is also embodied in the Code of Conduct and Business Practices of the Company applicable to Company representatives and group entities.

PRINCIPLE 8 : SUPPORT INCLUSIVE GROWTH

The Company believes that its responsibility as a socially responsible corporate extends beyond bottom line concerns, and encompass myriad social commitments. The Company uses its Corporate Social Responsibility (CSR) initiatives to integrate economic, environmental and social objectives with the Company's operations and growth. The CSR of the Company is based on the belief that business sustainability is closely connected to the sustainable development of the communities that the business is a part of and the environment in which the business operates.

The Company intends to focus on Corporate Social Responsibility initiatives across all its geographies. 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 corporates, voluntary and academic organisations 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, so they develop as better leaders;

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

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company is now a part of Murugappa Group, which is known for its tradition of philanthropy and community service.

It may be noted that in view of the average net profits of the Company for the immediately preceding three financial years being negative, there was no statutory requirement to incur any CSR expenditure during the year under review. Accordingly, the Company has not incurred any CSR expenditure during the year under review.

However, the Company is committed towards inclusive growth and based on the recommendation of the Board-level CSR Committee, the Company will be identifying focus areas and CSR initiatives to be carried out in the coming financial years in order to have a maximum impact.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

As stated above, the Company could not spend on CSR expenditure during the year under review.

3. Have you done any impact assessment of your initiative?

Impact assessment of CSR initiatives was done by an external agency – Auxilium Empowerment Services in Financial Year 2018-19, in which they interacted with more than 1100 internal and external stakeholders including CSR direct beneficiaries, their family members, community people, trainers, implementing partners, local self government representatives, concerned government officials and local plant teams. The respondents were selected randomly and the data was collected through primary and secondary methods. The report was a mix of qualitative and quantitative data. It pointed out positive behavioral changes and improved academic performance amongst students being covered under quality education and supplementary education projects in Maharashtra and Madhya Pradesh. Growth in income and improved socio-economic status was observed by the team amongst the vocational and technical trainees under skill development program. The beneficiaries of community outreach projects mentioned about upgraded lifestyle and positive effects of provided resources on their day to day life. Impact assessment report also indicated the need of continued support to the beneficiaries and well established tracking system for better impact of programs.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

As stated above, the Company could not spend on CSR expenditure during the year under review.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

As stated above, the Company could not spend on CSR expenditure during the year under review.

PRINCIPLE 9: ENGAGEMENT WITH CUSTOMERS

The Company offers a comprehensive range of products, solutions and services that meets the customer requirement. It is ensured that the products manufactured by the Company are safe to use and meets the high quality standards. All CG products are accompanied with an installation and maintenance manual which includes instructions on safe usage of products and precautions to be taken at the time of installing the same. The Company has a dedicated customer desk and 24x7 toll free call centre for customers complaints, redressal and feedback. Redressal of customer complaints is done on real-time basis by dedicated service team with the help of service centers equipped to handle all type of exigencies. These complaints are further reviewed by the management team, and based on the inference, corrective actions are put in place. During the regular visits, Company's front line sales executives interact with the customers and channel partners understand their business needs, expectations and other concerns. All the unresolved issues are addressed periodically.

The Company believes in educating its customers and channel partners about the benefits of the products & services offered. Company periodically conducts various interactive programs like Seminars, Workshop, factory visits, dealer conferences, etc. to help them take informed decisions.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company business is in the B2B segment and contracts are governed with agreed warranty terms with customers. With the dedicated service set up, the customer complaints are attended on priority to ensure compliance with agreed terms of the contracts. All the cases of customer complaints are either attended or in the process of being resolved.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks(additional information)

   The Company manufactures Industrial products for the B2B segment and adheres to all applicable laws and regulations on product labeling. The Company's products conforms to relevant standards prevailing in the country and are supplied with a comprehensive product manual giving details of the standards to which the product complies, details of unpacking, installation and commissioning, methods of use and end life disposal. It also provides the list of DO's and DON'Ts which ensure the smooth functioning of the equipment. The Company has entered into consumer product business and compliance with applicable laws with respect to packaging and product labeling is being ensured. Compliance to applicable laws with respect to packaging and product labeling with respect to Company's consumer product business are also ensured.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   There are no cases filed by any of our stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of the financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   The Company actively conducts annual surveys, vendor meets, training programs and seminars for customers, service contractors and channel partners meet, to get regular feedback on various aspects of business including product performance. The Company also participates in various exhibitions which are relevant to its business.

Standalone Financials 2021-22

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of CG Power and Industrial Solutions Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 29 of the Standalone Financial Statements)	
The Company has two operating segments, namely, Power and Industrial Segment. The type of customers varies across these segments, ranging from Large Government companies /corporations to Original Equipment Manufacturers and Industrial Customers etc. Majority of the Company's revenue is from sale of goods which are recognized at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers within each of the operating segments, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition. Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.	Our audit procedures amongst others included the following: • We read and understood the Company's accounting policy for timing of revenue recognition and assessed compliance in terms of Ind AS 115- Revenue from Contracts with Customers. • We understood the Company's revenue processes, including design and implementation of controls which vary based on product segment and customer, and tested the operating effectiveness of such controls in relation to revenue recognition. • On a sample basis, we tested contracts with customers, purchase orders issued by customers, and sales invoices raised by the Company to determine the timing of transfer of control along with pricing terms and the timing of the revenue recognition in respect of such contracts. • Compared revenue with historical trends and where appropriate, conducted further enquiries and testing. • On a sample basis, we analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc. for those transactions. • We assessed the disclosures for compliance with applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (Contd.)

Key audit matters	How our audit addressed the key audit matter
Recognition of Deferred Tax Asset (as described in Note 9 of the Standalone Financial Statements)	
The Company has Deferred Tax Asset (DTA) of ₹ 613.28 crores as at March 31, 2022 on tax losses based on availability of future taxable profits against which DTA will be utilized. The tax losses were primarily on account of write off of receivable balances in relation to various transactions in earlier years which are under investigations by regulatory authorities. Basis legal opinion, management has considered these written-offs as an allowable expense under the Income tax and recognized deferred tax assets on such losses. The recognition of deferred tax asset is identified as key audit matter considering the significance of amounts and judgements involved.	Our audit procedures amongst others included the following: • We obtained an understanding, assessed and tested the operating effectiveness of internal control relating to the measurement and recognition of deferred tax. • We involved internal experts to assess tax computation as per the local fiscal regulations in India. • We tested on a sample basis the identification and quantification of differences between the recognition of assets and liabilities according to tax law and financial reporting in accordance with Indian Accounting Standards. • We obtained and verified the budgeted forecast approved by the senior management which was in line with the projections approved by the Board of the Company for recoverability of deferred tax asset. • We performed reasonability testing in relation to assumptions and estimates considered by the management for assessing recoverability of deferred tax asset. • We obtained and read the legal opinion considered by the management for recognition of deferred tax assets on losses. • We assessed the disclosures in the Standalone Financial Statements in accordance with the requirements of Ind AS 12 "Income Taxes".
Claims and exposures relating to taxation and litigation (as described in Note 38 of the Standalone Financial Statements)	
The Company has disclosed contingent liabilities of ₹ 24.37 crores in respect of disputed claims/ levies under tax and legal matters. Taxation and litigation exposures have been identified as a key audit matter due to significant outstanding matters with authorities and management assessment towards potential financial impact of these matters will involve significant judgement and assumptions.	Our audit procedures amongst others included the following: • We understood the process and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities. • We obtained details of legal and tax disputed matters from management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss. • We involved tax specialists to assist us in evaluating tax positions taken by management. • We circulated legal confirmation for material litigations to external legal counsel and reviewed their assessment and had a discussion on their assessment with the senior management of the Company. • We assessed the relevant disclosures made in the Standalone Financial Statements for compliance with the requirements of Ind AS 37.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (Contd.)

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.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Company has voluntarily revised standalone financial statements for the year ended March 31, 2021, as per National Company Law Tribunal (the 'NCLT') approval dated December 22, 2021 under section 131(1) of the Companies Act, 2013, included in these standalone financial statements as comparatives. Those financial statements have been audited by us and we expressed an unmodified opinion on those revised standalone financial statements on December 31, 2021

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (Contd.)

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

    (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

        iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

        b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

        c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

        v. No dividend has been declared or paid during the year by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Bharath N S
Partner
Membership Number: 210934
UDIN: 22210934AIGHCU7576
Place of Signature: Mumbai
Date: May 2, 2022

ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: CG Power and Industrial Solutions Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments.

(a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipments have not been physically verified by the management during the year but there is a regular planned programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 to the standalone financial statements are held in the name of the Company except 1 of immovable property amounting to ₹ 0.25 crore as at March 31, 2022 for which title deeds were not available with the Company and hence we are unable to comment on the same.

Title deeds of immovable properties amounting to ₹ 150.28 crores are pledged with the banks. The same has been independently confirmed by the Trustee of the bank.

In respect of land and building aggregating to ₹ 183.91 crores situated at Mumbai, the land lease deed has expired. As explained to us, the Company is in the process of renewal of expired lease deed.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.

Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies were not noticed in respect of such confirmations. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in such physical verification.

(b) As disclosed in note 21 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹ 5.00 crores in aggregate from a bank on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has granted loans to its subsidiary as follows:

Particulars	₹ in crores
Aggregate amount granted during the year	
-Subsidiary (CG International B.V.)	49.22
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiary (*)	-

(*) The Company has made full provision against the loan granted during the year as these loans were granted for settlement of guarantee given by the said subsidiary to a bank.

(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies are not prejudicial to the Company's interest.

(c) The loans granted to the subsidiary for settlement of guarantee given by the said subsidiary to a bank under the guarantee settlement agreement executed at the time of restructuring of debts. The loan was not repayable considering the same was paid to bank under guarantee settlement agreement. The Company has made full provision against the same in books of accounts as in its opinion these loans are not recoverable considering the terms and conditions of guarantee settlement agreement.

(d) There are no amounts of loans and advances in the nature of loans granted to its subsidiary which are overdue for more than ninety days. The loan was granted for settlement of guarantee given by the subsidiary to a bank. The Company has made full provision against the same in books of accounts as in its opinion these loans are not recoverable considering the terms and conditions of guarantee settlement agreement.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) During the year ended March 31, 2022, the Company has not given any loans, investments, guarantees, and security in respect of which provisions of section 185 of the Companies Act, 2013 are applicable. Loans, investments, guarantees and security in respect of which provisions of section 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE (Contd.)

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture or service of Power and Industrial products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount Unpaid (₹ in crores)	Period to which Amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and interest	654.63*	2013-2017	Commissioner of Income Tax (Appeals)
Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax, VAT, Penalty, Interest and Pending sales tax forms including related entry tax	234.33#	1994-2017	Additional Commissioner / Deputy Commissioner / Joint Commissioner/ Commissioner (Appeals)
		5.15#	1992-2017	Appellate Tribunal
		1.11#	1989-2007	High Court
Central Excise Act, 1944	Excise Duty, Penalty and Interest	4.27	2002-2016	Additional Commissioner / Deputy Commissioner / Joint Commissioner/ Commissioner (Appeals)
		4.50	1999-2015	Appellate Tribunal
		0.14	2001-2002	High Court
Finance Act, 1994	Service Tax, Penalty and Interest	20.82	2006-2018	Additional Commissioner / Deputy Commissioner / Joint Commissioner/ Commissioner (Appeals)
		0.05	2005-2007	Appellate Tribunal

* Bombay High Court has stayed the demand of ₹ 606.30 crores. There is a stay from jurisdictional assessing officer on balance amount of ₹ 36.48 crores and appellate proceedings ongoing at CIT(A) for amount of ₹ 11.85 crores.

The Company has collected 'C' Forms aggregating ₹ 167.36 crores which it expects the authorities to accept to reduce total unpaid amount to ₹ 73.24 crores and further the liability will reduce to ₹ 29.03 crores after considering related entry tax impact. Further there is stay on these demands in terms of appellate forums procedures.

(viii) According to the information and explanation given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries as per details below:

Nature Of fund taken	Name of lender	Amount involved (₹ in crores)	Name of the subsidiary	Relation	Nature of transaction for which funds utilized
Term Loans	State Bank of India	49.22	CG International B.V.	Subsidiary	The loan was taken and advanced to CG International B.V. for discharged of its guarantee obligations towards borrowings of CG Middle East FZE.
Term Loans	State Bank of India	31.88	CG International Holdings Singapore Pte Limited	Subsidiary	The loan was taken and paid directly to the lender of the subsidiary in settlement of guarantee given by the Company.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

(b) The Company has complied with provisions of section 62 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. These preferential allotment of shares have been made to bank/ financial institution for settlement of liabilities. Accordingly, no funds have been raised. Further, the funds raised on account of partial conversion of warrants into equity shares, issued in previous year, have been used for the purposes for which the funds were raised.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirements to report on clauses 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) The Group has two Core Investment Companies as part of the Group. For the purpose of reporting under this clause we have reported those Core Investment Companies of the Group which have been registered with the Reserve of Bank of India.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 54 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The provisions of Corporate Social Responsibility as mentioned under section 135 of the Act are not applicable to the Company for the year. Therefore, the requirements to report on clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Bharath N S
Partner
Membership Number: 210934
UDIN: 22210934AIGHCU7576
Place of Signature: Mumbai
Date: May 2, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of CG Power and Industrial Solutions Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Bharath N S
Partner
Membership Number: 210934
UDIN: 22210934AIGHCU7576
Place of Signature: Mumbai
Date: May 2, 2022

₹ crores

STANDALONE BALANCE SHEET AS AT 31 MARCH, 2022

	Note No.	As at 31-03-2022		As at 31-03-2021 (Revised)	
ASSETS					
(1) Non-current assets					
(a) Property, plant and equipment	4	741.30		769.14	
(b) Capital work-in-progress	4	16.96		2.43	
(c) Intangible assets	5	26.50		31.71	
(d) Intangible assets under development	5	7.73		7.82	
(e) Financial assets					
(i) Investments	6	302.41		303.64	
(ii) Loans	7	-		-	
(iii) Others	8	11.93		12.60	
(f) Deferred tax assets (net)	9	622.69		733.41	
(g) Other non-current assets	10	4.96		1.81	
			1734.48		1862.56
(2) Current assets					
(a) Inventories	11	446.77		381.92	
(b) Financial assets					
(i) Investments	12	40.62		0.01	
(ii) Trade receivables	13	889.48		521.67	
(iii) Cash and cash equivalents	14	323.22		357.18	
(iv) Bank balances other than (iii) above	15	90.05		36.03	
(v) Loans	16	0.81		3.19	
(vi) Others	17	11.65		33.84	
(c) Current tax assets (net)		77.55		122.57	
(d) Other current assets	18	223.72		279.97	
			2103.87		1736.38
(3) Assets classified as held for sale and discontinued operations	45		-		279.85
TOTAL ASSETS			3838.35		3878.79
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity share capital	19	288.37		267.60	
(b) Other equity	20	1530.95		766.23	
			1819.32		1033.83
LIABILITIES					
(1) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	21	302.31		812.99	
(ii) Lease Liabilities	39	4.82		5.26	
(ii) Other financial liabilities	22	14.07		7.51	
			321.20		825.76
(b) Provisions	23		30.15		27.19
(2) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	24	-		131.64	
(ii) Lease liabilities	39	3.27		2.75	
(iii) Trade payables					
(A) Total outstanding dues of micro enterprises and small enterprises; and	25	39.80		84.09	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	25	1085.43		914.63	
(iv) Other financial liabilities	26	255.15		580.01	
			1383.65		1713.12
(b) Other current liabilities	27		142.62		130.74
(c) Provisions	28		141.41		148.15
(3) Liabilities associated with group of assets classified as held for sale and discontinued operations	45		-		-
TOTAL EQUITY AND LIABILITIES			3838.35		3878.79
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	2				

The accompanying notes form an integral part of standalone financial statements

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Bharath N S
Partner
Membership No. 210934
Mumbai : 02 May, 2022

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 02 May, 2022

₹ crores

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

	Note No.	2021-22		2020-21 (Revised)	
INCOME					
Revenue from operations	29		5159.18		2525.89
Other income	30		45.04		42.17
Total income			5204.22		2568.06
EXPENSES					
Cost of materials consumed	31	3601.71		1761.99	
Purchases of stock-in-trade	32	164.87		84.69	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	(33.92)		(97.08)	
Employee benefits expense	34	287.52		258.90	
Finance costs	35	66.38		166.25	
Depreciation and amortisation expense	36	73.72		81.21	
Other expenses	37	541.91		402.90	
Total expenses			4702.19		2658.86
Profit / (loss) before exceptional items and tax			502.03		(90.80)
Exceptional items (net)	46		239.58		914.38
Profit before tax			741.61		823.58
Tax expense:					
Current tax	9	3.17		-	
Deferred tax (net)	9	111.38		134.59	
			114.55		134.59
Profit for the year			627.06		688.99
Other comprehensive income:					
(i) Items that will not be reclassified subsequently to profit or loss					
(a) Remeasurement gain / (loss) on defined benefit plans		(2.62)		(3.84)	
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		0.66		0.97	
Total other comprehensive income for the year			(1.96)		(2.87)
Total comprehensive income for the year			625.10		686.12
Earnings per share (basic) (₹) (Face value of ₹ 2 each)	51		4.62		7.94
Earnings per share (diluted) (₹) (Face value of ₹ 2 each)	51		4.36		7.50
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	2				

The accompanying notes form an integral part of standalone financial statements

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Bharath N S
Partner
Membership No. 210934
Mumbai : 02 May, 2022

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 02 May, 2022

₹ crores

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022		2021-22	2020-21 (Revised)
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from operations		**741.61**	823.58
Adjustments for:			
Depreciation and amortisation expense		**73.72**	81.21
Allowances for doubtful receivables		**2.84**	61.76
Bad debts written off / (reversal) (net)		**(19.01)**	0.33
(Gain) / loss arising on financial instruments designated as FVTPL		**(0.61)**	(0.14)
Finance costs		**66.38**	166.25
Interest income		**(19.80)**	(13.07)
Expense on employee stock options outstanding		**1.78**	-
Profit on sale of investments (net)		**(0.05)**	-
Unrealised exchange (gain) / loss (net)		**0.13**	1.99
Intangible assets write off		**-**	7.15
(Profit) / loss on sale of property, plant and equipment (net)		**4.83**	0.23
Liabilities no longer required written back		**(8.86)**	-
Exceptional items (net)		**(239.58)**	(914.38)
		(138.23)	(608.67)
Operating profit before working capital changes		**603.38**	214.91
Adjustments for:			
(Increase) / Decrease in trade and other receivables		**(265.76)**	(156.55)
(Increase) / Decrease in inventories		**(64.85)**	(109.23)
Increase / (Decrease) in trade and other payables		**139.52**	(283.90)
Increase / (Decrease) in provisions		**(6.40)**	2.66
		(197.49)	(547.02)
Cash (used in) / from operations		**405.89**	(332.11)
Income tax refund / (paid) (net)		**45.67**	(2.74)
Net cash flow (used in) / from operating activities	[A]	**451.56**	(334.85)
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Proceeds from sale of property, plant and equipment		**1.40**	0.46
Proceeds from sale of investments		**1.29**	-
Loan repaid by subsidiary		**8.86**	-
Interest received		**19.69**	8.20
		31.24	8.66
Less: **Outflows from investing activities**			
Purchase of property, plant and equipment (including capital work -in- progress and capital advances) and intangible assets		**(61.41)**	(13.07)
Purchase of investments		**(98.00)**	-
Loan given to subsidiary		**(49.22)**	-
		(208.63)	(13.07)
Net cash flow (used in) / from continuing investing activities		**(177.39)**	(4.41)
Net cash flow from discontinued investing activities		**367.18**	-
Net cash flow (used in) / from investing activities	[B]	**189.79**	(4.41)

₹ crores

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)		2021-22	2020-21 (Revised)
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from issue of equity shares and warrants (net off expenses as per below note 3)		**57.40**	664.40
Proceeds from long-term borrowings (net off processing fees paid)		**81.10**	607.67
Proceeds from short-term borrowings		**-**	38.82
		138.50	1310.89
Less: **Outflows from financing activities**			
Repayment of long-term borrowings		**(603.08)**	(475.90)
Repayment of short-term borrowings		**(128.19)**	(208.59)
Payment of lease liabilities		**(3.88)**	(4.33)
Finance costs paid		**(46.78)**	(26.57)
Payment towards corporate guarantee settlement		**(31.88)**	-
		(813.81)	(715.39)
Net cash flow (used in) / from financing activities	[C]	**(675.31)**	595.50
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(33.96)**	256.24
Cash and cash equivalents at beginning of the year		**357.18**	100.94
Cash and cash equivalents at end of the year (Refer note 14)		**323.22**	357.18

1 Refer note 50 in respect of disclosure for changes in liabilities arising from financing activities.

2 Purchase of property, plant and equipment and intangible assets referred above include movements of capital work-in-progress and intangible assets under development respectively during the year.

3 Proceeds from issue of equity shares and warrants is net off expenses related to raising of equity aggregating to ₹ 0.38 crores (as at 31 March, 2021 ₹ 23.10 crores).

4 The standalone statement of cash flows has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Bharath N S
Partner
Membership No. 210934
Mumbai : 02 May, 2022

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 02 May, 2022

₹ crores

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

(A) EQUITY SHARE CAPITAL

For the year ended 31 March, 2022

Balance as at 1-04-2021	Changes in equity share capital during the year*	Balance as at 31-03-2022
267.60	20.77	288.37

For the year ended 31 March, 2021

Balance as at 1-04-2020 (Revised)	Changes in equity share capital during the year	Balance as at 31-03-2021 (Revised)
125.35	142.25	267.60

* Refer note 19

(B) OTHER EQUITY

For the year ended 31 March, 2022

	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium	Share Warrants Money	Equity Instruments through Other Comprehensive Income	Share Options Outstanding Account	Total Equity
Balance as at 1 April, 2021	(875.54)	415.89	672.49	12.95	502.94	37.50	-	-	766.23
Profit for the year	627.06	-	-	-	-	-	-	-	627.06
Employee stock options issued	-	-	-	-	-	-	-	1.78	1.78
Proceeds against share warrants	-	-	-	-	-	57.78	-	-	57.78
Shares issued on conversion of warrants	-	-	-	-	59.04	(77.04)	-	-	(18.00)
Expense on issue of equity share and share warrants	-	-	-	-	(0.38)	-	-	-	(0.38)
Shares issued on settlement of guarantee	-	-	-	-	98.44	-	-	-	98.44
Other comprehensive income for the year									
- Remeasurement loss on defined benefit plans	(1.96)	-	-	-	-	-	-	-	(1.96)
Balance as at 31 March, 2022	(250.44)	415.89	672.49	12.95	660.04	18.24	-	1.78	1530.95

For the year ended 31 March, 2021

	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium	Share Warrants Money	Equity Instruments through Other Comprehensive Income	Share Options Outstanding Account	Total Equity
Balance as at 1 April, 2020 (Revised)	(1334.66)	415.89	672.49	12.95	18.29	-	(227.00)	-	(442.04)
Profit for the year	688.99	-	-	-	-	-	-	-	688.99
Amount received on issuance of share warrants	-	-	-	-	-	37.50	-	-	37.50
Amount received on issuance of equity shares	-	-	-	-	507.75	-	-	-	507.75
Expense on issue of equity share and share warrants	-	-	-	-	(23.10)	-	-	-	(23.10)
Transfer of cumulative loss on equity instrument measured under FVTOCI	(227.00)	-	-	-	-	-	227.00	-	-
Other comprehensive income for the year									
- Remeasurement loss on defined benefit plans	(2.87)	-	-	-	-	-	-	-	(2.87)
Balance as at 31 March, 2021 (Revised)	(875.54)	415.89	672.49	12.95	502.94	37.50	-	-	766.23

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Bharath N S
Partner
Membership No. 210934
Mumbai : 02 May, 2022

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 02 May, 2022

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION:

CG Power and Industrial Solutions Limited (the 'Company') with CIN No: L99999MH1937PLC002641, is a limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at 6th Floor, CG house, Dr. Annie Besant Road, Worli, Mumbai – 400 030, India. The Company 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, 2022.

The standalone financial statements of the Company for the year ended 31 March, 2022 were authorised for issue in accordance with a resolution of the directors on 02 May 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation:

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III of the Companies Act, 2013. The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and financial liabilities measured at fair value.

The standalone financial statements are presented in Indian Rupees ('₹') and all values are rounded to the nearest crores, except when otherwise indicated.

2.2 Property, plant and equipment:

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, net of trade discounts and rebates, directly attributable costs of bringing the asset to its working condition for its intended use and capitalised borrowing costs. When significant parts of the plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditure related to an item of property, plant and equipment is capitalised only if it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date and stated at cost, net of accumulated impairment loss, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in the statement of profit and loss when the asset is derecognised.

Depreciation is provided on straight-line method over the useful lives of assets. Depreciation commences when an asset is ready for its intended use. The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, where the useful lives was determined by technical evaluation. Freehold land is not depreciated. Depreciation on additions to / deductions from assets is provided on pro-rata basis with reference to the month of addition / deletion.

The range of useful lives of the property, plant and equipment are as follows:

- Plant and machinery – 1 to 21 years
- Furniture and fittings - 1 to 15 years
- Office equipments - 1 to 15 years
- Buildings – 3 to 60 years
- Vehicles – 1 to 8 years

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the useful life of the building.

In other cases, buildings constructed on leasehold land are amortised over the primary lease period of the land.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

On transition to Ind AS, the Company has elected to continue with the carrying value as per the previous GAAP for Plant and machinery, Furniture and fittings, Office equipments and Vehicles as its deemed cost. Also, the Company has elected to measure Freehold land, Leasehold Land and Building at its fair value and considered it as deemed cost as on the date of transition to Ind AS.

2.3 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The amortisation expense on intangible assets with finite lives is recognised in statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets are amortised as follows:

- Specialised software : Over a period of five years;
- Technical know-how : Over a period of five years (from the date of availability for its use); and
- Commercial rights : Over a period of ten years.

Research and development expenditure:

Revenue expenditure on research activities is expensed under the respective heads of account in the period in which it is incurred.

Development expenditures on an individual project are recognized as intangible asset, if all of the following criteria can be demonstrated:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) the Company has intention to complete the development of intangible asset and use or sell it;

(iii) the Company has ability to use or sell the intangible asset;

(iv) the manner in which the probable future economic benefit will be generated;

(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(vi) the Company has ability to reliably measure the expenditure attributable to the intangible asset during its development

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over a period of five years. During the period of development, the asset is tested for impairment annually.

On transition to Ind AS, the Company has elected to continue with the carrying value as per the previous GAAP for all intangible assets as its deemed cost.

2.4 Impairment of non-financial assets:

At least at the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised in the statement of profit and loss, when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's (CGUs) fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2.5 Inventories:

Inventories are valued as under:

- Raw materials, packing materials, construction materials, stores and spares, loose tools and traded goods at lower of cost and net realisable value. Cost is determined on weighted average basis.
- Work-in-progress and finished goods (manufacturing) at lower of cost and net realisable value. Cost includes an appropriate share of production overheads based on normal operating capacity. Finished goods cost is determined on weighted average basis.

The cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete and slow moving items of inventories are valued at cost or net realisable value, whichever is lower. Goods and Materials in transit are valued at actual cost incurred up to the reporting date. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.6 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.7 Foreign currency transactions:

Initial recognition

Transactions in foreign currencies entered are accounted at the exchange rates prevailing on the date of the transaction.

Measurement as at Balance Sheet Date

Foreign currency monetary items that are outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions.

Treatment of exchange differences

Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities are recognized as income or expense in the statement of profit and loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.8 Revenue recognition:

(a) Revenue from sale of goods and services

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services is recognised when services are rendered.

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognised when such freight services are rendered. Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items in a contract when they are highly probable to be provided. The variable consideration is estimated at contract inception updated thereafter at each reporting date or until crystallisation of the amount. Liquidated damages are recognised as a part of variable consideration.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their standalone selling prices.

(b) Revenue from construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognised based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, and price variations / escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and generally when it is agreed with customer. Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognised in the period in which estimates are revised.

(c) Dividend and Interest Income

Dividend income is accounted for when the shareholder's right to receive the same is established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is recognised taking into account the amount outstanding and effective interest rate.

2.9 Employee benefits:

Short-term employee benefits

All employee benefits payable wholly within twelve months after the end of the annual reporting period in which the employees render the related services, are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amounts of the benefits expected in exchange for the related services.

Post-employment benefits

Defined Contribution Scheme:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

Defined Benefit Plans:

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with the actuarial valuations being carried out at the end of each annual reporting period.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the profit or loss. Past service cost is recognised in the statement of profit and loss in the period of plan amendment or when the Company recognised related re-structuring costs.

The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and settlements;
- net interest expense or income.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Gratuity:

The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with the CG Gratuity Fund. Remeasurements, comprising of actuarial gains and losses are recognised in full in other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

Leave encashment:

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognised in full in the statement of profit and loss.

Provident Fund:

Contributions to Provident Fund are made to a Trust administered by the Company and are charged to profit or loss as incurred. The Company is generally liable for the contributions. However, any shortfall in fund assets based on government specified minimum rate are recognised as an expense in the year it arises.

Termination benefits:

Termination benefits are recognised as an expense when the Company can no longer withdraw the offer of the termination benefits or when the Company recognises any related restructuring costs whichever is earlier.

2.10 Shared Based Payments (Employee Stock Option Scheme):

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in stock options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period

2.11 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time (generally over twelve months) to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.12 Segment accounting:

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Maker in the Company to make decisions for performance assessment and resource allocation. Segment performance is evaluated based on the profit or loss of reportable segment and is measured consistently.

The Operating segments have been identified on the basis of the nature of products / services.

(i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter- segment revenue.

(ii) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

(iii) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

(iv) Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.

(v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.13 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

At the date of commencement of the lease, the Company recognises right-of-use ('ROU') asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases and leases of low-value assets). For these short -term leases and leases of low-value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

A ROU asset is recognised representing its right to use the underlying asset for the lease term. The cost of the ROU asset measured at inception comprises of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The ROU assets are depreciated from the commencement date using the straight-line method over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The range of useful lives of the ROU assets are as follows:

- Leasehold land – 24 to 999 years
- Buildings – 2 to 9 years
- Furniture and fittings – 5 years

Company as a lessor

Leases for which the Company is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.14 Earnings per share:

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the standalone financial statements by the Board of Directors.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.15 Income taxes:

Income tax expense for the period comprises of current and deferred income tax. Income tax expense is recognised in net profit in the statement of profit and loss except when they are relating to items that are recognised in OCI or directly in equity, in which case, it is also recognised in relating to items recognised directly in OCI or equity respectively.

Current tax

Current tax comprises the expected income tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the Balance Sheet date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered

2.16 Provisions, Contingent liabilities, Contingent assets and Commitments:

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Warranty provisions

Provisions for the expected cost of warranty obligations are recognised at the time of sale of relevant product or service, at the best estimate of the expenditure required to settle the Company's obligation.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.17 Exceptional items:

An item of income or expense which by its size, type or incidence is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed as such in the standalone financial statements.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cond.)

2.18 Current and non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period,or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period,or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets / liabilities are classified as non-current.

Operating cycle:

A portion of the Company activities (primarily long-term project activities) has an operating cycle that exceeds 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.

2.19 Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.20 Non-current assets held for sale and discontinued operations:

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. Also comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

Assets and liabilities classified as held for disposal are presented separately from other assets and liabilities in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cond.)

2.21 Financial instruments:

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

(i) **Financial assets:**

Initial recognition and measurement

Financial assets are measured at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety either at amortised cost or at fair value depending on the classification of the financial assets.

Where financial assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss or 'FVTPL'), or recognised in other comprehensive income (i.e. fair value through other comprehensive income or 'FVTOCI').

A financial asset is measured at amortised cost (net of any write down for impairment) if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

All equity investments are measured at fair value, with fair value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present fair value changes in other comprehensive income. However, dividend on such equity investments are recognised in statement of profit and loss when the Company's right to receive payment is established.

Investment in associates, joint venture and subsidiaries

The Company accounts for its investment in subsidiaries, associates and joint venture, at cost less impairment loss except where investments is accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

Impairment of financial assets

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss. Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables the Company applies a simplified approach under which loss allowance is recognised based on expected lifetime ECL losses to be recognised on each reporting date. The Company uses a provision matrix that is based on its historical credit loss experience adjusted for relevant forward-looking factors . For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk since initial recognition full lifetime ECL is used.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

(ii) **Financial liabilities:**

Initial recognition and measurement

Financial liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, which are not at fair value through profit or loss, are deducted from the fair value on initial recognition.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Subsequent measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss ('FVTPL'). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Company to make specified payment to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of, the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(iii) Derivative financial instruments and hedge accounting:

The Company uses various derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and presented as a separate component of equity which is later reclassified to statement of profit and loss when the hedge item affects profit or loss.

(iv) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities within the next financial year.

Judgements

(i) Lease of assets not in legal form of lease

Significant judgment is required to apply lease accounting rules under Ind AS 116. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Ind AS 116.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Useful lives of property, plant and equipment

Management reviews useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors. This reassessment may result in change in depreciation expected in future period.

(ii) Development costs

Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management assesses and monitors whether the recognition requirements for development costs continue to be met. There is inherent uncertainty in the economic success of any product development. The Company uses judgement in assessment of development cost eligible for capitalisation.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd.)

(iii) Impairment of non-financial assets

In case of non-financial assets Company estimates asset's recoverable amount, which is higher of an asset's or cash generating units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

(iv) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Income taxes

Deferred tax assets for unused tax losses are recognised only when it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

(vi) Defined benefit obligation

In accounting for post-retirement benefits, actuarial method uses several statistical and other factors to anticipate future events that are used to calculate defined benefit obligation. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(vii) Revenue from contract with customers

The Company estimates variable considerations in the nature of volume rebates, discounts, performance bonuses, penalties and similar items and adjusts the transaction price for the sale of goods and services. These expected variable considerations are analysed either at customer or contracts basis against agreed terms with customers and may differ from actual results.

(viii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in notes but are not recognised, The cases which have been determined as remote by the Company are not disclosed.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Plant and machinery	Right-of-Use assets	Furniture and fittings	Office equipments	Vehicles	Total	Capital work-in- progress
Cost / deemed cost:									
As at 1-04-2020 (Revised)	**49.42**	**626.87**	**433.91**	**103.85**	**30.45**	**20.36**	**7.34**	**1272.20**	**1.21**
Additions	-	-	2.26	-	0.61	0.08	0.24	3.19	1.64
Disposals/ transfers	-	-	19.97	4.42	3.82	2.13	0.98	31.32	0.42
Transferred adjustments	-	-	(0.38)	-	0.38	-	-	-	-
As at 1-04-2021	**49.42**	**626.87**	**415.82**	**99.43**	**27.62**	**18.31**	**6.60**	**1244.07**	**2.43**
Additions	-	3.25	28.38	3.17	0.22	2.09	2.72	39.83	16.25
Disposals / transfers	-	-	0.92	6.22	0.23	0.02	1.55	8.94	1.72
As at 31-03-2022	**49.42**	**630.12**	**443.28**	**96.38**	**27.61**	**20.38**	**7.77**	**1274.96**	**16.96**
Accumulated depreciation:									
As at 1-04-2020 (Revised)	**-**	**157.70**	**218.66**	**20.67**	**13.72**	**14.32**	**3.69**	**428.76**	
Depreciation charge for the year	-	23.45	32.02	5.00	2.92	2.25	0.90	66.54	
Disposals / transfers	-	-	13.87	1.43	2.40	1.89	0.78	20.37	
Transferred adjustments	-	-	(0.13)	-	0.13	-	-	-	
As at 1-04-2021	**-**	**181.15**	**236.68**	**24.24**	**14.37**	**14.68**	**3.81**	**474.93**	
Depreciation charge for the year	-	22.84	29.61	4.38	2.30	1.26	0.97	61.36	
Disposals / transfers	-	-	0.68	0.71	0.15	0.02	1.07	2.63	
As at 31-03-2022	**-**	**203.99**	**265.61**	**27.91**	**16.52**	**15.92**	**3.71**	**533.66**	
Net book value									
As at 31-03-2021 (Revised)	49.42	445.72	179.14	75.19	13.25	3.63	2.79	769.14	2.43
As at 31-03-2022	**49.42**	**426.13**	**177.67**	**68.47**	**11.09**	**4.46**	**4.06**	**741.30**	**16.96**

Note:

Company's application for renewal of lease in respect of property in Mumbai is pending consideration of local municipal corporation. The net book value of tangible assets in relation to this property as at 31 March, 2022 is ₹ 187.44 crores (as at 31 March, 2021 ₹ 192.89 crores).

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT (Contd.)

Capital work in progress (CWIP) Ageing Schedule as at 31 March, 2022

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	16.59	0.27	0.10	-	16.96
Total	16.59	0.27	0.10	-	16.96

Note:

There are no projects where project cost has exceeded or projects are overdue in current year.

Capital work in progress (CWIP) Ageing Schedule as at 31 March, 2021 (Revised)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.73	0.65	0.05	-	2.43
Total	1.73	0.65	0.05	-	2.43

Capital work in progress (CWIP) Completion Schedule as at 31 March, 2021 (Revised)*

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Testing facility - GIS	0.34	-	-	-	0.34
Total	0.34	-	-	-	0.34

*Project wise completion schedule where project cost has exceeded or projects are overdue

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

5. INTANGIBLE ASSETS

	Computer software	Technical know-how	Commercial rights	Development cost	Total	Intangible assets under development #
Cost / deemed cost:						
As at 1-04-2020 (Revised)	69.28	12.30	31.09	107.82	220.49	14.25
Additions	0.24	-	-	6.97	7.21	7.69
Disposals / transfers	8.73	-	-	-	8.73	6.97
Impairment for the year	-	-	-	-	-	7.15
As at 1-04-2021	60.79	12.30	31.09	114.79	218.97	7.82
Additions	0.57	-	-	6.58	7.15	6.50
Disposals / transfers	-	-	-	-	-	6.59
As at 31-03-2022	**61.36**	**12.30**	**31.09**	**121.37**	**226.12**	**7.73**
Accumulated amortisation:						
As at 1-04-2020 (Revised)	61.67	11.33	30.72	77.60	181.32	
Amortisation charge for the year	2.96	0.41	0.37	10.93	14.67	
Disposals / transfers	8.73	-	-	-	8.73	
As at 1-04-2021	55.90	11.74	31.09	88.53	187.26	-
Amortisation charge for the year	2.55	0.41	-	9.40	12.36	
As at 31-03-2022	**58.45**	**12.15**	**31.09**	**97.93**	**199.62**	**-**
Net book value						
As at 31-03-2021 (Revised)	4.89	0.56	-	26.26	31.71	7.82
As at 31-03-2022	**2.91**	**0.15**	**-**	**23.44**	**26.50**	**7.73**

Refer note 40 for expenses capitalised during the year.

Intangible assets under development (IAUD) Ageing Schedule as at 31 March, 2022

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3.25	-	3.54	0.94	7.73
Total	3.25	-	3.54	0.94	7.73

Note:

There are no projects where project cost has exceeded or projects are overdue in current year.

Intangible assets under development (IAUD) Ageing Schedule as at 31 March, 2021 (Revised)

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	2.70	4.43	0.69	7.82
Total	-	2.70	4.43	0.69	7.82

Note:

There were no projects where project cost exceeded or projects were overdue.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

	Face value per unit in ₹ unless otherwise specified	No. of shares / units			
		As at 31-03-2022	As at 31-03-2021 (Revised)	As at 31-03-2022	As at 31-03-2021 (Revised)
Details of investments:					
A) Quoted investments					
Government and trust securities					
Central Government Securities 10.18% GOI 2026 of ₹ 100 each	100	**39000**	39000	**0.39**	0.39
(Carried at amortised cost)					
Total (A)				**0.39**	0.39
B) Unquoted investments					
Investments in equity instruments					
Investment in subsidiary companies (carried at cost)					
Fully paid equity shares					
1. CG International B.V.	EUR 100	**1530000**	1530000	**1190.54**	1190.54
Less : Provision (net of reversal) for impairment in value of investment*				**(901.79)**	(901.79)
				288.75	288.75
2. CG Power Equipments Limited *(Formerly Crompton Greaves Consumer Products Limited)*	2	**250000**	250000	**0.05**	0.05
Less : Provision for impairment in value of investment				**(0.05)**	(0.05)
				-	-
3. CG International Holdings Singapore Pte Limited	USD 1	**44121460**	44121460	**238.29**	238.29
Less : Provision for impairment in value of investment				**(238.29)**	(238.29)
				-	-
4. CG Adhesive Products Limited *(Formerly CG-PPI Adhesive Products Limited)*	10	**3175520**	3175520	**13.03**	13.03
5. CG Power Solutions Limited	10	**50000**	50000	**0.05**	0.05
Less : Provision for impairment in value of investment				**(0.05)**	(0.05)
				-	-
6. PT Crompton Prima Switchgear Indonesia (deemed investment)				**1.15**	1.15
Less : Provision for impairment in value of investment				**(1.15)**	(1.15)
				-	-
Partly paid equity shares					
CG Power Equipments Limited *(Formerly Crompton Greaves Consumer Products Limited)*	0.20	**156436537**	156436537	**3.13**	3.13
Less : Provision for impairment in value of investment				**(3.13)**	(3.13)
				-	-

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

	Face value per unit in ₹ unless otherwise specified	No. of shares / units As at 31-03-2022	No. of shares / units As at 31-03-2021 (Revised)	As at 31-03-2022	As at 31-03-2021 (Revised)
B) Unquoted investments (Contd.)					
Measured at fair value through other comprehensive income					
Avantha Power & Infrastructure Limited	10	-	213300228	-	227.00
Less: Cumulative change in fair value (impairment)				-	(227.00)
Fair value				-	-
Measured at fair value through profit or loss					
1. Dinette Exclusive Club Private Limited	100	500	500	0.01	0.01
2. Radiant Electronics Limited	100	190000	190000	0.00	0.00
				0.01	0.01
Investments in debentures or bonds					
Carried at fair value through profit and loss					
1. Avantha Holdings Limited (Optionally Convertible, Zero Coupon, Non-marketable, transferable Debentures)	100	800000	800000	8.00	8.00
Less: Provision for impairment in value of investment				(8.00)	(8.00)
				-	-
2. Dinette Exclusive Club Private Limited (0% Unsecured Irredeemable Non-convertible Debentures of ₹ 100 each)	100	5000	5000	0.05	0.05
				0.05	0.05
Other non-current investments					
1. UTI Hybrid Equity Fund - Dividend Plan - Payout	10	55909	55909	0.18	0.16
2. Power Equipment Limited	USD 10	20600	20600	0.00	0.00
3. Exide Life Traditional Employee Benefits Plan Scheme			1	-	0.32
4. HDFC Life Secure Managed Fund			312939	-	0.88
5. IndiaFirst Employee Benefit Plan Equity Advantage Fund			23171	-	0.05
				0.18	1.41
Total (B)				302.02	303.25
Total (A+B)				302.41	303.64
Notes					
Quoted investments					
Book value				0.39	0.39
Market value				0.39	0.39
Unquoted investments					
Book value				302.02	303.25

* Refer note 44 for provision / reversal of provision for impairment in value of investment.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

7. NON-CURRENT FINANCIAL ASSETS - LOANS

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Unsecured, considered good, unless otherwise stated				
Loans to subsidiaries (Refer note 44)*	2777.97		2737.61	
Less: Allowance for credit impaired (Refer note 44)	2777.97		2737.61	
		-		-
Other loans and advances	7.94		7.94	
Less: Allowance for credit impaired	7.94		7.94	
		-		-
		-		-

*Amount written off during the year ₹ Nil (previous year ₹ 1199.50 crores).

During the year, in terms of the guarantee settlement agreement, the Company has given loan of ₹ 49.22 crores to a wholly owned offshore subsidiary incorporated in Netherlands for settlement of guarantee given by the said subsidiary to the bank.

Type of Borrower	As at 31-03-2022 Amount of loan or advance in nature of loan outstanding	As at 31-03-2022 % of total Loans and Advances in nature of loans	As at 31-03-2021 (Revised) Amount of loan or advance in nature of loan outstanding	As at 31-03-2021 (Revised) % of total Loans and Advances in nature of loans
Loan to subsidiaries	2777.97	99.7%	2737.61	99.7%
	2777.97	99.7%	2737.61	99.7%

8. NON-CURRENT FINANCIAL ASSETS - OTHERS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Unsecured, considered good, unless otherwise stated		
Deposits	5.63	6.51
Fixed deposits with banks with maturity period of more than 12 months*	6.30	6.09
	11.93	12.60

* Deposits of ₹ 0.01 crore (as at 31 March, 2021 ₹ 0.14 crores) are held as margin money.

9. TAXATION

Income tax recognised in statement of profit and loss:

	2021-22	2020-21 (Revised)
Statement of profit or loss:		
Current income tax:		
Current period	5.43	-
Previous period	(2.26)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	111.38	134.59
Income tax recognised in statement of profit or loss	114.55	134.59
Statement of other comprehensive income		
Current tax related to items recognised in other comprehensive income during the year	-	-
Deferred tax related to items recognised in other comprehensive income during the year	(0.66)	(0.97)
Income tax recognised in other comprehensive income	(0.66)	(0.97)

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

9. TAXATION (Contd.)

Reconciliation of income tax expense and the accounting profit / (loss) multiplied by applicable income tax rate:

	2021-22	2020-21 (Revised)
Accounting profit before income tax	**741.61**	823.58
Applicable tax rate	**25.168%**	25.168%
Computed tax expense	**186.65**	207.28
Expense not deductible in determining taxable profits	**1.62**	1.91
Deferred tax assets not recognised on account of lack of convincing evidence in respect of recognition	**-**	(60.62)
Impact of deferred tax created at lower tax rate	**(31.13)**	-
Impact of fair valuation of property, plant and equipment	**(68.73)**	(4.04)
Cessation of liability arising on settlement and restructuring of borrowings - not taxable	**-**	(297.82)
Other temporary differences	**26.14**	1.86
Change in income tax rate	**-**	286.02
Net income tax expense charged to statement of profit and loss	**114.55**	134.59

Deferred tax relates to the following:

	Balance sheet		Recognised in statement of profit or loss	
	As at 31-03-2022	As at 31-03-2021 (Revised)	2021-22	2020-21 (Revised)
Expenses allowable on payment basis	**42.70**	33.36	**(9.34)**	(14.20)
Other items giving rise to temporary differences	**18.00**	33.03	**15.03**	10.35
Accelerated depreciation for tax purposes	**(40.68)**	(45.59)	**(4.91)**	(29.09)
Fair valuation of property, plant and equipment	**(95.42)**	(164.15)	**(68.73)**	(35.66)
Provision and impairment of loans and receivables	**53.35**	84.53	**31.18**	759.82
Unabsorbed losses and Unabsorbed depreciation	**613.28**	727.27	**113.99**	(508.19)
Minimum Alternate tax	**-**	-	**-**	15.55
Provision for corporate guarantee obligation settlement	**31.46**	64.96	**33.50**	(64.96)
Deferred tax assets / (liabilities)	**622.69**	733.41		
Net (income) / expense			**110.72**	133.62
Deferred tax expense / (benefit):				
Relating to origination and reversal of temporary differences			**110.72**	133.62
Total			**110.72**	133.62

The net deferred tax assets of ₹ 622.69 crores (as at 31 March, 2021 ₹ 733.41 crores) includes deferred tax assets of ₹ 613.28 crores (as at 31 March, 2021 ₹ 727.27 crores) related to tax losses. Based on the future forecast and current economic conditions in India, there is reasonable certainty that the deferred tax assets on tax losses will be recovered on or before expiry of 8 years period.

Reconciliation of deferred tax assets / (liabilities) net

	As at 31-03-2022	As at 31-03-2021 (Revised)
Opening balance	**733.41**	867.03
Tax income / (expense) during the year recognised in profit or loss	**(111.38)**	(134.59)
Deferred tax on other comprehensive income	**0.66**	0.97
Closing balance	**622.69**	733.41

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

10. NON-CURRENT ASSETS - OTHERS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Unsecured, considered good, unless otherwise stated		
Capital advances	**4.96**	1.81
	4.96	1.81

11. INVENTORIES

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Raw materials	**172.84**		137.12	
Add: Goods-in-transit	**6.11**		11.02	
		178.95		148.14
Work-in-progress		**194.45**		145.06
Finished goods		**60.23**		78.37
Stock-in-trade		**10.08**		7.41
Stores, spares and packing materials		**2.67**		2.90
Loose tools		**0.39**		0.04
		446.77		381.92

Note: Mode of valuation of inventories is stated in Note 2.5

12. CURRENT FINANCIAL ASSETS - INVESTMENTS

	Face value per unit in ₹ unless otherwise specified	No. of shares / units			
		As at 31-03-2022	As at 31-03-2021 (Revised)	As at 31-03-2022	As at 31-03-2021 (Revised)
Details of investments:					
Unquoted investments					
Investments in equity instruments*					
1 Nicco Corporation Limited	2	**330390**	330390	**0.01**	0.01
2 JCT Electronics Limited	1	**250000**	250000	**0.00**	0.00
				0.01	0.01
Investments in mutual funds*					
1 SBI Liquid Fund - Direct Growth		**121831**	-	**40.61**	-
				40.61	-
				40.62	0.01

* Carried at fair value through profit and loss.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

13. TRADE RECEIVABLES

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Unsecured:				
Considered good	886.14		515.91	
Credit impaired	143.49		160.57	
	1029.63		676.48	
Less: Allowance for credit impaired	143.49		160.57	
		886.14		515.91
Receivables from related parties	67.17		69.73	
Less: Allowance for credit impaired	63.83		63.97	
(Refer note 44)		3.34		5.76
		889.48		521.67

Notes:

(a) Refer note 29 for trade receivables considered as contract balances.

Trade receivables ageing schedule:

As at 31 March, 2022	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade Receivables – considered good	491.81	341.32	23.97	8.82	15.16	8.40	889.48
(ii) Undisputed Trade receivable – credit impaired	-	-	1.94	57.16	79.41	68.82	207.32
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Total	491.81	341.32	25.91	65.98	94.57	77.22	1096.80

As at 31 March, 2021 (Revised)	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade Receivables – considered good	278.43	155.10	16.13	54.07	1.58	16.36	521.67
(ii) Undisputed Trade receivable – credit impaired	-	-	48.83	58.79	26.47	90.45	224.54
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Total	278.43	155.10	64.96	112.86	28.05	106.81	746.21

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

14. CASH AND CASH EQUIVALENTS

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Balances with banks:				
In current accounts	87.49		75.38	
Fixed deposits with original maturity of less than 3 months (Refer note below)	235.73		280.34	
		323.22		355.72
Cash on hand		0.00		1.46
		323.22		357.18

Note: Deposits of ₹ 2.56 crores (as at 31 March, 2021 ₹ 0.85 crores) are held as margin money.

15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Other balances:		
Earmarked balances with banks - Unclaimed dividend (Refer note (a) below)	0.00	0.39
Fixed deposits with original maturity of more than 3 months and upto 12 months (Refer note (b) below)	90.05	35.64
	90.05	36.03

Notes:

(a) Amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31 March, 2022 ₹ Nil (as at 31 March, 2021 ₹ 0.16 crores) subsequent to year end, the Company has remitted amount to IEPF ₹ Nil (previous year ₹ 0.16 crores).

(b) Deposits of ₹ 5.27 crores (as at 31 March, 2021 ₹ 6.21 crores) are held as margin money.

16. CURRENT FINANCIAL ASSETS - LOANS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Unsecured, considered good, unless otherwise stated:		
Receivable from subsidiaries (Refer note 44)	0.81	3.19
	0.81	3.19

Note: There are no amounts of loans or advances in the nature of loan outstanding at respective year end.

17. CURRENT FINANCIAL ASSETS - OTHERS

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Unsecured, considered good, unless otherwise stated:				
Security deposits:				
Considered good	9.60		31.91	
Considered doubtful	0.74		0.77	
	10.34		32.68	
Less: Allowance for bad and doubtful deposits	0.74		0.77	
		9.60		31.91
Other financials assets		2.05		1.93
		11.65		33.84

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

18. OTHER CURRENT ASSETS

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Advance to suppliers		51.44		60.81
Statutory and other receivables*		172.28		219.16
Receivable from erstwhile directors	0.16		0.28	
Less: Provision for receivable	0.16		0.28	
		-		-
		223.72		279.97

Note:

* Major items includes statutory receivables of ₹ 84.04 crores (as at 31 March, 2021 ₹ 140.22 crores) and deposits (includes towards disputed tax demands) of ₹ 70.91 crores (as at 31 March, 2021 ₹ 67.18 crores).

19. SHARE CAPITAL

	As at 31-03-2022	As at 31-03-2021 (Revised)
Authorised		
2,03,80,00,000 equity shares of ₹ 2 each	407.60	407.60
(2,03,80,00,000 equity shares of ₹ 2 each as at 31 March, 2021)		
Issued		
1,44,18,85,329 equity shares of ₹ 2 each	288.37	267.60
(1,33,80,40,329 equity shares of ₹ 2 each as at 31 March, 2021)		
Subscribed and paid-up		
1,44,18,43,029 equity shares of ₹ 2 each	288.37	267.60
(1,33,79,98,029 equity shares of ₹ 2 each as at 31 March, 2021)		
Forfeited shares		
42,300 equity shares of ₹ 2 each (Amount partly paid-up ₹ 32,175)	0.00	0.00
(42,300 equity shares of ₹ 2 each, (Amount partly paid-up ₹ 32,175 as at 31 March, 2021)		
	288.37	267.60

Notes:

(a) **Reconciliation of the number of shares outstanding at the beginning and at the end of the year:**

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Authorised share capital	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	2038000000	407.60	2038000000	407.60
Balance at the end of the year	2038000000	407.60	2038000000	407.60

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Issued share capital	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	1338040329	267.60	626788442	125.35
Add: Issued during the year	103845000	20.77	711251887	142.25
Balance at the end of the year	1441885329	288.37	1338040329	267.60

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

19. SHARE CAPITAL (Contd.)

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Subscribed and paid-up	No of Shares	₹ crores	No of Shares	₹crores
Balance at the beginning of the year	1337998029	267.60	626746142	125.35
Add: Issued during the year	103845000	20.77	711251887	142.25
Balance at the end of the year	1441843029	288.37	1337998029	267.60

During the year, the Company has issued following equity shares and warrants under preferential allotment:

(i) 13845000 equity shares of face value of ₹ 2 each issued to a bank towards guarantee settlement consideration on preferential basis at ₹ 73.10 (including premium) per equity share for an aggregate consideration of ₹ 101.21 crores;

(ii) 90000000 equity shares of the face value of ₹ 2 each at a price of ₹ 8.56 (including premium) per equity share, for an aggregate consideration of ₹ 77.04 crores on conversion of 90000000 warrants held by Tube Investments of India Limited ('TII') into equity share;

During the year ended 31 March, 2021, the Company has issued following equity shares and warrants under preferential allotment to TII:

(i) 642523365 equity shares of the face value of ₹ 2 each at a price of ₹ 8.56 (including premium) per equity share, for an aggregate consideration of ₹ 550 crores;

(ii) 175233645 warrants ("Warrants"), each carrying a right exercisable by TII as the Warrant holder to subscribe to 1 (one) Equity Share per Warrant within 18 (eighteen) months from allotment, for a subscription amount of ₹ 37.50 crores, being 25% of the aggregate consideration payable for subscribing to equity shares upon exercise of the warrants; and

(iii) 68728522 equity shares of the face value of ₹ 2 each at a price of ₹ 14.55 (including premium) per equity share, for an aggregate consideration of ₹ 100 crores;

The Company has utilised the entire proceeds of ₹ 57.78 crores (as at 31 March, 2021 ₹ 587.50 crores and ₹ 100 crores) from the preferential issue for current / future running and expansion of the business, working capital, general corporate purpose, repayment of loans and for payment of interest for loans liabilities towards lenders.

801251887 equity shares (previous year 711251887 equity shares) of the face value of ₹ 2 each held by Holding company, TII.

13845000 equity shares (previous year Nil) of the face value of ₹ 2 each, alloted as fully paid up pursuant to contract without payment being received in cash.

(b) **Terms / rights attached to equity shares:**

The Company has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) **Details of shareholders holding more than 5 % shares in the Company:**

	As at 31-03-2022		As at 31-03-2021 (Revised)	
	%	No. of Shares	%	No. of Shares
1. Tube Investments of India Limited (Parent company)	55.57	801251887	53.16	711251887

(d) **Aggregate number of shares issued as GDRs**

	As at 31-03-2022		As at 31-03-2021 (Revised)	
	%	No. of Shares	%	No. of Shares
The Bank of New York*	-	-	0.01	104461

Note:

* The GDRs are delisted effective from 24 May, 2021.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

19. SHARE CAPITAL (Contd.)

(e) Details of shares held by promoters

As on 31 March, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Tube Investments of India Limited	711251887	90000000	801251887	55.57%	2.41%
M A Murugappan Holdings LLP (*Formerly*, M A Murugappan Holdings Private Limited)	350000	17000	367000	0.03%	0.00%
M A M Arunachalam	165000	20000	185000	0.01%	0.00%
M.A.Alagappan	165000	-	165000	0.01%	-
A M Meyyammai	90000	-	90000	0.01%	-
MAM Arunachalam (on behalf of Arun Murugappan Children's Trust)	64000	10000	74000	0.00%	(0.01%)
M A M Arunachalam (In capacity of karta of HUF)	55000	9500	64500	0.01%	0.01%
S Arunachalam (S A, MAM A & Amm holds on behalf of Murugappan Arunachalam Children Trust)	46900	-	46900	0.00%	-
A Venkatachalam (In capacity of karta of HUF)	31300	-	31300	0.00%	-
Vedika Meyyammai Arunachalam	31000	40000	71000	0.01%	0.01%
Lakshmi Ramaswamy	5490	2000	7490	0.00%	0.00%
Uma Ramanathan	2500	-	2500	0.00%	-
Murugappa & Sons (M.V.Subbiah, M A A and M M M hold shares on behalf of the Firm)	-	5100	5100	0.00%	0.00%
Total	712258077	90103600	802361677	55.65%	2.42%

As on 31 March, 2021 (Revised)

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Tube Investments of India Limited	-	711251887	711251887	53.16%	53.16%
M A Murugappan Holdings LLP (*Formerly*, M A Murugappan Holdings Private Limited)	-	350000	350000	0.03%	0.03%
M A M Arunachalam	-	165000	165000	0.01%	0.01%
M.A.Alagappan	-	165000	165000	0.01%	0.01%
A M Meyyammai	-	90000	90000	0.01%	0.01%
MAM Arunachalam (on behalf of Arun Murugappan Children's Trust)	-	64000	64000	0.01%	0.01%
M A M Arunachalam (In capacity of karta of HUF)	-	55000	55000	0.00%	0.00%
S Arunachalam (S A, MAM A & Amm Holds On Behalf Of Murugappan Arunachalam Children Trust)	-	46900	46900	0.00%	0.00%
A Venkatachalam (In capacity of karta of HUF)	-	31300	31300	0.00%	0.00%
Vedika Meyyammai Arunachalam	-	31000	31000	0.00%	0.00%
Lakshmi Ramaswamy	-	5490	5490	0.00%	0.00%
Uma Ramanathan	-	2500	2500	0.00%	0.00%
Total	-	712258077	712258077	53.23%	53.23%

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

20. OTHER EQUITY

	As at 31-03-2022	As at 31-03-2021 (Revised)
Retained earnings	(250.44)	(875.54)
General reserve	415.89	415.89
Capital reserve	672.49	672.49
Capital redemption reserve	12.95	12.95
Securities premium	660.04	502.94
Share warrant money (Refer note 19(a))	18.24	37.50
Share options outstanding account	1.78	-
	1530.95	766.23

(a) **Dividend paid and proposed:**

No dividends have been proposed, declared or paid during the financial year 2021-22 (2020-21 ₹ Nil) or after the financial year but before the financial statements were approved for issue.

(b) **Nature and purpose of items in other equity:**

(i) **Retained Earnings:**

Retained earnings are the profits that the Company has earned till date and includes any transfers to general reserve, dividends or other distributions paid to shareholders and impact on account of transition to Ind AS.

(ii) **General Reserve:**

General reserve comprises of transfer of profits from retained earnings for appropriation purpose, the reserves can be distributed / utilised by the Company in accordance with the Companies Act, 2013.

(iii) **Capital reserve:**

Capital reserve mainly represents the amount recognised on demerger of consumer product business.

(iv) **Capital redemption reserve:**

Capital redemption reserve was created on buy back of shares. The Company may issue fully-up bonus shares to its members out of the capital redemption reserve account.

(v) **Securities premium:**

Securities premium reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

(vi) **Share warrant money:**

Share warrant money represents amount received against instruments carrying right exercisable by the warrant holder to subscribe to one Equity Share per warrant at a specific fixed price within specified period from date of allotment.

(vii) **Share options outstanding account:**

Share options outstanding account represents fair value of the options granted which is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

21. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Secured loans		
Term loans from banks (Refer note (a) below)	98.87	612.99
Unsecured loans		
Debentures (Refer note (b) below)	200.00	200.00
Others (Refer note (c) below)	3.44	-
	302.31	812.99

Notes:

Security created to the extent of :

(a) Secured term loans from banks:

(i) The term loans of ₹ 98.87 crores (as at 31 March, 2021 ₹ 612.99 crores) has been drawn at rate of interest of 6 months MCLR plus applicable spread and is secured by first charge on fixed assets except such properties as may be specifically excluded. Second charge by way of hypothecation of inventories and book debts / receivables of the Company. The initial loan amount was additionally secured by corporate guarantee from Tube Investmenst of India Limited. During the year the Bank has released this corporate guarantee considering the financial performance of the Company. The repayment of the loan is due in year 2027-28.

(b) Unsecured loans:

Debentures:

The Non-convertible Debenture (NCDs) are unlisted, unsecured, redeemable and non-convertible. NCDs are issued to lenders in terms of Settlement Agreement towards settlement of borrowings. NCDs carry coupon rate of 0.01% for the initial period of 2 years and thereafter 8% p.a. until the maturity date. The NCDs is repayable after 5 years from December, 2020, the date of allotment. The Company has the right to redeem the NCDs, in whole or part, on and after initial period of 2 years from date of allotment of the NCDs till the date of maturity.

(c) Others:

Intercompany loan from a subsidiary amounting to ₹ 3.44 crore at interest rate of 7.5% p.a.and is repayable in June 2023

Quarterly returns to bank:

The quarterly returns submitted to the banks by the Company during the year till 31 March 2022 are in agreement with books of accounts.

22. NON-CURRENT OTHER FINANCIAL LIABILITIES

	As at 31-03-2022	As at 31-03-2021 (Revised)
Deposits payable	3.69	4.57
Others*	10.38	2.94
	14.07	7.51

* Represents interest accrued as per amortised cost method of Ind AS.

23. NON-CURRENT PROVISIONS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Provision for leave encashment	17.26	19.28
Other provisions (Refer note 28)	12.89	7.91
	30.15	27.19

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

24. CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Secured loans		
Banks	-	127.75
Unsecured Loans		
Others	-	3.89
	-	131.64

Note: Loan from banks ₹ Nil (previous year ₹ 127.75 crores) has been repaid during the year.

25. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31-03-2022	As at 31-03-2021 (Revised)
Acceptances	234.30	3.16
Due to micro and small enterprises (Refer note below)	39.80	84.09
Due to other than micro and small enterprises	840.88	894.56
Due to subsidiaries (Refer note 44)	10.25	16.91
	1125.23	998.72

Note:

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, have been determined based on the information available with the Company and the required disclosures are given below:

	As at 31-03-2022	As at 31-03-2021 (Revised)
(a) Principal amount due to suppliers	39.80	84.09
(b) Interest accrued and due to suppliers on the above amount, unpaid	10.25	9.69
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	298.25	179.34
(d) Interest paid to suppliers (other than Section 16)	-	-
(e) Interest paid to suppliers (Section 16)	0.04	0.15
(f) Interest due and payable towards suppliers for payments already made	1.83	5.07
(g) Interest accrued and remaining unpaid at the end of each year	12.08	14.76

Trade payables ageing schedule:

As at 31 March, 2022	Not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues of micro enterprises and small enterprises	33.13	6.51	0.07	0.09	-	39.80
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	843.62	197.80	3.58	7.95	13.40	1066.35
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	0.66	18.42	19.08
Total	876.75	204.31	3.65	8.70	31.82	1125.23

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

25. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES (Contd.)

As at 31 March, 2021 (Revised)	Not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues of micro enterprises and small enterprises	62.01	21.24	0.84	-	-	84.09
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	636.77	221.70	10.12	10.59	16.37	895.55
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	19.07	0.01	19.08
Total	698.78	242.94	10.96	29.66	16.38	998.72

26. CURRENT-OTHER FINANCIAL LIABILITIES

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Interest-free sales tax deferral loans from State Government		0.12		0.12
Interest accrued but not due on borrowings		2.25		4.58
Dues to subsidiaries (Refer note 44)		1.05		1.05
Investor Education and Protection Fund:				
Unclaimed dividend (Refer below note (a))		0.00		0.39
Security deposits		10.27		9.36
Derivative Instruments		0.03		-
Other payables:				
Due to employees	11.07		15.18	
Others*	230.36		549.33	
		241.43		564.51
		255.15		580.01

Notes :

(a) Amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31 March, 2022 ₹ Nil (as at 31 March, 2021 ₹ 0.16 crores) subsequent to year end, the Company has remitted amount to IEPF ₹ Nil (previous year ₹ 0.16 crores).

(b) * Major items includes provision towards guarantee settlement consideration of ₹ 124.99 crores (as at 31 March, 2021 ₹ 306.01 crores), provision towards delay in completion of contractual obligation of ₹ Nil (as at 31 March, 2021 ₹ 156.90 crores), provision towards disputed claims ₹ 40 crores (as at 31 March, 2021 ₹ Nil).

27. OTHER CURRENT LIABILITIES

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Advances from customers (Refer note 29)		115.52		95.13
Due to customers (Refer note 29)		10.25		12.80
Other payables:				
Statutory liabilities	8.48		4.22	
Others	8.37		18.59	
		16.85		22.81
		142.62		130.74

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

28. SHORT-TERM PROVISIONS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Provision for gratuity (Refer note 41)	5.67	6.69
Provision for leave encashment	7.05	3.03
Other provisions (Refer note below)	128.69	138.43
	141.41	148.15

Notes:

(a) Movement in provisions:

	Warranties	Provision for tax related Litigations	Other Litigation Claims	Total
	2021-22	2021-22	2021-22	2021-22
Carrying amount at the beginning of the year	45.70	65.44	35.20	146.34
Additional provision made during the year	16.40	12.42	-	28.82
Amounts used during the year	3.74	-	7.29	11.03
Unused amounts reversed during the year	5.59	16.96	-	22.55
Carrying amount at the end of the year	52.77	60.90	27.91	141.58
Non-current (Refer note 23)	12.89	-	-	12.89
Current (Refer note 28)	39.88	60.90	27.91	128.69
Total	52.77	60.90	27.91	141.58

(b) Nature of provisions:

(i) Product Warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is generally expected to be within a period of two years from the date of Balance Sheet.

(ii) Provision for Tax related Litigations include liability on account of non-collection of declaration forms and other legal matters related to Sales Tax, Excise Duty, Custom Duty and Service Tax which are in appeal under the relevant Act / Rules.

(iii) Provision for other Litigation related obligations represents estimated liabilities that are expected to materialise in respect of other matters under litigation.

29. REVENUE FROM OPERATIONS

	2021-22		2020-21 (Revised)	
Sale of products	5007.58		2376.80	
Sale of services	19.01		11.43	
Construction contracts	52.95		97.68	
		5079.54		2485.91
Other operating income - scrap sales		79.64		39.98
		5159.18		2525.89

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

29. REVENUE FROM OPERATIONS (Contd.)

Revenue from Contracts with Customers

	2021-22	2020-21 (Revised)
Revenue reconciliation		
Revenue as per contracted price	5197.88	2578.77
Less: Adjustments		
Discounts	26.57	31.17
Others (includes liquidated damages, price variations, etc)	12.13	21.71
Revenue recognised as per statement of profit and loss	5159.18	2525.89

	2021-22	2020-21 (Revised)
Revenue recognised in current year from		
Amount included in contract liability at the beginning of the year	54.70	90.36
Performance obligations satisfied in previous periods	-	-

	2021-22	2020-21 (Revised)
Revenue from contracts with customers		
Power Systems Business	1515.32	731.91
Industrial Systems Business	3643.86	1793.98
Total	5159.18	2525.89

	As at 31-03-2022	As at 31-03-2021 (Revised)
Contract balances		
Trade receivables	889.48	521.67
Contract assets	0.63	0.98
Contract liabilities		
Advance from customers	115.52	95.13
Due to customers	10.25	12.80

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration and are transferred to trade receivables on completion of milestones and its related invoicing.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company satisfies the performance obligation.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

30. OTHER INCOME

	2021-22	2020-21 (Revised)
Interest income from:		
Deposits with banks	10.37	6.74
Others	9.43	6.33
Gain on sale of investments (net)	0.05	-
Exchange gain (net)	0.46	-
Fair value gain on financial instruments at fair value through profit or loss	0.63	0.14
Other non-operating income:		
Income from business service centers (Refer note 39)	5.97	8.64
Miscellaneous income	18.13	20.32
	45.04	42.17

31. COST OF MATERIALS CONSUMED

	2021-22	2020-21 (Revised)
Opening inventories	148.14	135.21
Add: Purchases	3632.52	1774.92
Less: Closing inventories	178.95	148.14
	3601.71	1761.99

32. PURCHASES OF STOCK-IN-TRADE

	2021-22	2020-21 (Revised)
Purchases of stock-in-trade	164.87	84.69
	164.87	84.69

33. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	2021-22		2020-21 (Revised)	
Closing inventories:				
Finished goods	60.23		78.37	
Work-in-progress	194.45		145.06	
Stock-in-trade	10.08		7.41	
		264.76		230.84
Opening inventories:				
Finished goods	78.37		27.43	
Work-in-progress	145.06		104.23	
Stock-in-trade	7.41		2.10	
		230.84		133.76
Net (increase) / decrease in inventories		(33.92)		(97.08)

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

34. EMPLOYEE BENEFITS EXPENSE

	2021-22	2020-21 (Revised)
Salaries, wages and bonus	246.71	229.39
Contribution to provident and other funds (Refer note 41)	18.76	18.09
Share based payment expense (Refer note 42)	1.78	-
Staff welfare expenses	20.27	11.42
	287.52	258.90

35. FINANCE COSTS

	2021-22	2020-21 (Revised)
Interest expenses	65.50	165.09
Interest on lease liabilities (Refer note 39)	0.88	1.16
	66.38	166.25

36. DEPRECIATION AND AMORTISATION EXPENSE

	2021-22	2020-21 (Revised)
Depreciation of property, plant and equipment (Refer note 4)*	61.36	66.54
Amortisation of Intangible assets (Refer note 5)	12.36	14.67
	73.72	81.21

Notes:

* Includes depreciation of ROU assets of ₹ 4.38 crores (previous year ₹ 5.00 crores).

37. OTHER EXPENSES

	2021-22	2020-21 (Revised)
Consumption of stores and spares	19.51	10.94
Power and fuel	29.19	23.59
Rent	6.44	3.93
Repairs to buildings	3.79	2.32
Repairs to machinery	18.89	11.14
Insurance	5.96	8.29
Rates and taxes	3.92	23.25
Freight and forwarding	104.38	50.28
Packing materials	52.83	28.85
After sales services including warranties	35.38	12.03
Sales promotion	2.72	0.45
Sub contracting charges	93.19	59.13
Foreign exchange loss (net)	-	4.10
Directors' sitting fees	0.99	2.09
Allowance for doubtful debts and advances	2.72	61.76
Legal and professional charges	55.16	15.28
Miscellaneous expenses (Refer note below)	106.84	85.47
	541.91	402.90

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

37. OTHER EXPENSES (Contd.)

Notes:

Miscellaneous expenses includes the following:

	2021-22	2020-21 (Revised)
Auditors remuneration (excluding Goods and Service Tax)		
Audit fees (Refer note (b) below)	1.23	1.55
Limited review fees	0.62	0.95
Certification work	0.10	0.08
Other services	0.21	0.22
Out of pocket expenses	0.05	0.01
	2.21	2.81

1) The above auditors remuneration for previous year does not include the additional fees of ₹ 0.19 crores towards certification work which has been accounted under the head securities premium.

2) Audit fees for current year include ₹ 0.30 crores towards remuneration for audit of revised financial statements for the year ended 31 March, 2021.

38. CONTINGENT LIABILITIES AND COMMITMENTS

		As at 31-03-2022	As at 31-03-2021 (Revised)
A.	**Contingent Liabilities:**		
	(to the extent not provided for)		
(a)	Claims against the Company not acknowledged as debts	4.80	4.84
(b)	Sales tax / VAT liability that may arise in respect of matters in appeal	4.80	14.02
(c)	Excise duty / customs duty / service tax liability that may arise in respect of matters in appeal	14.08	14.08
(d)	Income tax liability that may arise in respect of matters in appeal	0.69	1.89
B.	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	12.50	10.34

Notes:

(i) From time to time, the Company is involved in claims and legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the financial position, results of operations, or cash flows of the Company.

(ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at A(a) to A(d) above, pending resolution of the arbitration / appellate proceedings.

(iii) Sales tax / VAT cases include disputes pertaining to disallowances of input tax credit and non-submission of various forms with authorities.

(iv) Excise duty / custom duty / service tax cases include disputes pertaining to inadmissibility of cenvat credit, short payment of service tax on work contracts, refund of excise duty on export of transformers, interest payment on Provisional Assessment Cases, etc.

(v) Contingent liabilities for Income tax cases pertains to difference on account of cenvat credit and valuation of closing inventory, disallowance of expenses, etc.

(vi) The Company had received notice of demand under Income Tax Act for ₹ 606.30 crores for financial year 2016-17, and the Hon'ble Bombay High Court has granted the interim stay against the notice of demand until admission of appeal before the High Court. The Company has filed its detailed submissions in response to notices received for the appeal filed before Commissioner of Income Tax (Appeals). Considering the facts and underlying documents with respect to the demand raised under Section 68 of the Income Tax Act, 1961, the management strongly believes that the demand is not sustainable, bad in law and will be reversed at appellate levels.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

39. LEASES

(i) **Company as a lessee**

The Company has lease contracts for various items of land, building, furniture and vehicles used in its operation. Lease of land generally have lease terms between 30 to 999 years while furniture and building generally have lease terms between 2 to 9 years. The Company's obligation under the lease is secured by the lessor's title to leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts right of use assets and lease liabilities included under financial liabilities and the movements during the year:

Movement in carrying value of right of use assets

	Land	Building	Fixture and fittings	Vehicles	Total
Opening Balance as at 01-04-2020 (Revised)	70.39	10.96	0.25	1.58	83.18
Deletion	-	1.41	-	1.58	2.99
Less: Depreciation	1.45	3.48	0.07	-	5.00
Closing net carrying balance as at 31-03-2021	68.94	6.07	0.18	-	75.19
Additions	-	3.17	-	-	3.17
Deletion	5.43	0.08	-	-	5.51
Less: Depreciation	1.42	2.89	0.07	-	4.38
Closing net carrying balance as at 31-03-2022	62.09	6.27	0.11	-	68.47

Movement in lease liabilities during the year

	2021-22	2020-21 (Revised)
Opening balance	8.01	14.45
Add: Addition	3.17	-
Add: Accretion of interest	0.88	1.16
Less: Payment	3.88	4.33
Less: Removal of asset	0.08	2.99
Less: Gain on removal of asset	0.01	0.28
Closing balance	8.09	8.01

Breakup of lease liabilities

	As at 31-03-2022	As at 31-03-2021 (Revised)
Current lease liabilities	3.27	2.75
Non-current lease liabilities	4.82	5.26
Total	8.09	8.01

Amounts recognised in the statement profit and loss

	2021-22	2020-21 (Revised)
Other Expenses		
Short-term lease rent expense	3.29	1.88
Low value asset lease rent expense	0.04	0.08
Variable lease rent expense	0.21	0.02
Finance Cost		
Interest expense on lease liability	0.88	1.16
Depreciation and amortisation expense		
Depreciation of ROU lease assets	4.38	5.00

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

39. LEASES (Contd.)

Amounts recognised in the statement of cash flow

	2021-22	2020-21 (Revised)
Total cash outflow for leases	3.88	4.33

Contractual maturities of lease liabilities on an undiscounted basis

	As at 31-03-2022	As at 31-03-2021 (Revised)
Less than 1 year	3.85	3.48
1 - 5 years	4.19	5.54
More than 5 years	4.24	3.18
Total	12.28	12.20

(ii) **Company as a lessor**

Amounts recognised in the statement of profit and loss

	2021-22	2020-21 (Revised)
Other Income:		
Non-operating lease income	5.97	8.64

Note:

Non-operating lease income is in respect of lease of land and / or building.

Undiscounted future payments to be received

	As at 31-03-2022	As at 31-03-2021 (Revised)
Maturity analysis:		
Less than 1 year	0.33	1.88
1 - 5 years	-	0.05
More than 5 years	-	-
Total	0.33	1.93

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

40. EXPENDITURE ON RESEARCH AND DEVELOPMENT

	2021-22	2020-21 (Revised)
(a) **Capital expenditure:**		
Plant and equipments	0.15	-
Furnitures and Fixtures	0.03	-
Intangible assets	0.20	-
Intangible assets under development	6.50	7.69
WIP - Plant and Machinery	0.34	-
Sub-total (a)	7.22	7.69
(b) **Revenue expenditure:**		
Raw materials consumed	0.01	0.01
Employee benefits	10.58	9.55
Depreciation and amortisation	10.97	13.88
Other expenses		
Consumption of stores and spares	0.34	0.14
Power and fuel	0.13	0.10
Rent	-	0.01
Repairs to machinery	0.00	0.00
Insurance	0.01	-
Miscellaneous expenses	1.07	0.36
Sub-total (b)	23.11	24.05
Total (a+b)	30.33	31.74

41. EMPLOYEE BENEFITS

(a) **Defined contribution plans:**

Amount of ₹ 15.71 crores (previous year ₹ 15.23 crores) is recognised as an expense and included in Employee benefits expense as under:

Benefits (Contribution to)	2021-22	2020-21 (Revised)
Provident fund	10.91	10.22
Superannuation fund	3.64	3.93
Employee state insurance scheme	0.15	0.14
Labour welfare scheme	0.01	0.01
National pension scheme	0.98	0.93
Total	15.71	15.23

(b) **Defined benefit plans:**

Gratuity:

Under the Gratuity plan operated by the Company, every employee who has completed at least five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per Payment of Gratuity Act, 1972.

The Company makes annual contributions to the CG Gratuity Fund, which is funded defined benefit plan for qualifying employees. The Board of Trustees of the fund is entrusted with responsibility for the administration of the plan assets and for the investment strategy.

The following table summarizes the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the Balance Sheet.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

41. EMPLOYEE BENEFITS (Contd.)

		Gratuity (Funded)	
		2021-22	2020-21 (Revised)
I	**Change in present value of defined benefit obligation during the year**		
1.	Present Value of defined benefit obligation at the beginning of the year	44.61	42.30
2.	Interest cost	3.06	2.89
3.	Current service cost	2.59	2.72
4.	Benefits paid	(8.87)	(9.17)
5.	Actuarial changes arising from changes in demographic assumptions	1.10	-
6.	Actuarial changes arising from changes in financial assumptions	0.54	(0.08)
7.	Actuarial changes arising from changes in experience adjustments	0.93	5.95
8.	Present Value of defined benefit obligation at the end of the year	43.97	44.61
II	**Change in fair value of plan assets during the year**		
1.	Fair value of plan assets at the beginning of the year	37.92	40.25
2.	Interest Income	2.60	2.75
3.	Contributions paid by the employer	6.69	2.06
4.	Benefits paid from the fund	(8.87)	(9.17)
5.	Return on plan assets excluding interest income	(0.04)	2.03
6.	Fair value of plan assets at the end of the year	38.30	37.92
III	**Net asset / (liability) recognised in the balance sheet**		
1.	Present Value of defined benefit obligation at the end of the year	(43.97)	(44.61)
2.	Fair value of plan assets at the end of the year	38.30	37.92
3.	Amount recognised in the balance sheet	(5.67)	(6.69)
4.	Net (liability) / asset- current	(5.67)	(6.69)
IV	**Expenses recognised in the statement of profit and loss for the year**		
1.	Current service cost	2.59	2.72
2.	Interest cost on benefit obligation (net)	0.46	0.14
3.	Total expenses included in employee benefits expense	3.05	2.86
V	**Recognised in other comprehensive income for the year**		
1.	Actuarial changes arising from changes in demographic assumptions	1.10	-
2.	Actuarial changes arising from changes in financial assumptions	0.54	(0.08)
3.	Actuarial changes arising from changes in experience adjustments	0.93	5.95
4.	Return on plan assets excluding interest income	0.04	(2.03)
5.	Recognised in other comprehensive income	2.61	3.84
VI	**Maturity profile of defined benefit obligation**		
1.	Within the next 12 months (next annual reporting period)	6.78	7.74
2.	Between 2 and 5 years	20.63	17.95
3.	Between 6 and 10 years	17.50	18.22
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	(2.13)	(2.37)
	(ii) One percentage point decrease in discount rate	2.38	2.67
	(i) One percentage point increase in rate of salary increase	2.43	2.72
	(ii) One percentage point decrease in rate of salary increase	(2.21)	(2.45)
	(i) One percentage point increase in employee turnover rate	0.45	0.60
	(ii) One percentage point decrease in employee turnover rate	(0.49)	(0.66)
2.	**Sensitivity Analysis Method**		
	Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.		
VIII	**The major categories of plan assets as a percentage of total plan assets**		
	Insurer managed funds	100.00%	98.29%

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

41. EMPLOYEE BENEFITS (Contd.)

		Gratuity (Funded)	
		2021-22	2020-21 (Revised)
IX	**Weighted average duration of the defined benefit obligation (in years)**	8	7
X	**Actuarial assumptions**		
1.	Discount rate	**6.98% p.a.**	6.86% p.a.
2.	Salary escalation	**4.00% p.a.**	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
3.	Mortality rate during employment	**Indian Assured Lives Mortality (2012-14) Urban**	Indian Assured Lives Mortality (2006-08) Ultimate
4.	Rate of Employee Turnover	**6.00%p.a.**	4.00%p.a.

	2021-22	2020-21 (Revised)
Expected contribution to the defined benefit plan for the next annual reporting period	6.98	6.88

Notes :

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at 31 March, 2022 and as at 31 March, 2021. 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. During the year, the Company has decided to transfer the fund to government administered Employee's Provident Fund Organisation ('EPFO'). Accordingly, majority of the plan assets held by the Trust are sold and the amount received is transferred to EPFO. The Company has agreed to pay to EPFO any shortfall in fund to the extent of employee provident fund liability as on March 31, 2022. Further, the Company has paid ₹ 5.92 crore towards shortfall assessed till date.The Company is carrying sufficient provision in the books of account as at March 31, 2022, towards shortfall.

42. STOCK OPTIONS

During the year,1834100 stock options were granted to eligible employees at the rate of one stock option of the Company for every stock option held and outstanding in the Company.

In this regard, the Company has recognised expense amounting to ₹1.78 crores for employees services received during the year, shown under Employee Benefit Expenses (Refer Note 34).

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

42. STOCK OPTIONS (Contd.)

The movement of Stock Options are given below:

			During the year 2021-22				
	Date of Grant	Options outstanding as at 01-04-2021	Options granted	Options cancelled/ lapsed	Options exercised and allotted	Options outstanding As at 31-03-2022	Options vested but not exercised as at 31-03-2022
Grant 1	18-Nov-21	-	838020	-	-	838020	-
Grant 2	18-Nov-21	-	317120	-	-	317120	-
Grant 3	18-Nov-21	-	339480	-	-	339480	-
Grant 4	18-Nov-21	-	339480	-	-	339480	-

Details of stock options granted to certain employees for 2021-22 are given below :

	Date of Grant	Weighted Average Exercise price (₹)	Options Granted	Options cancelled/ lapsed	Options exercised and allotted	Options vested and outstanding at the end of the year	Options unvested and outstanding at the end of the year	Vested date	Weighted average remaining contractual life (in years)
Grant 1	18-Nov-21	156.20	838020	-	-	-	838020	-	0.64
Grant 2	18-Nov-21	156.20	317120	-	-	-	317120	-	1.64
Grant 3	18-Nov-21	156.20	339480	-	-	-	339480	-	2.64
Grant 4	18-Nov-21	156.20	339480	-	-	-	339480	-	3.64

The following table list the input to the Black Scholes model used for the plans for the year ended 31st March 2022

Particulars	Date of Grant	Riskfree Rate (%) p.a.	Expected Life (in years)	Expected Volatility of share price	Dividend Yield
Grant 1	18-Nov-21	3.81	1	47.82	-
Grant 2	18-Nov-21	4.46	2	55.99	-
Grant 3	18-Nov-21	4.96	3	56.02	-
Grant 4	18-Nov-21	5.36	4	53.10	-

43. SEGMENT REPORTING

The Company has the following reportable segments:

Power Systems : Transformer, Switchgear and Turnkey Projects

Industrial Systems : Electric Motors, Alternators, Drives, Traction Electronics and SCADA

Identifications of Segments:

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products / services and have been identified as per the quantitative criteria specified in the Ind AS.

Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

43. SEGMENT REPORTING (Contd.)

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, 2022 is as follows:

	Power Systems	Industrial Systems	Discontinued Operations	Eliminations/ Unallocable Expenditure / Assets*	Total
Revenue					
External sales	1515.32	3643.86	-	-	5159.18
Add: Inter segment sales	0.34	0.28	-	(0.62)	-
Total revenue	1515.66	3644.14	-	(0.62)	5159.18
Segment results	144.56	464.49	-	-	609.05
Less: Finance costs					66.38
Less: Other unallocable expenditure net of unallocable income					40.64
Profit after finance cost but before exceptional items and tax					502.03
Exceptional items (net)					239.58
Tax expense					114.55
Profit for the year					627.06
Other information:					
Segment assets	1036.95	976.33	-	1825.07	3838.35
Segment liabilities	739.16	695.60	-	584.27	2019.03
Capital expenditure #	17.06	40.44	-	3.91	61.41
Depreciation and amortisation #	36.09	28.10	-	9.53	73.72
Non-cash expenses / (reversal) other than depreciation and amortisation #	3.96	(12.12)	-	(8.01)	(16.16)

Summary of the Segmental Information as at and for the year ended 31 March, 2021 (Revised) is as follows:

	Power Systems	Industrial Systems	Discontinued Operations	Eliminations/ Unallocable Expenditure / Assets*	Total
Revenue					
External sales	731.91	1793.98	-	-	2525.89
Add: Inter segment sales	1.02	0.14	-	(1.16)	-
Total revenue	732.93	1794.12	-	(1.16)	2525.89
Segment results	(96.15)	206.71	-	-	110.56
Less: Finance costs					166.25
Less: Other unallocable expenditure net of unallocable income					35.11
Loss after finance cost but before exceptional items and tax					(90.80)
Exceptional items (net)					914.38
Tax expense					134.59
Profit for the year					688.99
Other information:					
Segment assets	829.68	797.77	279.85	1971.49	3878.79
Segment liabilities	763.79	678.56	-	1402.61	2844.96
Capital expenditure #	8.70	3.81	-	0.56	13.07
Depreciation and amortisation #	40.99	26.27	-	13.95	81.21
Impairment of intangible assets under development #	7.15	-	-	-	7.15
Non-cash expenses / (reversal) other than depreciation and amortisation #	64.75	(2.66)	-	-	62.09

* Unallocable assets comprise assets and liabilities which cannot be allocated to the segments.

\# The disclosure pertains to continuing business segments.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

43. SEGMENT REPORTING (Contd.)

Geographical Information:

	2021-22			2020-21 (Revised)		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue from contracts with customers	4831.93	327.25	5159.18	2323.84	202.05	2525.89

Note:

During the year ended 31 March, 2022 and 31 March, 2021 revenues from transactions with a single external customer did not amount to 10% or more of the Company's revenues from external customers.

	As at 31-03-2022			As at 31-03-2021 (Revised)		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Non-current assets	797.45	-	797.45	812.91	-	812.91

Non-current assets for this purpose consist of property, plant and equipment,capital work in progress, intangible assets, intangible assets under development and other non-current assets.

44 RELATED PARTY DISCLOSURES

(a) **List of related parties**

(i) **Parent company:**

1 Tube Investments Of India Limited (Holding company w.e.f. 26 November, 2020)

(ii) **Subsidiaries:**

Sr. No	Name of the Related Parties	Country of Incorporation	% Equity Interest As at 31-03-2022	% Equity Interest As at 31-03-2021 (Revised)
1	CG Power Solutions Limited	India	100.00	100.00
2	CG Adhesive Products Limited *(formerly "CG-PPI Adhesive Products Limited")*	India	81.42	81.42
3	CG Power Equipments Limited	India	100.00	100.00
4	CG International Holdings Singapore Pte. Limited	Singapore	100.00	100.00
5	CG Sales Networks Malaysia Sdn. Bhd.	Malaysia	100.00	100.00
6	CG International B.V.	The Netherlands	100.00	100.00
7	CG Electric Systems Hungary Zrt. (ceased to be subsidiary w.e.f. 30 June, 2020)	Hungary	-	-
8	CG Power Solutions UK Limited	United Kingdom	100.00	100.00
9	CG Power Systems Canada Inc.	Canada	100.00	100.00
10	CG- Ganz Generator and Motor Limited Liability Company (ceased to be subsidiary w.e.f. 15 December, 2021)	Hungary	-	100.00
11	CG Service Systems France SAS (ceased to be subsidiary w.e.f. 20 July, 2020)	France	-	-
12	CG Industrial Holdings Sweden AB	Sweden	100.00	100.00
13	CG Drives and Automation Sweden AB	Sweden	100.00	100.00
14	CG Drives and Automation Germany GmbH	Germany	100.00	100.00
15	CG Drives and Automation Netherlands B.V.	The Netherlands	100.00	100.00
16	CG Middle East FZE	UAE	100.00	100.00
17	QEI, LLC	USA	100.00	100.00
18	CG Power Americas, LLC	USA	100.00	100.00
19	PT Crompton Prima Switchgear Indonesia	Indonesia	51.00	51.00
20	CG Power and Industrial Solutions Limited Middle East FZCO	UAE	100.00	100.00

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

(iii) **Key Management Personnel:**

1	Natarajan Srinivasan	- Managing Director (Appointed w.e.f. 26 November, 2020)
2	Susheel Todi	- Chief Financial Officer (Appointed w.e.f. 5 February, 2021)
3	P Varadarajan	- Company Secretary and Compliance Officer (Appointed w.e.f. 1 April, 2021)
4	K R Viswanarayan	- Company Secretary and Compliance Officer (Appointed w.e.f. 6 February, 2021 and resigned w.e.f. 31 March, 2021)
5	Alen Ferns	- Company Secretary and Compliance Officer (Appointed w.e.f. 18 March, 2020 and ceased w.e.f. 5 February, 2021)
6	Sudhir Mathur	- Whole Time - Executive Director (Resigned w.e.f. 26 November, 2020)

Non Executive Directors

1	Vellayan Subbiah	- Chairman, Non-Independent Non-Executive Director (Appointed w.e.f. 26 November, 2020)
2	M A M Arunachalam	- Non-Independent Non-Executive Director (Appointed w.e.f. 26 November, 2020)
3	P S Jayakumar	- Independent Non-Executive Director (Appointed w.e.f. 26 November, 2020)
4	Shailendra Narain Roy	- Independent Non-Executive Director (Appointed w.e.f. 26 November, 2020)
5	Sasikala Varadachari	- Independent Non-Executive Director (Appointed w.e.f. 26 November, 2020)
6	Kalyan Kumar Paul	- Non-Independent Non-Executive Director (Appointed w.e.f. 11 June, 2021)
7	Sriram Sivaram	- Independent Non-Executive Director (Appointed w.e.f. 11 June, 2021)
8	Ashish Kumar Guha	- Chairman, Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)
9	Narayan K. Seshadri	- Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)
10	Ramni Nirula	- Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)
11	Jitender Balakrishnan	- Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)
12	Pradeep Mathur	- Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)
13	Dr. Aditi Raja	- Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)
14	Dr. Rathin Roy	- Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)

(iv) **Other Related Parties:**

1	Shanthi Gears Limited	(w.e.f. 26 November, 2020)
2	Clean Max Enviro Energy Solutions Private Limited	(w.e.f. 26 November, 2020 and ceased to be a related party w.e.f. 2 September, 2021)
3	Parry Enterprises India Limited	(w.e.f. 26 November, 2020)

(v) **Post Employment Benefit Entity:**

1 CG Provident Fund

2 CG Gratuity Fund

(b) **The following transactions were carried out with the related parties (Refer note 1 below):**

Sr. No.	Nature of transaction / relationship	2021-22	2020-21 (Revised)
1	**Purchase of goods and services**		
	Subsidiaries		
	CG Adhesive Products Limited	7.27	3.74
	CG Drives and Automation Sweden AB	0.97	3.33
		8.24	7.07
	Other Related Party		
	Shanthi Gears Limited	4.61	0.50
		4.61	0.50
	Total	12.85	7.57

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of transaction / relationship	2021-22	2020-21 (Revised)
2	**Sales of goods and services**		
	Parent company		
	Tube Investments Of India Limited	1.20	0.08
		1.20	0.08
	Subsidiaries		
	CG Drives & Automation Sweden AB	6.87	3.46
	CG Drives and Automations Germany GmbH	4.18	0.01
		11.05	3.47
	Other Related Party		
	Shanthi Gears Limited	0.43	0.16
		0.43	0.16
	Total	12.68	3.71
3	**Interest expenses**		
	Subsidiary		
	CG Adhesive Products Limited	0.38	0.38
	Total	0.38	0.38
4	**Proceeds from issue of equity shares**		
	Parent company		
	Tube Investments Of India Limited	-	650.00
	Total	-	650.00
5	**Proceeds against warrants issued**		
	Parent company		
	Tube Investments Of India Limited	57.78	37.50
	Total	57.78	37.50
6	**Issue of equity shares on conversion of warrants**		
	Parent company		
	Tube Investments Of India Limited	77.04	-
	Total	77.04	-
7	**Purchase of fixed assets**		
	Parent company		
	Tube Investments Of India Limited	0.10	-
	Total	0.10	-
8	**Payment to Key Management Personnel**		
	Salaries, commission and perquisites*	6.58	3.78
	Total	6.58	3.78
9	**Other expenses**		
	Subsidiaries		
	CG Adhesive Products Limited	0.04	0.03
	CG Electric Systems Hungary Zrt	-	0.05
		0.04	0.08
	Other Related Parties		
	Clean Max Enviro Energy Solutions Private Limited	0.38	0.24
	Parry Enterprises India Limited	1.19	0.28
		1.57	0.52
	Total	1.61	0.60

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of transaction / relationship	2021-22	2020-21 (Revised)
10	Brand royalty income		
	Subsidiary		
	CG International B.V.	1.64	3.30
	Total	1.64	3.30
11	Other Income		
	Subsidiary		
	CG Drives & Automation Sweden AB	0.87	-
	Total	0.87	-
12	Provision against advances		
	Subsidiaries		
	CG Power Solutions Limited	-	191.54
	CG International B.V. (net of reversal)	40.36	-
	Total	40.36	191.54
13	Provision against trade receivables		
	Subsidiary		
	CG Power Americas, LLC	-	6.90
	Total	-	6.90
14	Reversal of provision against investments		
	Subsidiary		
	CG International B.V.	-	288.75
	Total	-	288.75
15	Loans and advances given during the year		
	Subsidiary		
	CG International B.V. (net of recovery ₹ 8.86 crores)	40.36	-
	Total	40.36	-
16	Reversal of provision for doubtful trade receivable		
	Subsidiary		
	CG Power Americas, LLC	0.14	-
	Total	0.14	-

*Remuneration does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

(c) Amount due to / from related parties:

Sr. No.	Nature of balance / relationship		As at 31-03-2022	As at 31-03-2021 (Revised)
1	Trade payable			
	Subsidiaries			
	CG Adhesive Products Limited		1.98	2.63
	CG Sales Network Malaysia Sdn.Bhd.		2.32	2.43
	CG Drives and Automation Sweden AB		0.63	6.72
	CG Power Americas, LLC		5.32	5.13
		(A)	10.25	16.91
	Non-current		-	-
	Current		10.25	16.91
			10.25	16.91
	Other Related Parties			
	Shanthi Gears Limited		0.93	0.59
	Clean Max Enviro Energy Solutions Private Limited		-	0.11
	Parry Enterprises India Limited		0.07	0.11
		(B)	1.00	0.81
	Non-current		-	-
	Current		1.00	0.81
			1.00	0.81
	Total	(A+B)	11.25	17.72
2	Trade receivable			
	Parent company			
	Tube Investments Of India Limited		0.62	0.10
		(A)	0.62	0.10
	Non-current		-	-
	Current		0.62	0.10
			0.62	0.10
	Subsidiaries			
	CG Sales Network Malaysia Sdn.Bhd.		0.01	-
	CG Drives and Automation Sweden AB		1.42	4.47
	CG Drives & Automation Germany GmbH		0.80	0.81
	CG Power Americas, LLC		0.20	0.19
		(B)	2.43	5.47
	Non-current		-	-
	Current		2.43	5.47
			2.43	5.47
	Other Related Party			
	Shanthi Gears Limited		0.29	0.19
		(C)	0.29	0.19
	Non-current		-	-
	Current		0.29	0.19
			0.29	0.19
	Total	(A+B+C)	3.34	5.76
3	Loans and advances receivable (net)			
	Subsidiaries			
	CG International Holdings Singapore Pte. Limited		19.44	19.44
	CG International B.V.		2759.34	2721.36
		(A)	2778.78	2740.80
	Less : Provision against loans and advances			
	CG International Holdings Singapore Pte. Limited		19.44	19.44
	CG International B.V.		2758.53	2718.17
		(B)	2777.97	2737.61
	Non-current		-	-
	Current		0.81	3.19
	Total	(A-B)	0.81	3.19

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of balance / relationship		As at 31-03-2022	As at 31-03-2021 (Revised)
4	Other current assets			
	Other Related Party			
	Parry Enterprises India Limited		0.75	-
	Total		0.75	-
5	Loans and advances payable			
	Subsidiaries			
	CG Power Americas, LLC		1.05	1.05
	CG Adhesive Products Limited (incl. accrued interest ₹1.03 cr and as at 31 March, 2021 ₹0.68 cr)		4.47	4.57
		(A)	5.52	5.62
	Other Related Party			
	Parry Enterprises India Limited		0.00	-
		(B)	0.00	-
	Non-current		-	-
	Current		5.52	5.62
	Total	(A-B)	5.52	5.62
6	Guarantees outstanding (utilized)			
	Subsidiaries			
	CG International Holdings Singapore Pte. Limited^		-	221.09
	CG International B.V.^		503.19	515.76
	PT Crompton Prima Switchgear Indonesia		18.00	17.39
	Total		521.19	754.24

^ Represents outstanding amount.

(d) Compensation of Key Management Personnel of the Company:

Nature of transaction	2021-22	2020-21 (Revised)
Short-term employee benefits	5.50	3.62
Post-employment benefits	0.26	0.16
Fair value cost of stock option granted	0.82	-
Total compensation paid to key management personnel	6.58	3.78

Notes:

1 The sales to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions.

2 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 ₹ 10.91 crores (as at 31 March 2021 ₹ 10.22 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 ₹ 6.69 crores (as at 31 March 2021 ₹ 2.05 crores).

4 Following subsidiaries are under liquidation process:

i) CG Power Solutions UK Limited

ii) CG Power and Industrial Solutions Limited Middle East FZCO

iii) CG Power Systems Canada Inc.

iv) CG Sales Networks Malaysia Sdn. Bhd.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

45. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Transformer Division - Kanjurmarg

The Company had entered into a definitive agreement followed with revised term sheet with a Buyer for sale of its remaining portion of land at Kanjurmarg. During the year, the Company has complied with Conditions Precedent required as laid down in the binding term sheet signed and completed the sale transaction in December, 2021. The Company received net sale consideration ₹ 367.18 crores and accounted profit of ₹ 123.62 crores on completion of this transaction.

The plant and machineries of factory at this Kanjurmarg were shifted to other manufacturing facilities and the carrying value of land and building was classified as 'Asset held for sale'. The restructuring provision, utilisation thereof and provision towards delay in completing contractual obligation towards completion of land sale aggregating to ₹ 94.67 crores was accounted in previous year and formed part of the exceptional items in the standalone financial statements. On completion of sale transaction, during current year accumulated provision of ₹ 156.90 crores is reversed and accounted as exceptional gain.

The major classes of assets and liabilities of the discontinued operations are as under:

	As at 31-03-2022 Transformer Division - Kanjurmarg	As at 31-03-2021 (Revised) Transformer Division - Kanjurmarg
Assets		
Land and building (net)	-	279.85
Assets classified as held for sale (A)	-	279.85
Liabilities directly associated with assets classified as held for sale (B)	-	-
Net assets directly associated with disposal group (A-B)	-	279.85

Net cash flows attributable to the operating, investing and financing activities of discontinued operations:

	2021-22	2020-21 (Revised)
Operating	-	-
Investing	367.18	-
Financing	-	-

46. EXCEPTIONAL ITEMS

	2021-22	2020-21 (Revised)
Cessation of liability arising on settlement and restructuring of borrowings including interest thereon as per resolution plan (Refer note (a) below)	0.35	1426.89
Provision towards corporate guarantee obligation settlement including net foreign exchange gain / (loss) (Refer note (b) below)	(1.29)	(306.01)
Write off against doubtful advances (Refer note (c) below)	-	(176.11)
Write off against loan given to subsidiary (Refer note (c) below)	-	(191.54)
Reversal of impairment of investments in subsidiary (Refer note (d) below)	-	288.75
Reversal of provision / (provision) towards delay in completing contractual obligation towards completion of land sale and expected restructuring cost (Refer note 45)	156.90	(94.67)
Provision towards other litigations (Refer note (e) below)	(40.00)	(18.54)
Professional fees related to investigations and debt resolution (Refer note (f) below)	-	(14.39)
Gain on sale of land at Kanjur Marg (Refer note 45)	123.62	-
Total	239.58	914.38

Notes:

(a) The Company has discharged and settled the borrowings facilities. Consequent to settlement, the gain on extinguishment of liability on account of reduction of certain portion of agreed debt including interest thereon as per resolution plan aggregating to ₹ 0.35 crores (previous year ₹ 1426.89 crores) is recognised in profit or loss as an exceptional item.

(b) During current year, unrealised foreign exchange loss of ₹ 1.29 crores accrued on outstanding balance of provision towards corporate guarantee obligation settlement. In previous year, provision of ₹ 206.55 crores and ₹101.21 crores made towards cash and value of equity settlement option respectively of consideration payable on guarantee obligation settlement. Further unrealised foreign exchange gain of ₹ 1.75 crores was accrued on this provision amount.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

46. EXCEPTIONAL ITEMS (Contd.)

(c) In previous year, ₹ 191.54 crores receivables from subsidiary and ₹ 176.11 crores advances receivable from other company were written off.

(d) In previous year, based on the reassessment of value of investment in its subsidiary, CG International BV, impairment provision of ₹ 288.75 crores was reversed.

(e) The Company has made provision related to claims under dispute / litigation for ₹ 40.00 crores (previous year ₹ 18.54 crores).

(f) In previous year, the Company incurred professional fees of ₹14.39 crores towards investigation and debt resolution.

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 Company has not disclosed the fair value of financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, current financial assets - loans, current financial assets - others, current financial liabilities - borrowings, trade payables and other financial liabilities (except 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 loans given. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 2 fair values in the fair value hierarchy.

4. Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values, accordingly non-current borrowings are classified as level 2 fair values in the fair value hierarchy.

   The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

   Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

   Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

   Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

	Note	Carrying amount	Fair value		
	No.	As at 31-03-2022	Level 1	Level 2	Level 3
Financial assets at amortised cost:					
Non-current investments*	6	0.39	0.39	-	-
Non-current financial assets others	8	11.93	-	11.93	-
Total		12.32	0.39	11.93	-
Financial assets at fair value through profit or loss:					
Non-current investments	6	0.25	-	0.25	-
Current investments	12	40.62	40.62	-	-
Total		40.87	40.62	0.25	-
Financial liabilities at amortised cost:					
Long term loans from bank	21	98.87	-	98.87	-
Long term loans - debentures	21	200.00	-	200.00	-
Long term loans - others	21	3.44	-	3.44	-
Non-current other financial liabilities	22	14.07	-	14.07	-
Total		316.38	-	316.38	-

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

47. FAIR VALUE MEASUREMENTS (Contd.)

	Note No.	Carrying amount As at 31-03-2021 (Revised)	Fair value Level 1	Level 2	Level 3
Financial assets at amortised cost:					
Non-current investments*	6	0.39	0.39	-	-
Non-current financial assets others	8	12.60	-	12.60	-
Total		12.99	0.39	12.60	-
Financial assets at fair value through profit or loss:					
Non-current investments	6	1.47	-	1.47	-
Current investments	12	0.01	0.01	-	-
Total		1.48	0.01	1.47	-
Financial liabilities at amortised cost:					
Long term loans from bank	21	612.99	-	612.99	-
Long term loans - debentures	21	200.00	-	200.00	-
Non-current other financial liabilities	22	7.51	-	7.51	-
Total		820.50	-	820.50	-

* Excludes investment in subsidiaries measured at cost.

During the reporting period ending 31 March, 2022 and 31 March, 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to certain financial risks namely credit risk, market risk and liquidity risk. The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and equity price risk. Financial instruments affected by market risk include foreign currency receivables, payables, loans and borrowings, derivative financial instruments and FVTOCI investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company has managed its interest rate risk by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest risk

	As at 31-03-2022	As at 31-03-2021 (Revised)
Floating Rate borrowings	98.87	622.34

Interest rate sensitivity

	2021-22	2020-21 (Revised)
25 bps increase - Decrease in profit	(0.25)	(1.56)
25 bps decrease - Increase in profit	0.25	1.56

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign currency risk

The Company's functional currency is Indian Rupee. The Company undertakes transactions denominated in foreign currencies and consequently the Company is exposed to foreign exchange risk. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

Unhedged foreign currency exposure as at 31 March, 2022

	USD	Euro	JPY	CHF	Others	Total
Trade receivables	60.85	26.67	-	-	5.41	92.93
Trade payables	(70.12)	(5.59)	(1.04)	(1.22)	(1.16)	(79.13)
Commission payable	(26.05)	(3.85)	-	-	(0.12)	(30.02)

Unhedged foreign currency exposure as at 31 March, 2021 (Revised)

	USD	Euro	JPY	CHF	Others	Total
Trade receivables	72.78	31.06	-	-	2.69	106.53
Trade payable	(35.37)	(12.91)	(0.77)	(0.43)	(0.54)	(50.02)
Commission payable	(24.55)	(3.57)	-	-	(0.13)	(28.25)

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax

	2021-22		2020-21 (Revised)	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	0.75	(0.75)	0.13	(0.13)
Euro	0.36	(0.36)	0.15	(0.15)
JPY	0.01	(0.01)	(0.01)	0.01
CHF	0.01	(0.01)	(0.00)	0.00
Others	0.07	(0.07)	0.02	(0.02)
Increase / (decrease) in profit or loss	1.20	(1.20)	0.29	(0.29)

Credit risk

Credit risk refers to the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans, foreign exchange transactions and other financial instruments. Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are generally set to manage credit risk. General payment terms include credit period ranging from 45 to 90 days and where applicable, mobilisation advance, progress payments and certain retention money to be released at the end of the project.

Where the loans or receivables are impaired, the Company continues to engage in enforcement activity to attempt to recover the receivable due.

The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans given, other financial assets and financial guarantees.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon or in case where settlement is agreed, the settlement amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided except as otherwise stated in respect of guarantees where settlement is agreed.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Exposure to credit risk

	As at 31-03-2022	As at 31-03-2021 (Revised)
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Investments in Government or trust securities	0.39	0.39
Investments in Debentures or bonds	0.05	0.05
Other non-current investments	0.18	1.41
Non-current financial assets - others	11.93	12.60
Cash and cash equivalents and other bank balances	413.27	393.21
Current financial assets - loans	0.81	3.19
Current financial assets - others	11.65	33.84
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	1096.80	746.21

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks. Refer note 46 in respect of provision / write off towards non-current loans and non-current financial assets others.

The ageing analysis of the trade receivables (gross of provision) (current as well as non-current) has been considered from the date the invoice falls due.

As at 31-03-2022	
Up to 3 months	784.84
3 to 6 months	48.28
More than 6 months	263.68
	1096.80
As at 31-03-2021 (Revised)	
Up to 3 months	411.16
3 to 6 months	22.37
More than 6 months	312.68
	746.21

The following table summarizes the change in the loss allowances for trade receivables measured using life-time expected credit loss model:

As at 1-04-2020 (Revised)	267.36
Provided during the year	72.62
Amounts written off	(103.34)
Reversals of provision	(12.10)
As at 31-03-2021 (Revised)	224.54
Provided during the year	20.72
Amounts written off	(25.10)
Reversals of provision	(12.84)
As at 31-03-2022	207.32

No significant changes in estimation techniques or assumptions were made during the reporting period.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31-03-2022	Less than 1 year	1 to 5 years	Over 5 years	Total
Interest-free sales tax deferral loans from State Government	0.12	-	-	0.12
Deposits payable	0.08	2.92	0.69	3.69
Long term borrowings (excluding unamortised upfront fees of ₹ 1.13 crores)	-	203.44	100.00	303.44
Trade payables#	1125.23	-	-	1125.23
Other financial liabilities	253.11	-	-	253.11
Lease liabilities	3.85	4.19	4.24	12.28

Includes disputed Trade Payable of ₹19.08 crores. Refer note 25.

As at 31-03-2021 (Revised)	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	-	4.48	0.09	4.57
Long term borrowings (excluding unamortised upfront fees of ₹ 9.35 crores)	4.84	521.10	296.40	822.34
Short-term borrowings	131.64	-	-	131.64
Trade payables#	998.72	-	-	998.72
Other financial liabilities	579.89	-	-	579.89
Lease liabilities	3.48	5.54	3.18	12.20

Includes disputed Trade Payable of ₹19.08 crores. Refer note 25.

General credit terms for the trade payables are in the range of 30 to 180 days. The Company has access to credit facilities to mitigate any short-term liquidity risk.

Collaterals:

The Company has hypothecated its trade receivables, other current receivables and cash and cash equivalents in order to fulfill 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 24).

49. CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	As at 31-03-2022	As at 31-03-2021 (Revised)
Total debt	302.43	944.75
Equity	1819.32	1033.83
Equity and net debt	2121.75	1978.58
Gearing ratio	14.25%	47.75%

No changes were made in objectives, policies or process for managing capital during the year ended 31 March, 2022 and 31 March, 2021.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

50. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1-04-2021	Cash Inflows / (Outflows)	Effect of reclassification	One time settlement	Finance cost charged during the year	As at 31-03-2022
Non-current financial liabilities - borrowings:						
Secured loans						
Term loans from banks	612.99	(521.98)	-	(0.35)	8.21	98.87
Unsecured loans						
Debentures	200.00	-	-	-	-	200.00
Others	-	-	3.44	-	-	3.44
Non-current other financial liabilities:						
Others*	2.94	-	-	-	7.44	10.38
Current financial liabilities - borrowings:						
Secured loans						
Banks	127.75	(127.75)	-	-	-	-
Unsecured loans						
Others	3.89	(0.45)	(3.44)	-	-	-
Current - other financial liabilities:						
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	0.12
Interest accrued but not due on borrowings	4.58	(46.78)	-	-	44.45	2.25
Others*	-	-	-	-	1.92	1.92
Total	952.27	(696.96)	-	(0.35)	62.02	316.98

	As at 1-04-2020 (Revised)	Cash Inflows / (Outflows)	Effect of reclassification	One time settlement	Finance cost charged during the year	Others	As at 31-03-2021 (Revised)
Non-current financial liabilities - borrowings:							
Secured loans							
Term loans from banks	221.89	607.67	(217.05)	-	0.48	-	612.99
Unsecured loans							
Term loans from banks	71.00	-	(71.00)	-	-	-	-
Debentures	-	-	-	-	-	200.00	200.00
Non-current other financial liabilities:							
Others*	-	-	-	-	2.94	-	2.94
Current financial liabilities - borrowings:							
Secured loans							
Banks	370.59	(46.84)	(4.84)	(285.90)	-	94.74	127.75
Unsecured loans							
Banks	519.18	(122.55)	-	(330.64)	-	(65.99)	-
Others	4.27	(0.38)	-	-	-	-	3.89
From Other Company	320.00	(85.32)	-	(188.74)	-	(45.94)	-
Current - other financial liabilities:							
Current maturities of long term borrowings	483.08	(390.58)	462.89	(378.35)	5.77	(182.81)	-
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	-	0.12
Interest accrued but not due	105.34	(26.57)	21.54	(243.26)	147.53	-	4.58
Total	2095.47	(64.57)	191.54	(1426.89)	156.72	-	952.27

Notes:

* Represents interest accrued as per amortised cost method of Ind AS.

The above disclosure does not include the cash flow movement for lease liabilities (Refer note 39). The finance cost charged during the year is related to borrowings.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

51. EARNINGS PER SHARE

		2021-22	2020-21 (Revised)
Face value of equity share	₹	**2.00**	2.00
Weighted average number of Equity Shares			
- Basic	Nos.	**1358728604**	867943352
- Diluted	Nos.	**1438032637**	918678806
Profit for the year	₹ crores	**627.06**	688.99
Earnings per share			
- Basic	₹	**4.62**	7.94
- Diluted	₹	**4.36**	7.50
Profit used as the numerators in calculating basic and diluted earnings per share		**627.06**	688.99
Weighted average number of equity shares used as the denominator in calculating basic earnings per share		**1358728604**	867943352
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share		**1438032637**	918678806
Type of instruments that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period presented		**Warrants and Employee Stock Options**	Warrants

52. PARTICULARS IN RESPECT OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS REQUIRED BY REGULATION 34(3) READ WITH PARA A OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

	Balance as at		Maximum outstanding during	
	31-03-2022	31-03-2021 (Revised)	2021-22	2020-21 (Revised)
(a) Principal outstanding of loans and advances in the nature of loans given to subsidiaries				
CG Power Solutions Limited	**-**	-	**-**	1199.50
CG International B.V.	**2759.34**	2718.17	**2759.34**	2718.17
CG International Holdings Singapore Pte. Limited	**19.44**	19.44	**19.44**	19.44
(b) Loans and advances in the nature of loans where repayment schedule is not specified				
CG International B.V.	**2759.34**	2718.17	**2759.34**	2718.17
CG Power Solutions Limited	**-**	-	**-**	1199.50

53. 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 31-03-2022	As at 31-03-2021 (Revised)
CG International B.V.*	**917.70**	937.66
CG Electric Systems Hungary Zrt.	**-**	276.60
CG International Holdings Singapore Pte. Limited	**-**	386.22
PT CG Power Systems Indonesia	**-**	160.95
PT Crompton Prima Switchgear Indonesia **	**52.11**	50.37
	969.81	1811.80

Notes:

* Amount includes corporate guarantees of ₹ 917.70 crores (as at 31 March 2021 ₹ 710.22 crores) for which guarantee settlement is agreed by lenders and the Company.

** Guarantee expired on September 22, 2020.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

54. RATIOS

The following are analytical ratios for the year ended 31 March 2022 and 31 March 2021

S. No.	Particulars	Numerator	Denominator	31 March, 2022	31 March, 2021 (Revised)	Variance	Explanation on variance of more than 25%
1	Current Ratio (In times)	Current assets	Current liabilities	**1.26**	0.87	44.73%	Reduction in current liabilities on account of payment of overdue trade payables, settlement of corporate guarantees and prepayment of CG House Debt has resulted in improvement in the ratio.
2	Debt Equity Ratio (In times)	Total Debt	Shareholder's Equity	**0.17**	0.91	(81.81%)	Improvement in ratio is mainly due to repayment of debt and increase in profit on account of increase in revenue.
3	Debt service coverage ratio (In times)	Earnings available for debt service = Net profit after tax (before exceptional items) + Non cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Scheduled principal repayments (excluding prepayments of debt)	**10.92**	5.49	98.86%	Reduction in interest cost on account of repayment of loan contributed to improvement in the ratio.
4	Return on Equity Ratio (%)	Net profit after taxes	Average shareholder's equity	**43.96%**	192.15%	(77.12%)	Return on equity reduced due to issue of equity shares in previous year which resulted in higher average shareholder equity in current year.
5	Inventory Turnover Ratio (In times)	Cost of goods sold	Average Inventory	**9.01**	5.35	68.53%	Financial stress in previous year impacted revenue and the closing balance of inventory. Since, the ratio is computed based on average inventory, the average inventory turnover ratio has reduced. Due to these reasons, the comparison of current year inventory ratio with previous year is not comparable.
6	Trade Receivable Turnover Ratio (In times)	Revenue	Average Trade receivable	**7.31**	5.44	34.46%	Financial stress in previous year impacted revenue and the closing balance of receivables. Since, the ratio is computed based on average trade receivables, the average receivables turnover ratio has reduced. Due to these reasons, the comparison of current year debtor turnover ratio with previous year is not comparable.
7	Trade Payable Turnover Ratio (In times)	Net Credit Purchases	Average Trade payable	**3.51**	1.60	119.85%	Financial stress in previous year impacted purchase and the closing balance of payables. Higher purchase in the current year and payment of overdue trade payables has contributed to improvement in ratio.
8	Net Capital Turnover Ratio (In times)	Revenue	Working Capital	**11.83**	N.A.	100%	Increase in revenue, payment of overdue creditors, settlement of corporate guarantee obligations and prepayment of CG House debt resulted in improvement in the turnover ratio.
9	Net Profit Ratio (%)	Net Profit	Revenue	**7.51%**	(8.92%)	184.17%	Increase in margin is mainly on account of higher contribution due to increase in revenue, absorption of fixed cost and lower finance cost due to repayment of debt.
10	Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed (Tangible net worth + Debt)	**26.79%**	4.44%	503.10%	Return on capital employed has improved on account of increase in operating profit due to increase in revenue and absorption of fixed cost, better working capital management and repayment of debt.
11	Return on Investment (%)	Interest	Investment	**3.20%**	3.19%	0.44%	-

* Figures in the denominator of ratio calculation is negative in FY 2021. Therefore, ratio is not calculated and disclosed as NA.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

55. UPDATES ON INVESTIGATION

The Company is fully co-operating with the ongoing investigation by Serious Fraud Investigation Office ('SFIO') and other regulatory authorities on the affairs of the Company pertaining to past period and against erstwhile promoters and erstwhile key managerial personnel relating to transactions that took place when the Company was under the control of the erstwhile promoters/management.

56. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

57. The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

58. Amounts shown as ₹ 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand).

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Bharath N S
Partner
Membership No. 210934

Mumbai : 02 May, 2022

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 02 May, 2022

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, 2022

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	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) 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 Adhesive Products Limited (formerly known as "CG-PPI Adhesive Products Limited)	04-Nov-88	31-Mar-22	INR	1.00	1.00	3.90	-	16.91	25.23	4.42	-	23.24	3.78	0.95	2.83	-	81.42%	India
2	CG Power Solutions Limited	14-Mar-12	31-Mar-22	INR	1.00	1.00	0.05	-	(1869.99)	0.00	1869.94	-	-	-	-	-	-	100.00%	India
3	CG Power Equipments Limited	19-Sep-14	31-Mar-22	INR	1.00	1.00	3.18	-	(3.16)	0.02	-	-	-	-	-	-	-	100.00%	India
4	CG Sales Networks Malaysia Sdn. Bhd.(formerly known as "Crompton Greaves Sales Network Malaysia Sdn. Bhd.")	30-Sep-13	31-Mar-22	MYR	18.00	17.97	0.37	-	2.83	4.13	0.93	-	-	(0.33)	-	(0.33)	-	100.00%	Malaysia
5	CG International Holdings Singapore PTE Limited	06-Jun-11	31-Mar-22	EUR	84.00	84.29	206.20	-	(284.72)	75.64	154.16	-	-	225.13	-	225.13	-	100.00%	Singapore
6	CG International B.V.	01-Apr-05	31-Mar-22	EUR	84.00	84.29	1384.88	-	(2939.52)	423.10	1977.74	-	-	(103.12)	-	(103.12)	-	100.00%	The Netherlands
7	CG Power Systems Canada Inc.	13-May-05	31-Mar-22	CAD	60.46	59.50	166.26	48.37	(210.93)	6.33	2.63	-	-	0.00	-	0.00	-	100.00%	Canada
8	PT Crompton Prima Switchgear Indonesia	07-May-14	31-Dec-21	IDR	0.00527	0.00526	39.95	-	(64.56)	146.49	171.10	-	-	-	-	-	-	51.00%	Indonesia
9	CG-Granz Generator and Motor LLC (formerly known as "CG Holdings Hungary Kft.")*	26-Sep-06	31-Mar-22	EUR	84.00	84.29	-	-	-	-	-	-	-	(0.01)	-	(0.01)	-	100.00%	Hungary
10	CG Power Solutions UK Limited	01-Apr-10	31-Mar-22	GBP	99.33	100.61	0.00	-	(15.37)	27.01	42.38	-	-	-	-	-	-	100.00%	United Kingdom
11	CG Industrial Holdings Sweden AB	10-Jun-11	31-Mar-22	SEK	8.13	8.05	113.78	-	(3.70)	241.66	131.58	-	-	0.09	-	0.09	-	100.00%	Sweden
12	CG Drives and Automation Sweden AB	10-Jun-11	31-Mar-22	SEK	8.13	8.05	20.83	-	201.77	285.06	62.46	-	208.19	5.72	1.37	4.35	-	100.00%	Sweden
13	CG Drives and Automation Netherlands B.V.	10-Jun-11	31-Mar-22	EUR	84.00	84.29	4.99	-	28.40	49.94	16.55	-	53.42	4.99	1.01	3.98	-	100.00%	The Netherlands
14	CG Drives and Automation Germany GmbH	10-Jun-11	31-Mar-22	EUR	84.00	84.29	0.21	-	18.91	47.50	28.38	-	165.78	6.75	2.16	4.59	-	100.00%	Germany
15	CG Middle East FZE	14-Apr-13	31-Mar-22	EUR	84.00	84.29	1.67	-	(510.63)	1.68	510.64	-	-	260.09	-	260.09	-	100.00%	UAE
16	CG Power Americas, LLC	08-Jan-16	31-Mar-22	USD	75.72	75.39	-	-	(210.77)	31.16	241.93	-	-	1.04	3.14	(2.10)	-	100.00%	USA
17	QEI, LLC	15-Apr-15	31-Mar-22	USD	75.72	75.39	-	-	110.18	163.95	53.77	-	77.89	23.96	-	23.96	-	100.00%	USA
18	CG Power and Industrial Solutions Limited Middle East FZCO	15-Oct-18	31-Mar-22	EUR	84.00	84.29	-	-	-	-	-	-	-	-	-	-	-	100.00%	UAE

* During the year, the subsidiary has been liquidated w.e.f. 15 December 2021.

FORM AOC - I

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures

Part 'A' : Subsidiaries

INFORMATION IN RESPECT OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

Notes:

1 Name of the subsidiaries which are yet to commence the operations

CG Power and Industrial Solutions Limited Middle East FZCO

2 Name of the subsidiaries which have been liquidated or sold during the year

CG-Ganz Generator and Motor Limited Liability Company (liquidated)

3 Name of the subsidiaries which have been demerged during the year

Nil

4 Name of the subsidiaries ceased to be subsidiaries on account of loss of control during the year

Nil

5 Name of the subsidiaries merged during the year

Nil

For and on behalf of the Board

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 02 May, 2022

FORM AOC - I

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures

Part 'B' : Associates and Joint Ventures

INFORMATION IN RESPECT OF ASSOCIATE COMPANIES AND JOINT VENTURES FOR THE YEAR ENDED 31 MARCH, 2022

S. No.	Name of Associate / Joint Venture	Date of Acquisition / Incorporation	Latest Audited Balance Sheet Date	Share of Associate / Joint Venture held by company on the year end: Number of Shares held	Amount of Investment in Associate / Joint Venture	Extent of Holding %	Description of How there is significant infuence	Reason why the Associate / Joint Venture is not consolidated	Networth attributable to shareholding as per latest audited balance sheet	Profit / (loss) for the year: Considered in Consolidation	Not considered in Consolidation
1	2	3	4	5	6	7	8	9	10	11	12
NIL											

Notes:

1. Name of the associates or joint ventures which are yet to commence the operations - NIL

2. Name of the associates which have been liquidated or sold during the year - NIL

For and on behalf of the Board

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 02 May, 2022

Consolidated Financials 2021-22

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of CG Power and Industrial Solutions Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 28 of the consolidated financial statements)	
The Group has two operating segments, namely, Power and Industrial Segment. The type of customers varies across these segments, ranging from Large Government companies/ corporations to Original Equipment Manufacturers and Industrial Customers etc. Majority of the Group's revenue is from sale of goods which are recognized at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers within each of the operating segments, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition. Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.	Our audit procedures amongst others included the following: • We read and understood the Group's accounting policy for timing of revenue recognition and assessed compliance in terms of Ind AS 115- Revenue from Contracts with Customers. • We understood the Holding Company's revenue processes, including design and implementation of controls which vary based on product segment and customer, and tested the operating effectiveness of such controls in relation to revenue recognition. • On a sample basis, we tested contracts with customers, purchase orders issued by customers, and sales invoices raised by the Holding Company to determine the timing of transfer of control along with pricing terms and the timing of the revenue recognition in respect of such contracts. • Compared revenue with historical trends and where appropriate, conducted further enquiries and testing. • On a sample basis, we analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc. for those transactions. • We assessed the disclosures for compliance with applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (Contd.)

Key audit matters	How our audit addressed the key audit matter
Recognition of Deferred Tax Asset (as described in Note 8 of the consolidated financial statements)	
The Group has Deferred Tax Asset (DTA) of ₹ 613.35 crores as at March 31, 2022 on tax losses based on availability of future taxable profits against which DTA will be utilized. The tax losses were primarily on account of write off of receivable balances in relation to various transactions in earlier years, which are under investigations by regulatory authorities. Basis legal opinion, management of Holding Company has considered these written-offs as an allowable expense under the Income tax and recognized deferred tax assets on such losses. The recognition of deferred tax asset is identified as key audit matter considering the significance of amounts and judgements involved.	Our audit procedures amongst others included the following: • We obtained an understanding, assessed and tested the operating effectiveness of internal control relating to the measurement and recognition of deferred tax. • We involved internal experts to assess tax computation as per the local fiscal regulations in India. • We tested on a sample basis the identification and quantification of differences between the recognition of assets and liabilities according to tax law and financial reporting in accordance with Indian Accounting Standards. • We obtained and verified the budgeted forecast approved by the senior management of the Holding Company which was in line with the projections approved by the Board of the Holding Company for recoverability of deferred tax asset. • We performed reasonability testing in relation to assumptions and estimates considered by the management of the Holding Company for assessing recoverability of deferred tax asset. • We obtained and read the legal opinion considered by the management of the Holding Company for recognition of deferred tax assets on losses. • We assessed the disclosures in the Consolidated Financial Statements in accordance with the requirements of Ind AS 12 "Income Taxes".
Claims and exposures relating to taxation and litigation (as described in Note 37 of the consolidated financial statements)	
The Group has disclosed contingent liabilities of ₹ 25.31 crores in respect of disputed claims/ levies under tax and legal matters. Taxation and litigation exposures have been identified as a key audit matter due to significant outstanding matters with authorities and Holding Company's management assessment towards potential financial impact of these matters will involve significant judgement and assumptions.	Our audit procedures amongst others included the following: • We understood the process and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities. • We obtained details of legal and tax disputed matters from the Holding Company management and assessed Holding Company management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss. • We involved tax specialists to assist us in evaluating tax positions taken by management of Holding Company. • We circulated legal confirmation for material litigations to external legal counsel and reviewed their assessment and had a discussion on their assessment with the senior management of the Holding Company. • We assessed the relevant disclosures made in the Consolidated Financial Statements for compliance with the requirements of Ind AS 37.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of 10 subsidiaries which are part of continued operations of the group, whose financial statements include total assets of ₹ 1315.11

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (Contd.)

crores as at March 31, 2022, and total revenues of ₹ 528.70 crores and net cash outflows of ₹ 52.78 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The Company has voluntarily revised its consolidated financial statements for the year ended March 31, 2021, as per National Company Law Tribunal (the 'NCLT') approval dated December 22, 2021 under section 131(1) of the Companies Act, 2013, included in these consolidated financial statements as comparatives. Those financial statements have been audited by us and we expressed qualified opinion on those revised consolidated financial statements on December 31, 2021.

(c) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 3 subsidiaries, part of continued operations of the Group, whose financial statements and other financial information reflect total assets of ₹ 131.98 crores as at March 31, 2022, and total revenues of ₹ Nil and net cash outflows of ₹ 1.50 crores for the year ended on that date. The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 3 subsidiaries, part of discontinued operations of the Group, whose financial statements and other financial information reflect total assets of ₹ 10.38 crores as at March 31, 2022, and total revenues of ₹ Nil and net cash outflows of ₹ 0.99 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matters' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matters' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (Contd.)

for the year ended March 31, 2022 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;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 37 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2022.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding company and subsidiary companies, incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Bharath N S
Partner
Membership Number: 210934
UDIN:22210934AIGHDC1509
Place of Signature: Mumbai
Date: May 2, 2022

ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: CG Power and Industrial Solutions Limited ("the Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, we state that:

(xxi) Adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No.	Name	CIN	Relation	Clause number of the CARO report which is adverse
1	CG Power Solutions Limited	U40300MH2012PLC228170	Subsidiary	(xix)

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Bharath N S
Partner
Membership Number: 210934
UDIN: 22210934AIGHDC1509
Place of Signature: Mumbai
Date: May 2, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of CG Power and Industrial Solutions Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 2 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Bharath N S
Partner
Membership Number: 210934
UDIN: 22210934AIGHDC1509
Place of Signature: Mumbai
Date: May 2, 2022

₹ crores

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2022

	Note No.	As at 31-03-2022		As at 31-03-2021 (Revised)	
ASSETS					
(1) Non-current assets					
(a) Property, plant and equipment	4	869.89		912.14	
(b) Capital work-in-progress	4	26.81		12.31	
(c) Goodwill	5	152.37		155.68	
(d) Intangible assets	5	59.18		77.87	
(e) Intangible assets under development	5	8.38		7.82	
(f) Financial assets					
(i) Investments	6	0.63		1.86	
(ii) Others	7	28.04		28.13	
(g) Deferred tax assets (net)	8	625.72		737.95	
(h) Other non-current assets	9	4.96		14.14	
			1775.98		1947.90
(2) Current assets					
(a) Inventories	10	512.35		428.27	
(b) Financial assets					
(i) Investments	11	40.62		0.01	
(ii) Trade receivables	12	943.66		586.98	
(iii) Cash and cash equivalents	13	397.63		486.73	
(iv) Bank balances other than (iii) above	14	90.39		46.83	
(v) Others	15	139.50		162.94	
(c) Current tax assets (net)		82.93		129.10	
(d) Other current assets	16	234.79		322.73	
			2441.87		2163.59
(3) Assets classified as held for sale and discontinued operations	43		8.06		290.17
TOTAL ASSETS			4225.91		4401.66
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity share capital	17	288.37		267.60	
(b) Other equity	18	715.54		(351.89)	
			1003.91		(84.29)
LIABILITIES					
(1) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	19	307.47		835.93	
(ii) Lease liabilities	38	6.86		10.58	
(iii) Other financial liabilities	20	14.16		7.61	
			328.49		854.12
(b) Provisions	21		30.59		27.62
(c) Deferred tax liabilities (net)	8		3.83		4.68
(d) Other non-current liabilities	22		0.67		0.46
(2) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	23	44.74		628.57	
(ii) Lease liabilities	38	7.87		9.08	
(iii) Trade payables					
(A) Total outstanding dues of micro enterprises and small enterprises; and	24	40.57		84.29	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	1108.07		950.23	
(iv) Other financial liabilities	25	659.64		852.54	
			1860.89		2524.71
(b) Other current liabilities	26		817.24		845.24
(c) Provisions	27		171.45		218.07
(3) Liabilities associated with group of assets classified as held for sale and discontinued operations	43		8.84		11.05
TOTAL EQUITY AND LIABILITIES			4225.91		4401.66
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	2				

The accompanying notes form an integral part of consolidated financial statements

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

per Bharath N S
Partner
Membership No. 210934
Mumbai : 02 May, 2022

Susheel Todi
Chief Financial Officer
Mumbai : 02 May, 2022

P Varadarajan
Company Secretary

₹ crores

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

	Note No.	2021-22		2020-21 (Revised)	
INCOME					
Revenue from operations	28		5561.40		2963.95
Other income	29		41.71		111.42
Total income			5603.11		3075.37
EXPENSES					
Cost of materials consumed	30	3818.31		1969.33	
Purchases of stock-in-trade	31	164.87		86.12	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	(47.11)		(81.18)	
Employee benefits expense	33	377.48		371.78	
Finance costs	34	68.17		197.10	
Depreciation and amortisation expense	35	101.21		138.31	
Other expenses	36	592.36		510.42	
Total expenses			5075.29		3191.88
Profit / (loss) before exceptional items and tax			527.82		(116.51)
Exceptional items (net)	44		507.92		1543.67
Profit before tax			1035.74		1427.16
Tax expense:					
Current tax	8	10.39		2.81	
Deferred tax (net)	8	111.93		144.81	
			122.32		147.62
Profit from continuing operations after tax			913.42		1279.54
Profit / (loss) from discontinued operations before tax	43	(0.35)		0.06	
Tax expense on discontinued operations	8	-		-	
Profit / (loss) from discontinued operations after tax			(0.35)		0.06
Profit for the year			913.07		1279.60
Attributable to:					
Equity holders of the parent			912.54		1295.20
Non-controlling interests			(0.53)		15.60
			913.07		1279.60
Other comprehensive income:					
A (i) Items that will not be reclassified subsequently to profit or loss					
(a) Remeasurement gain / (loss) on defined benefit plans		(2.62)		(4.00)	
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.66		1.03	
B (i) Items that will be reclassified subsequently to profit or loss		16.69		5.91	
Total other comprehensive income for the year			14.73		2.94
Total comprehensive income for the year			927.80		1282.54
Attributable to:					
Equity holders of the parent			927.27		1298.14
Non-controlling interests			(0.53)		15.60
			927.80		1282.54
Earnings per share for continuing operations	48				
Basic (₹)			6.72		14.92
Diluted (₹)			6.35		14.10
(Face value of ₹ 2 each)					
Earnings per share for discontinued operations	48				
Basic (₹)			(0.00)		0.00
Diluted (₹)			(0.00)		0.00
(Face value of ₹ 2 each)					
Earnings per share for total operations	48				
Basic (₹)			6.72		14.92
Diluted (₹)			6.35		14.10
(Face value of ₹ 2 each)					
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	2				

The accompanying notes form an integral part of consolidated financial statements

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

per Bharath N S
Partner
Membership No. 210934
Mumbai : 02 May, 2022

Susheel Todi
Chief Financial Officer
Mumbai : 02 May, 2022

P Varadarajan
Company Secretary

₹ crores

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022		2021-22	2020-21 (Revised)
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		1035.74	1427.16
Adjustments for:			
Depreciation and amortisation expense		101.21	138.31
Allowances for doubtful receivables		3.27	57.87
Bad debts written off / (reversal) (net)		(18.78)	0.33
Gain arising on financial instruments designated as FVTPL		(0.61)	(0.14)
Finance costs		68.17	197.10
Interest income		(20.16)	(13.20)
Expense on employee stock options outstanding		1.78	-
Profit on sale of investments (net)		(0.05)	-
Unrealised exchange (gain) / loss (net)		0.14	(3.39)
Unrealised exchange loss on consolidation (net)		16.69	7.11
Intangible assets write off		-	7.15
Loss on sale of property, plant and equipment (net)		4.83	0.23
Liabilities no longer required written back		(4.02)	-
Exceptional items (net)		(507.92)	(1543.67)
		(355.45)	(1152.30)
Operating profit before working capital changes		680.29	274.86
Adjustments for:			
(Increase) / Decrease in trade and other receivables		(204.39)	(144.51)
(Increase) / Decrease in inventories		(84.08)	(85.63)
Increase / (Decrease) in trade and other payables		88.71	(248.71)
Increase / (Decrease) in provisions		(35.91)	(21.92)
		(235.67)	(500.77)
Cash (used in) / from operations		444.62	(225.91)
Income tax refund / (paid) (net)		39.60	(3.52)
Non-controlling interest in (profit) / loss		0.53	(15.60)
Net cash flow (used in) / from continuing operating activities		484.75	(245.03)
Net cash flow (used in) / from discontinued operating activities		(0.17)	2.83
Net cash flow (used in) / from continuing and discontinued operating activities	[A]	484.58	(242.20)
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Proceeds from sale of property, plant and equipment		3.16	2.63
Proceeds from sale of investment in subsidiary		-	0.26
Proceeds from sale of investments		1.29	-
Unrealised exchange (gain) / loss on consolidation (net)		5.92	(41.30)
Interest received		20.67	7.76
		31.04	(30.65)
Less: Outflows from investing activities			
Purchase of property, plant and equipment (including capital work -in- progress and capital advances) and intangible assets		(73.36)	(17.67)
Purchase of investments		(98.00)	-
		(171.36)	(17.67)
Net cash flow (used in) / from continuing investing activities		(140.32)	(48.32)
Net cash flow (used in) /from discontinued investing activities		367.18	-
Net cash flow (used in) / from continuing and discontinued investing activities	[B]	226.86	(48.32)

₹ crores

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022 (Contd.)		2021-22	2020-21 (Revised)
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from issue of of equity shares and warrants (net off expenses as per below note 3)		57.40	664.40
Proceeds from long-term borrowings (net off processing fees paid)		81.10	635.61
Proceeds from short-term borrowings		-	38.96
Unrealised exchange (gain) / loss on consolidation (net)		(2.30)	15.01
Changes in non-controlling interest		(0.53)	15.60
		135.67	1369.58
Less: Outflows from financing activities			
Repayment of long-term borrowings		(603.08)	(475.90)
Repayment of short-term borrowings		(134.44)	(252.06)
Payment of lease liabilities		(10.64)	(12.03)
Payment towards corporate guarantee settlement		(138.72)	(4.32)
Finance costs paid		(49.20)	(35.37)
		(936.08)	(779.68)
Net cash flow (used in) / from continuing financing activities		(800.41)	589.90
Net cash flow (used in) / from discontinued financing activities		-	-
Net cash flow (used in) / from continuing and discontinued financing activities	[C]	(800.41)	589.90
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(88.97)	299.38
Less: Reduction in cash and cash equivalents on account of deconsolidation of subsidiaries		-	(2.60)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(88.97)	296.78
Cash and cash equivalents at beginning of the year		488.81	192.03
Cash and cash equivalents at end of the year		399.84	488.81
Cash and cash equivalents from continuing operations (Refer note 13)		397.63	486.73
Cash and cash equivalents from discontinued operations		2.21	2.08
Cash and cash equivalents from continuing and discontinued operations		399.84	488.81

1 Refer note 47 in respect of disclosure for changes in liabilities arising from financing activities.

2 Purchase of property, plant and equipment and intangible assets referred above include movements of capital work-in-progress and intangible assets under development respectively during the year.

3 Proceeds from issue of equity shares and warrants is net off expenses related to raising of equity aggregating to ₹ 0.38 crores (as at 31 March, 2021 ₹ 23.10 crores.)

4 The consolidated statement of cash flows has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

per Bharath N S
Partner
Membership No. 210934
Mumbai : 02 May, 2022

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 02 May, 2022

₹ crores

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

(A) EQUITY SHARE CAPITAL

For the year ended 31 March, 2022

Balance as at 1-04-2021	Changes in equity share capital during the year*	Balance as at 31-03-2022
267.60	20.77	288.37

For the year ended 31 March, 2021

Balance as at 1-04-2020 (Revised)	Changes in equity share capital during the year	Balance as at 31-03-2021 (Revised)
125.35	142.25	267.60

* Refer note 17

(B) OTHER EQUITY

For the year ended 31 March, 2022

	Retained Earnings	Effective Portion of Cash Flow Hedge	Foreign Currency Translation Reserve	Equity Instruments through Other Comprehensive Income	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium	Share Options Outstanding Account	Share Warrant Money	Total	Non-Controlling Interest	Total Equity
Balance as at 01 April, 2021	(1529.59)	(0.05)	(51.29)	-	671.65	3.58	12.95	502.95	-	37.50	(352.30)	0.41	(351.89)
Profit for the year	912.54	-	-	-	-	-	-	-	-	-	912.54	0.53	913.07
Employee stock options issued	-	-	-	-	-	-	-	-	1.78	-	1.78	-	1.78
Proceeds against share warrants	-	-	-	-	-	-	-	-	-	57.78	57.78	-	57.78
Shares issued on conversion of warrants	-	-	-	-	-	-	-	59.04	-	(77.04)	(18.00)	-	(18.00)
Expenses on issue of equity shares and share warrants	-	-	-	-	-	-	-	(0.38)	-	-	(0.38)	-	(0.38)
Shares issued on settlement of guarantee	-	-	-	-	-	-	-	98.44	-	-	98.44	-	98.44
Other comprehensive income for the year													
- Remeasurement loss on defined benefit plans	(1.96)	-	-	-	-	-	-	-	-	-	(1.96)	-	(1.96)
- Foreign currency translation differences	-	-	16.69	-	-	-	-	-	-	-	16.69	0.01	16.70
Balance as at 31 March, 2022	(619.01)	(0.05)	(34.60)	-	671.65	3.58	12.95	660.05	1.78	18.24	714.59	0.95	715.54

For the year ended 31 March, 2021 (Revised)

	Retained Earnings	Effective Portion of Cash Flow Hedge	Foreign Currency Translation Reserve	Equity Instruments through Other Comprehensive Income	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium	Share Options Outstanding Account	Share Warrant Money	Total	Non-Controlling Interest	Total Equity
Balance as at 01 April, 2020 (Revised)	(2577.51)	0.37	17.95	(244.31)	671.65	3.58	12.95	18.30	-	-	(2097.02)	15.54	(2081.48)
Profit / (loss) for the year	1295.20	-	-	-	-	-	-	-	-	-	1295.20	(15.60)	1279.60
Amount received on issuance of share warrants	-	-	-	-	-	-	-	-	-	37.50	37.50	-	37.50
Amount received on issuance of equity shares	-	-	-	-	-	-	-	507.75	-	-	507.75	-	507.75
Expenses on issue of equity shares and share warrants	-	-	-	-	-	-	-	(23.10)	-	-	(23.10)	-	(23.10)
Transfer of cumulative loss on equity instrument measured under FVTOCI	(244.31)	-	-	244.31	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year													
- Remeasurement loss on defined benefit plans	(2.97)	-	-	-	-	-	-	-	-	-	(2.97)	-	(2.97)
- Foreign currency translation differences	-	-	5.91	-	-	-	-	-	-	-	5.91	0.47	6.38
Transferred to statement of profit and loss/ retained earning on account of deconsolidation of subsidiaries	-	(0.42)	(75.15)	-	-	-	-	-	-	-	(75.57)	-	(75.57)
Balance as at 31 March, 2021 (Revised)	(1529.59)	(0.05)	(51.29)	-	671.65	3.58	12.95	502.95	-	37.50	(352.30)	0.41	(351.89)

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

per Bharath N S
Partner
Membership No. 210934
Mumbai : 02 May, 2022

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 02 May, 2022

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

CG Power and Industrial Solutions Limited (the 'Company' or 'Parent') with CIN No: L99999MH1937PLC002641 is a limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at 6th Floor, CG house, Dr. Annie Besant Road, Worli, Mumbai – 400 030, India. The Company 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 (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, 2022.

The consolidated financial statements of the Group for the year ended 31 March, 2022 were authorised for issue in accordance with a resolution of the directors on 02 May, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III of the Companies Act, 2013. The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and financial liabilities measured at fair value.

The consolidated financial statements are presented in Indian Rupees ('₹') and all values are rounded to the nearest crores, except when otherwise indicated.

2.2 Basis of consolidation:

The Group consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The entities are consolidated from the date control commences until the date control ceases.

The consolidated financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Profit or loss on each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in consolidated statement of profit and loss. Any investment retained is recognised at fair value.

Changes in the Group's holding that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's holding and the non-controlling interests are adjusted to reflect the changes in their relative holding. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the parent.

Joint Ventures are entities over which the Group has joint control. Associates are entities over which the Group has significant influence but not control. Investments in Joint Ventures and Associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in Joint Ventures and Associates includes goodwill identified on acquisition.

2.3 Property, plant and equipment:

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, net of trade discounts and rebates, directly attributable costs of bringing the asset to its working condition for its intended use and capitalised borrowing costs. When significant parts of the plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Subsequent expenditure related to an item of property, plant and equipment is capitalised only if it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date and stated at cost, net of accumulated impairment loss, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is recognised in the consolidated statement of profit and loss when the asset is derecognised.

Depreciation is provided on straight-line method over the useful lives of assets. Depreciation commences when an asset is ready for its intended use. The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, where the useful lives was determined by technical evaluation. Freehold land is not depreciated. Depreciation on additions to / deductions from assets is provided on pro-rata basis with reference to the month of addition / deletion.

The range of useful lives of the property, plant and equipment are as follows:

- Plant and machinery – 1 to 21 years
- Furniture and fittings - 1 to 15 years
- Office equipments - 1 to 15 years
- Buildings – 3 to 60 years
- Vehicles – 1 to 8 years

Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the useful life of the building.

In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

Foreign companies

Depreciation on property, plant and equipment has been provided at the rates required / permissible by the GAAPs of the respective countries. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

On transition to Ind AS, the Group has elected to continue with the carrying value as per the previous GAAP for Plant and machinery, Furniture and fittings, Office equipments and Vehicles as its deemed cost. Also, the Group has elected to measure Freehold land, Leasehold Land and Building at its fair value and considered it as deemed cost as on the date of transition to Ind AS.

2.4 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The amortisation expense on intangible assets with finite lives is recognised in statement of profit and loss.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets are amortised as follows:

- Computer software : Over a period of five to six years;
- Technical know-how (including technology) : Over a period of five years (from the date of availability for its use);
- Commercial rights : Over a period of ten years;
- Brand name and customer lists (including trade mark) : Over a period of ten years; and
- Other intangible assets : Over a period of three to fifteen years;

Research and development expenditure:

Revenue expenditure on research activities is expensed under the respective heads of account in the period in which it is incurred.

Development expenditures on an individual project are recognised as intangible asset, if all of the following criteria can be demonstrated:

(i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) The Group has intention to complete the development of intangible asset and use or sell it;

(iii) The Group has ability to use or sell the intangible asset;

(iv) The manner in which the probable future economic benefit will be generated

(v) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(vi) The Group has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over a period of five years. During the period of development, the asset is tested for impairment annually.

On transition to Ind AS, the Group has elected to continue with the carrying value as per the previous GAAP for all intangible assets as its deemed cost.

2.5 Impairment of non-financial assets:

At least at the end of each reporting period, the Group assesses whether there is an indication that an asset may be impaired and also whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If any indication exists, or when annual impairment testing for an asset is required, if any, the Group determines the recoverable amount and impairment loss is recognised in the consolidated statement of profit and loss, when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's (CGU's) fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2.6 Inventories:

Inventories are valued as under:

- Raw materials, packing materials, construction materials, stores and spares, loose tools and traded goods at lower of cost and net realisable value. Cost is determined on weighted average basis.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- Work-in-progress and finished goods (manufacturing) at lower of cost and net realisable value. Cost includes an appropriate share of production overheads based on normal operating capacity. Finished goods cost is determined on weighted average basis.

The cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete and slow moving items of inventories are valued at cost or net realisable value, whichever is lower. Goods and Materials in transit are valued at actual cost incurred up to the reporting date. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.7 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.8 Foreign currency transactions:

Initial recognition

Transactions in foreign currencies entered are accounted at the exchange rates prevailing on the date of the transaction.

Measurement as at Balance Sheet Date

Foreign currency monetary items that are outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions.

Treatment of exchange differences

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities are recognised as income or expense in the statement of profit and loss.

Consolidation of subsidiaries situated in foreign countries

The translation of financial statements of the foreign subsidiaries from their respective functional currencies to the presentation currency (₹) is performed for assets and liabilities using the exchange rates prevailing at the reporting date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under OCI.

When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the consolidated statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.9 Revenue recognition:

(a) Revenue from sale of goods and services

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services is recognised when services are rendered.

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. In contracts where freight is arranged by the Group and recovered from the customers, the same is treated as separate performance obligations and revenue is recognised when such freight services are rendered. Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items in a contract when they are highly probable to be provided. The variable consideration is estimated at contract inception updated thereafter at each reporting date or until crystallisation of the amount. Liquidated damages are recognised as a part of variable consideration.

In revenue arrangements with multiple performance obligations, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their standalone selling prices.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(b) Revenue from construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognised based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, and price variations / escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and generally when it is agreed with customer. Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognised in the period in which estimates are revised.

(c) Dividend and Interest Income

Dividend income is accounted for when the shareholder's right to receive the same is established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is recognised taking into account the amount outstanding and the effective interest rate.

2.10 Employee benefits:

Short-term employee benefits

All employee benefits payable wholly within twelve months after the end of the annual reporting period in which the employees render the related services, are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Compensation to employees of certain subsidiaries consist of pension plan, which are either fee or benefit based.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amounts of the benefits expected in exchange for the related services.

Post-employment benefits

Defined Contribution Scheme:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

Defined Benefit Plans:

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with the actuarial valuations being carried out at the end of each annual reporting period.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the consolidated statement profit or loss. Past service cost is recognised in the consolidated statement of profit and loss in the period of plan amendment or when the Group recognised related re-structuring costs.

The Group recognises the following changes in the net defined benefit obligation under employee benefit expenses in the consolidated statement of profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and settlements;
- net interest expense or income

Gratuity:

Gratuity is a defined benefit obligation plan operated by the Company and a subsidiary incorporated in India for its employees covered under Group Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with CG Gratuity Fund of the Group. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to the consolidated profit and loss subsequently. Some of the overseas subsidiaries operate Gratuity scheme plan for employees as per laws of the respective countries, liability in respect of the same is provided on the accrual basis, estimated at each reporting date.

Leave encashment:

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The Company and its Indian subsidiaries treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the consolidated statement of profit and loss.

Overseas subsidiaries provide liability in respect of compensated absences for employees as per respective local entity's policies. The same is measured based on the accrual basis as the payment is required to be made within next twelve months.

Provident Fund:

Contributions to Provident Fund are made to a Trust administered by the Company and are charged to profit or loss as incurred. The Company is generally liable for the contributions. However, any shortfall in fund assets based on government specified minimum rate are recognised as an expense in the year it arises.

Termination benefits:

Termination benefits are recognised as an expense when the Group can no longer withdraw the offer of the termination benefits or when the Group recognise any related restructuring costs whichever is earlier.

2.11 Shared Based Payments (Employee Stock Option Scheme):

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Group and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in stock options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

2.12 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time (generally over twelve months) to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.13 Segment accounting:

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Maker in the Group to make decisions for performance assessment and resource allocation. Segment performance is evaluated based on the profit or loss of reportable segment and is measured consistently.

The Operating segments have been identified on the basis of the nature of products / services.

(i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

(ii) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

(iii) Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.

(iv) Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.

(v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment

2.14 Leases:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Group as a lessee

At the date of commencement of the lease, the Group recognizes right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases and low value assets). For these short-term leases and leases of low-value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

A ROU asset is recognised representing its right to use the underlying asset for the lease term. The cost of the ROU asset measured at inception comprises of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses if any, and adjusted for any remeasurement of the lease liability.

The ROU assets are depreciated from the commencement date using the straight-line method over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The range of useful lives of the ROU assets are as follows:

- Leasehold land – 24 to 999 years
- Buildings – 2 to 9 years
- Furniture and fittings – 5 years

Group as a lessor

Leases for which the Group is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.15 Earnings per share:

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of consolidated financial statements by the Board of Directors.

2.16 Income taxes:

Income tax expense for the period comprises of current and deferred income tax. Income tax expense is recognised in net profit in the statement of profit and loss except when they are relating to items that are recognised in OCI or directly in equity, in which case, it is also recognised in relating to items recognised directly in OCI or equity respectively.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Current tax

Current tax comprises the expected income tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the Balance Sheet date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.17 Provisions, Contingent liabilities, Contingent assets and Commitments:

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet.

Warranty provisions

Provisions for the expected cost of warranty obligations are recognised at the time of sale of relevant product or service, at the best estimate of the expenditure required to settle the Group's obligation.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.18 Government grants:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in the statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of profit and loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments.

2.19 Exceptional items:

An item of income or expense which by its size, type or incidence is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed as such in the consolidated financial statements.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.20 Business combinations and goodwill

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical costs. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill arising on business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.21 Investment in associates and joint ventures:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate or a joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate or a joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or a joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

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.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or a joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate or a joint venture' in the consolidated statement of profit and loss.

2.22 Current and non-current classification:

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets / liabilities are classified as non-current.

Operating cycle:

A portion of the Group's activities (primarily long-term project activities) has an operating cycle that exceeds 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.

2.23 Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.24 Non-current assets held for sale and discontinued operations:

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss. Also comparative consolidated statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Assets and liabilities classified as held for disposal are presented separately from other assets and liabilities in the consolidated balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.25 Financial instruments:

The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

(i) Financial assets:

Initial recognition and measurement

Financial assets are measured at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety either at amortised cost or at fair value depending on the classification of the financial assets.

Where financial assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss or 'FVTPL'), or recognised in other comprehensive income (i.e. fair value through other comprehensive income or 'FVTOCI').

A financial asset is measured at amortised cost (net of any write down for impairment) if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

All equity investments are measured at fair value, with fair value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present fair value changes in 'other comprehensive income'. However, dividend on such equity investments are recognised in consolidated statement of profit and loss when the Group's right to receive payment is established.

Impairment of financial assets

The Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss. Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-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).

For trade receivables the Company applies a simplified approach under which loss allowance is recognised based on expected lifetime ECL losses to be recognised on each reporting date. The Company uses a provision matrix that is based on its historical credit loss experience adjusted for relevant forward-looking factors . For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk since initial recognition full lifetime ECL is used.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, which are not at fair value through profit or loss, are deducted from the fair value on initial recognition.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Subsequent measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss ('FVTPL'). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated statement of profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial guarantee contracts

A Financial guarantee contracts is a contract that requires the Group to make specified payment to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of, the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

(iii) Derivative financial instruments and hedge accounting:

The Group uses various derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and presented as a separate component of equity which is later reclassified to the consolidated statement of profit and loss when the hedge item affects profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss as other expenses.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(iv) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities within the next financial year.

Judgements

(i) Lease of assets not in legal form of lease

Significant judgment is required to apply lease accounting rules under Ind AS 116. In assessing the applicability to arrangements entered into by the Group, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Ind AS 116.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd.)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Useful lives of property, plant and equipment

Management reviews useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors. This reassessment may result in change in depreciation expected in future period.

(ii) Development costs

Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management assesses and monitors whether the recognition requirements for development costs continue to be met. There is inherent uncertainty in the economic success of any product development. The Group uses judgement in assessment of development cost eligible for capitalisation.

(iii) Impairment of non-financial assets

In case of non-financial assets Group estimates asset's recoverable amount, which is higher of an asset's or cash generating units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

(iv) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Income taxes

Deferred tax assets for unused tax losses are recognised only when it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

(vi) Defined benefit obligation

In accounting for post-retirement benefits, actuarial method uses several statistical and other factors to anticipate future events that are used to calculate defined benefit obligation. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Group may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(vii) Revenue from contract with customers

The Group estimates variable considerations in the nature of volume rebates, discounts, performance bonuses, penalties and similar items and adjusts the transaction price for the sale of goods and services. These expected variable considerations are analysed either at customer or contracts basis against agreed terms with customers and may differ from actual results.

(viii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in notes but are not recognised. The cases which have been determined as remote by the Group are not disclosed.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Plant and machinery	Furniture and fittings	Right-of-Use assets	Office equipments	Vehicles	Total	Capital work-in- progress
Cost / deemed cost:									
As at 01-04-2020 (Revised)	117.01	872.78	613.82	31.73	122.07	27.51	17.60	1802.52	11.88
Additions	-	1.13	3.07	0.61	10.42	0.40	0.46	16.09	2.21
Disposals / transfers	-	2.85	56.52	5.52	4.61	2.81	3.88	76.19	4.60
Transferred adjustments	-	-	(0.38)	0.38	-	-	-	-	-
Less: Exchange differences	(8.02)	(13.64)	(14.22)	(0.05)	0.16	(0.80)	(0.94)	(37.51)	(2.82)
Reduction on deconsolidation of subsidiaries	51.85	214.82	66.18	(2.27)	7.38	2.81	7.01	347.78	-
As at 31-03-2021 (Revised)	**73.18**	**669.88**	**508.03**	**29.52**	**120.34**	**23.09**	**8.11**	**1432.15**	**12.31**
Additions	-	3.58	30.87	0.23	5.44	2.67	2.80	45.59	16.92
Disposals / transfers	-	-	0.92	0.23	6.22	0.21	1.54	9.12	1.71
Less: Exchange differences	-	0.15	2.24	(0.02)	0.00	0.21	0.03	2.61	0.71
As at 31-03-2022	**73.18**	**673.31**	**535.74**	**29.54**	**119.56**	**25.34**	**9.34**	**1466.01**	**26.81**
Accumulated depreciation:									
As at 01-04-2020 (Revised)	**-**	**221.85**	**284.20**	**13.93**	**27.53**	**18.39**	**8.55**	**574.45**	**-**
Depreciation charge for the year	-	25.83	46.04	3.28	12.89	3.02	1.25	92.31	-
Disposals / transfers	-	1.23	42.70	3.81	1.51	2.48	3.60	55.33	-
Transferred adjustments	-	-	(0.13)	0.13	-	-	-	-	-
Less: Exchange differences	-	(4.72)	(6.29)	(0.07)	1.62	(0.42)	(0.73)	(10.61)	-
Reduction on deconsolidation of subsidiaries	-	68.87	26.68	(2.27)	3.85	2.60	2.30	102.03	-
As at 31-03-2021 (Revised)	**-**	**182.30**	**267.02**	**15.87**	**33.44**	**16.75**	**4.63**	**520.01**	**-**
Depreciation charge for the year	-	23.17	32.33	2.37	10.40	1.75	1.20	71.22	-
Disposals / transfers	-	-	0.68	0.15	0.71	0.21	1.08	2.83	-
Impairment for the year	-	-	9.70	-	-	-	-	9.70	-
Less: Exchange differences	-	0.11	2.02	(0.03)	(0.34)	0.20	0.02	1.98	-
As at 31-03-2022	**-**	**205.36**	**306.35**	**18.12**	**43.47**	**18.09**	**4.73**	**596.12**	**-**
Net book value									
As at 31-03-2021 (Revised)	73.18	487.58	241.01	13.65	86.90	6.34	3.48	912.14	12.31
As at 31-03-2022	**73.18**	**467.95**	**229.39**	**11.42**	**76.09**	**7.25**	**4.61**	**869.89**	**26.81**

Note:

Group's application for renewal of lease in respect of property in Mumbai is pending consideration of local municipal corporation. The net book value of tangible assets in relation to this property is ₹ 187.44 crores (as at 31 March, 2021 ₹ 192.89 crores).

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT (Contd.)

Capital work in progress (CWIP) ageing schedule as at 31-03-2022

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	21.53	5.04	0.11	0.13	26.81
Total	21.53	5.04	0.01	0.13	26.81

Capital work in progress (CWIP) completion schedule as at 31-03-2022*

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Variable frequency drives frame	0.93	-	-	-	0.93
VSI modules	4.58	-	-	-	4.58
Variable frequency drives	1.37	-	-	-	1.37
Emo variable frequency drives	0.20	-	-	-	0.20
Total	7.08	-	-	-	7.08

Capital work in progress (CWIP) ageing schedule as at 31-03-2021 (Revised)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	6.58	5.07	0.61	0.05	12.31
Total	6.58	5.07	0.61	0.05	12.31

Capital work in progress (CWIP) completion schedule as at 31-03-2021 (Revised)*

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Testing facility - GIS	0.34	-	-	-	0.34
Low Power variable frequency drives	2.66	-	-	-	2.66
Variable frequency drives frame	-	0.85	-	-	0.85
VSI modules	-	1.99	-	-	1.99
Variable frequency drives	-	1.18	-	-	1.18
Emo variable frequency drives	-	0.08	-	-	0.08
High power for Variable frequency drives	0.41	-	-	-	0.41
Total	3.41	4.10	-	-	7.51

*Project wise completion schedule where project cost has exceeded or projects are overdue

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

5. INTANGIBLE ASSETS

	Brand names and customer lists	Computer software	Technical know-how	Commercial rights	Development cost	Total	Goodwill	Intangible assets under development
Cost / deemed cost:								
As at 01-04-2020 (Revised)	**275.23**	**95.08**	**92.12**	**31.09**	**212.40**	**705.92**	**150.16**	**15.74**
Additions	-	0.27	-	-	14.73	15.00	-	8.08
Disposals / transfers	3.02	14.04	76.13	-	26.22	119.41	-	8.84
Impairment for the year	-	-	-	-	-	-	-	7.15
Less: Exchange differences	(9.08)	(0.81)	(13.38)	-	(17.67)	(40.94)	(5.52)	0.01
Reduction on deconsolidation of subsidiaries	48.21	11.27	(68.65)	-	(23.80)	(32.97)	-	-
As at 31-03-2021 (Revised)	**233.08**	**70.85**	**98.02**	**31.09**	**242.38**	**675.42**	**155.68**	**7.82**
Additions	-	1.02	-	-	11.56	12.58	-	7.15
Disposals / transfers	-	-	-	-	-	-	-	6.59
Other Adjustment	97.76	-	-	-	-	97.76	-	-
Less: Exchange differences	0.49	0.12	1.82	-	6.98	9.41	3.31	0.00
As at 31-03-2022	**134.83**	**71.75**	**96.20**	**31.09**	**246.96**	**580.83**	**152.37**	**8.38**
Accumulated amortisation:								
As at 01-04-2020 (Revised)	**263.60**	**73.30**	**91.15**	**30.72**	**136.40**	**595.17**	**-**	**-**
Amortisation charge for the year	14.48	3.53	0.41	0.37	27.21	46.00	-	-
Disposals / transfers	2.33	11.78	76.13	-	21.80	112.04	-	-
Less: Exchange differences	2.45	(11.47)	(13.38)	-	(13.00)	(35.40)	-	-
Reduction on deconsolidation of subsidiaries	48.16	11.27	(68.65)	-	(23.80)	(33.02)	-	-
As at 31-03-2021 (Revised)	**225.14**	**65.25**	**97.46**	**31.09**	**178.61**	**597.55**	**-**	**-**
Amortisation charge for the year	3.41	3.01	0.41	-	23.16	29.99	-	-
Other Adjustment	97.76	-	-	-	-	97.76	-	-
Less: Exchange differences	0.61	0.10	1.83	-	5.59	8.13	-	-
As at 31-03-2022	**130.18**	**68.16**	**96.04**	**31.09**	**196.18**	**521.65**	**-**	**-**
Net book value								
As at 31-03-2021 (Revised)	7.94	5.60	0.56	-	63.77	77.87	155.68	7.82
As at 31-03-2022	**4.65**	**3.59**	**0.16**	**-**	**50.78**	**59.18**	**152.37**	**8.38**

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

5. INTANGIBLE ASSETS (Contd.)

Impairment testing of goodwill

For the purpose of impairment testing, goodwill relating to continuing business segments has been allocated to the cash generating units (CGUs) as follows:

CGUs /Segments	As at 31-03-2022	As at 31-03-2021 (Revised)
Industrial Systems	152.37	155.68
Total goodwill	**152.37**	155.68

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment.

The Group generally uses discounted cash flow based method to determine the recoverable amount. These discounted cash flow calculations use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The discount rate calculation is derived from weighted average cost of capital (WACC) of CGU's. Terminal value growth rates take into consideration external macroeconomic sources of data and industry specific trends.

The following table presents the key assumptions used to determine value in use / fair value less costs to sell for impairment test purposes.

	As at 31-03-2022	As at 31-03-2021 (Revised)
Terminal value growth rate	2%	1%
Discount rate	10.00%	10.30%

The pre-tax discount rate (WACC) used 10.00% (as at 31 March 2021 10.30%)

During the previous year, the Group has not separately tested for impairment the goodwill balances, however, the Group has reassessed recoverability of net assets of certain subsidiaries (including goodwill) and based on the reassessment has reversed provision to the extent of ₹ 282.21 crores as explained in note 44.

An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

Intangible assets under development (IAUD) ageing schedule as at 31-03-2022

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3.90	-	3.54	0.94	8.38
Total	**3.90**	**-**	**3.54**	**0.94**	**8.38**

Note:

There are no projects where project cost has exceeded or projects are overdue in current year.

Intangible assets under development (IAUD) ageing schedule as at 31-03-2021 (Revised)

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	2.70	4.43	0.69	7.82
Total	-	2.70	4.43	0.69	7.82

Note:

There were no projects where project cost exceeded or projects were overdue.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

	Face value per unit in ₹ unless otherwise specified	No. of shares / units			
		As at 31-03-2022	As at 31-03-2021 (Revised)	As at 31-03-2022	As at 31-03-2021 (Revised)
A) Quoted investments					
Government and trust securities					
Central Government Securities 10.18% GOI 2026 of ₹ 100 each	100	39000	39000	0.39	0.39
(Carried at amortised cost)					
Total (A)				0.39	0.39
B) Unquoted investments					
Investments in equity instruments					
Measured at fair value through other comprehensive income				-	244.31
Less: Cumulative change in fair value (impairment)				-	(241.31)
				-	-
Measured at fair value through profit or loss					
1. Dinette Exclusive Club Private Limited	100	500	500	0.01	0.01
2. Radiant Electronics Limited	100	190000	190000	0.00	0.00
				0.01	0.01
Investments in debentures or bonds					
Carried at fair value through profit and loss					
1. Avantha Holdings Limited	100	800000	800000	8.00	8.00
(Optionally Convertible, Zero Coupon, Non-marketable, Transferable Debentures)					
Less : Provision for impairment in value of investment				(8.00)	(8.00)
				-	-
2. Dinette Exclusive Club Private Limited	100	5000	5000	0.05	0.05
(0% Unsecured Irredeemable Non-convertible Debentures of ₹ 100 each)					
				0.05	0.05
Other non-current investments					
1. UTI Hybrid Equity Fund - Dividend Plan - Payout	10	55909	55909	0.18	0.16
2. Exide Life Traditional Employee Benefits Plan Scheme			1	-	0.32
3. HDFC Life Secure Managed Fund			312939	-	0.88
4. IndiaFirst Employee Benefit Plan Equity Advantage Fund			23171	-	0.05
				0.18	1.41
Total (B)				0.24	1.47
Total (A+B)				0.63	1.86
Notes					
Quoted investments					
Book value				0.39	0.39
Market value				0.39	0.39
Unquoted investments					
Book value				0.24	1.47

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

7. NON-CURRENT FINANCIAL ASSETS - OTHERS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Unsecured, considered good, unless otherwise stated		
Deposits	5.63	6.51
Fixed deposits with banks with maturity period of more than 12 months*	11.06	10.64
Other receivable	11.35	10.98
	28.04	28.13

* Deposits of ₹ 0.01 crore (as at 31 March, 2021 ₹ 0.14 crores) are held as margin money.

8. TAXATION

Income tax recognised in statement of profit and loss:

	2021-22	2020-21 (Revised)
Consolidated statement of profit or loss:		
Income Tax:		
Current period (continuing operations)	12.65	2.81
Previous period (continuing operations)	(2.26)	-
Deferred tax:		
Relating to origination and reversal of temporary differences - continuing operations	111.93	144.81
Income tax recognised in consolidated statement of profit or loss	122.32	147.62
Consolidated statement of other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during the year	(0.66)	(1.03)
Total income tax recognised in other comprehensive income	(0.66)	(1.03)

Reconciliation of Income tax expense and accounting profit / (loss) multiplied by applicable income tax rate:

	2021-22	2020-21 (Revised)
Accounting profit before tax from continuing operations	1035.74	1427.16
Accounting profit / (loss) before tax from discontinued operations	(0.35)	0.06
Accounting profit before income tax	1035.39	1427.22
Applicable tax rate	25.168%	25.168%
Computed tax expense	260.59	359.20
Income exempt from taxation	(65.46)	(0.37)
Income / expense not deductible in determining taxable profits	2.48	(97.58)
Deferred tax assets not recognised on account of lack of convincing evidence in respect of recognition	22.24	(153.85)
Impact of deferred tax created at lower tax rate	(50.50)	24.81
Impact of fair valuation of property, plant and equipment	(68.73)	-
Cessation of liability arising on settlement and restructuring of borrowings - not taxable	-	(297.82)
Other temporary differences	21.70	27.21
Change in income tax rate	-	286.02
Net income tax expense charged to consolidated statement of profit and loss	122.32	147.62
Income tax attributable to continuing operations	122.32	147.62
Income tax attributable to discontinued operations	-	-
Total	122.32	147.62

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

8. TAXATION (Contd.)

Deferred tax relates to the following:

	Balance sheet		Recognised in statement of profit or loss	
	As at 31-03-2022	As at 31-03-2021 (Revised)	2021-22	2020-21 (Revised)
Expenses allowable on payment basis	43.04	33.63	(9.42)	(14.27)
Other items giving rise to temporary differences	18.05	33.17	15.13	10.58
Accelerated depreciation for tax purposes	(41.94)	(47.73)	(4.38)	(32.46)
Fair valuation of property, plant and equipment.	(95.42)	(164.15)	(68.73)	(35.66)
Provision and impairment of loans and receivables	53.35	84.53	31.18	759.82
Provision for corporate guarantee obligation settlement	31.46	62.17	33.50	(64.96)
Unabsorbed losses and unabsorbed depreciation	613.35	731.65	113.99	(494.82)
Minimum Alternate Tax	-	-	-	15.55
Deferred tax asset / (liabilities)	621.89	733.27		
Net (income) / expense			111.27	143.78
Deferred tax expenses / (benefits)				
Relating to origination and reversal of temporary difference - continuing operation			111.27	143.78
Relating to origination and reversal of temporary difference - discontinued operations			-	-
Total			111.27	143.78

The net deferred tax assets of ₹ 621.89 crores (as at 31 March, 2021 ₹ 733.27 crores) includes deferred tax assets of ₹ 613.28 crores (as at 31 March, 2021 ₹ 727.27 crores) related to tax losses. Based on the future forecast and current economic conditions in India, there is reasonable certainty that the deferred tax assets on tax losses will be recovered on or before expiry of 8 years period.

Reconciliation of deferred tax assets net

	As at 31-03-2022	As at 31-03-2021 (Revised)
Opening balance	733.27	846.05
Tax income / (expense) during the year recognised in profit or loss from continuing operations	(111.93)	(144.81)
Reduction on deconsolidation of subsidiaries	-	30.64
Deferred tax on other comprehensive income	0.66	1.03
Exchange differences	(0.11)	0.36
Closing balance	621.89	733.27

9. NON-CURRENT ASSETS-OTHERS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Unsecured, considered good, unless otherwise stated		
Capital advances	4.96	1.81
Others	12.33	12.33
Less: Provision for doubtful balances	12.33	-
	-	12.33
	4.96	14.14

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

10. INVENTORIES

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Raw materials	202.50		161.24	
Add: Goods-in-transit	6.64		11.03	
		209.14		172.27
Work-in-progress		216.27		159.52
Finished goods		73.80		86.08
Stock-in-trade		10.08		7.44
Stores, spares and packing materials		2.67		2.92
Loose tools		0.39		0.04
		512.35		428.27

Note: Mode of valuation of inventories is stated in Note 2.6.

11. CURRENT FINANCIAL ASSETS - INVESTMENTS

	Face value per unit in ₹ unless otherwise specified	No. of shares / units			
		As at 31-03-2022	As at 31-03-2021 (Revised)	As at 31-03-2022	As at 31-03-2021 (Revised)
Unquoted investments					
Investments in equity instruments*					
1 Nicco Corporation Limited	2	330390	330390	0.01	0.01
2 JCT Electronics Limited	1	250000	250000	0.00	0.00
				0.01	0.01
Investments in mutual funds*					
1 SBI Liquid Fund - Direct Growth		121831	-	40.61	-
				40.61	-
				40.62	0.01

* Carried at fair value through profit and loss.

12. TRADE RECEIVABLES

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Unsecured:				
Considered good	943.66		586.98	
Credit impaired	157.46		168.14	
		1101.12		755.12
Less: Allowance for credit impaired		157.46		168.14
		943.66		586.98

Notes:

(a) Refer note 28 for trade receivable considered as contract balances.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

12. TRADE RECEIVABLES (Contd.)

Trade receivables ageing schedule:

As at 31-03-2022	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables – considered good	533.28	353.60	23.59	5.49	18.48	9.15	943.59
(ii) Undisputed trade receivable – credit impaired	-	0.01	1.57	57.11	34.84	63.90	157.43
(iii) Disputed trade receivables – considered good	-	0.07	-	-	-	-	0.07
(iv) Disputed trade receivable – credit impaired	-	-	-	-	0.03	-	0.03
Total	533.28	353.68	25.16	62.60	53.35	73.05	1101.12

As at 31-03-2021 (Revised)	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables – considered good	319.09	164.65	18.89	66.53	1.33	16.49	586.98
(ii) Undisputed trade receivable – credit impaired	-	0.19	48.33	8.16	21.86	89.60	168.14
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable – credit impaired	-	-	-	-	-	-	-
Total	319.09	164.84	67.22	74.69	23.19	106.09	755.12

13. CASH AND CASH EQUIVALENTS

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Balances with banks:				
In current accounts	159.09		204.67	
Fixed deposits with original maturity of less than 3 months (Refer note below)	238.53		280.59	
		397.62		485.26
Cash on hand		0.01		1.47
		397.63		486.73

Note: Deposits of ₹ 2.56 crores (as at 31 March, 2021 ₹ 0.85 crores) are held as margin money.

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Other balances:				
Earmarked balances with banks for:				
Unpaid dividends (Refer note (a) below)	0.01		0.74	
Others	0.33		10.45	
		0.34		11.19
Fixed deposits with original maturity of more than 3 months and upto 12 months (Refer note (b) below)		90.05		35.64
		90.39		46.83

Notes:

(a) Amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31 March, 2022 ₹ Nil (as at 31 March, 2021 ₹ 0.16 crores). Subsequent to year end, Company has remitted amount to IEPF ₹ Nil (previous year ₹ 0.16 crores).

(b) Deposits of ₹ 5.27 crores (as at 31 March, 2021 ₹ 6.21 crores) are held as margin money.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

15. CURRENT FINANCIAL ASSETS - OTHERS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Unsecured, considered good, unless otherwise stated:		
Security deposits:		
Considered good	10.73	33.06
Considered doubtful	0.74	0.77
	11.47	33.83
Less: Allowance for bad and doubtful deposits	0.74	0.77
	10.73	33.06
Receivable on deconsolidation of HBE Group*	126.70	127.30
Other financial assets	2.07	2.58
	139.50	162.94

* HBE refers to erstwhile subsidiaries consisting of CG Holdings Belgium NV ('HBE'), CG Power Systems Belgium NV ('PSBE'), CG Sales Networks France SA and CG Power Solutions Saudi Arabia Limited (collectively 'HBE Group'). These subsidiaries are deconsolidated with effect from January 1, 2020 consequent to the HBE and PSBE being declared bankrupt by local court.

16. OTHER CURRENT ASSETS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Advance to suppliers	58.39	66.64
Statutory and other receivables*	176.40	256.09
Receivable from erstwhile directors	0.16	0.28
Less: Provision for doubtful receivable	0.16	0.28
	234.79	322.73

Note:

* Major items includes statutory receivables of ₹ 84.04 crores (as at 31 March, 2021 ₹ 140.22 crores) and deposits (includes towards disputed tax demands) of ₹ 70.91 crores (as at 31 March, 2021 ₹ 67.18 crores).

17. SHARE CAPITAL

	As at 31-03-2022	As at 31-03-2021 (Revised)
Authorised:		
2,03,80,00,000 equity shares of ₹ 2 each	407.60	407.60
(2,03,80,00,000 equity shares of ₹ 2 each as at 31 March, 2021)		
Issued:		
1,44,18,85,329 equity shares of ₹ 2 each	288.37	267.60
(1,33,80,40,329 equity shares of ₹ 2 each as at 31 March, 2021)		
Subscribed and paid-up:		
1,44,18,43,029 equity shares of ₹ 2 each	288.37	267.60
(1,33,79,98,029 equity shares of ₹ 2 each as at 31 March, 2021)		
Forfeited shares:		
42,300 equity shares of ₹ 2 each (Amount partly paid-up ₹ 32,175)	0.00	0.00
(42,300 equity shares of ₹ 2 each (Amount partly paid-up ₹ 32,175 as at 31 March, 2021)		
	288.37	267.60

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

17. SHARE CAPITAL (Contd.)

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Authorised share capital	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	2038000000	407.60	2038000000	407.60
Balance at the end of the year	2038000000	407.60	2038000000	407.60

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Issued share capital	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	1338040329	267.60	626788442	125.35
Add: Issued during the year	103845000	20.77	711251887	142.25
Balance at the end of the year	1441885329	288.37	1338040329	267.60

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Subscribed and paid-up share capital	No of Shares	₹ crores	No of Shares	₹crores
Balance at the beginning of the year	1337998029	267.60	626746142	125.35
Add: Issued during the year	103845000	20.77	711251887	142.25
Balance at the end of the year	1441843029	288.37	1337998029	267.60

During the year, the Company has issued following equity shares and warrants under preferential allotment:

(i) 13845000 equity shares of face value of ₹ 2 each issued to a bank towards guarantee settlement consideration on preferential basis at ₹ 73.10 (including premium) per equity share for an aggregate consideration of ₹ 101.21 crores;

(ii) 90000000 equity shares of the face value of ₹ 2 each at a price of ₹ 8.56 (including premium) per equity share, for an aggregate consideration of ₹ 77.04 crores on conversion of 90000000 warrants held by Tube Investments of India Limited ('TII') into equity share;

During the year ended 31 March, 2021, the Company has issued following equity shares and warrants under preferential allotment to TII:

(i) 642523365 equity shares of the face value of ₹ 2 each at a price of ₹ 8.56 (including premium) per equity share, for an aggregate consideration of ₹ 550 crores;

(ii) 175233645 warrants ("Warrants"), each carrying a right exercisable by TII as the Warrant holder to subscribe to 1 (one) Equity Share per Warrant within 18 (eighteen) months from allotment, for a subscription amount of ₹ 37.50 crores, being 25% of the aggregate consideration payable for subscribing to equity shares upon exercise of the warrants; and

(iii) 68728522 equity shares of the face value of ₹ 2 each at a price of ₹ 14.55 (including premium) per equity share, for an aggregate consideration of ₹ 100 crores;

The Company has utilised the entire proceeds of ₹ 57.78 crores (as at 31 March, 2021 ₹ 587.50 crores and ₹ 100 crores) from the preferential issue for current / future running and expansion of the business, working capital, general corporate purpose, repayment of loans and for payment of interest for loans liabilities towards lenders.

801251887 equity shares (previous year 711251887 equity shares) of the face value of ₹ 2 each held by Holding company, TII.

13845000 equity shares (previous year Nil) of the face value of ₹ 2 each, alloted as fully paid up pursuant to contract without payment being received in cash.

(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.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

17. SHARE CAPITAL (Contd.)

(c) Details of shareholders holding more than 5 % shares in the Company:

	As at 31-03-2022		As at 31-03-2021 (Revised)	
	%	No. of Shares	%	No. of Shares
1. Tube Investments of India Limited	55.57	801251887	53.16	711251887

(d) Aggregate number of shares issued as GDRs

	As at 31-03-2022		As at 31-03-2021 (Revised)	
	%	No. of Shares	%	No. of Shares
The Bank of New York*	-	-	0.01	104461

Note:

* The GDRs are delisted effective from 24 May, 2021.

(e) Details of shares held by promoters

As on 31 March, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Tube Investments of India Limited	711251887	90000000	801251887	55.57%	2.41%
M A Murugappan Holdings LLP (Formerly, M A Murugappan Holdings Private Limited)	350000	17000	367000	0.03%	0.00%
M A M Arunachalam	165000	20000	185000	0.01%	0.00%
M.A.Alagappan	165000	-	165000	0.01%	-
A M Meyyammai	90000	-	90000	0.01%	-
MAM Arunachalam (on behalf of Arun Murugappan Children's Trust)	64000	10000	74000	0.00%	(0.01%)
M A M Arunachalam (In capacity of karta of HUF)	55000	9500	64500	0.01%	0.01%
S Arunachalam (S A, MAM A & Amm holds on behalf of Murugappan Arunachalam Children Trust)	46900	-	46900	0.00%	-
A Venkatachalam (In capacity of karta of HUF)	31300	-	31300	0.00%	-
Vedika Meyyammai Arunachalam	31000	40000	71000	0.01%	0.01%
Lakshmi Ramaswamy	5490	2000	7490	0.00%	0.00%
Uma Ramanathan	2500	-	2500	0.00%	-
Murugappa & Sons (M.V.Subbiah, M A A and M M M hold shares on behalf of the Firm)	-	5100	5100	0.00%	0.00%
Total	712258077	90103600	802361677	55.65%	2.42%

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

17. SHARE CAPITAL (Contd.)

As on 31 March, 2021 (Revised)

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Tube Investments of India Limited	-	711251887	711251887	53.16%	53.16%
M A Murugappan Holdings LLP (Formerly, M A Murugappan Holdings Private Limited)	-	350000	350000	0.03%	0.03%
M A M Arunachalam	-	165000	165000	0.01%	0.01%
M.A.Alagappan	-	165000	165000	0.01%	0.01%
A M Meyyammai	-	90000	90000	0.01%	0.01%
MAM Arunachalam (on behalf of Arun Murugappan Children's Trust)	-	64000	64000	0.01%	0.01%
M A M Arunachalam (In capacity of karta of HUF)	-	55000	55000	0.00%	0.00%
S Arunachalam (S A, MAM A & Amm holds on behalf of Murugappan Arunachalam Children Trust)	-	46900	46900	0.00%	0.00%
A Venkatachalam (In capacity of karta of HUF)	-	31300	31300	0.00%	0.00%
Vedika Meyyammai Arunachalam	-	31000	31000	0.00%	0.00%
Lakshmi Ramaswamy	-	5490	5490	0.00%	0.00%
Uma Ramanathan	-	2500	2500	0.00%	0.00%
Total	-	712258077	712258077	53.23%	53.23%

18. OTHER EQUITY

	As at 31-03-2022	As at 31-03-2021 (Revised)
Retained earnings	(619.01)	(1529.59)
Effective portion of cash flow hedge	(0.05)	(0.05)
Foreign currency translation reserve	(34.60)	(51.29)
Capital reserve	671.65	671.65
Capital reserve on consolidation	3.58	3.58
Capital redemption reserve	12.95	12.95
Securities premium	660.05	502.95
Share options outstanding account	1.78	-
Share warrant money (Refer note 17(a))	18.24	37.50
Non-controlling interest	0.95	0.41
	715.54	(351.89)

(a) **Dividend paid and proposed:**

No dividends have been proposed, declared or paid during the financial year 2021-22 (2020-21 ₹ Nil) or after the financial year but before the financial statements were approved for issue.

(b) **Nature and purpose of items in other equity:**

(i) **Retained Earnings:**

Retained earnings are the profits that the Group has earned till date and includes dividends or other distributions paid to shareholders and impact on account of transition to / initial application of Ind AS.

(ii) **Effective portion of cash flow hedge:**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

18. OTHER EQUITY (Contd.)

(iii) **Foreign currency translation reserve:**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

(iv) **Capital reserve:**

Capital reserve mainly represents the amount recognised on demerger of consumer product business.

(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 reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

(viii) **Share options outstanding account:**

Share options outstanding account represents fair value of the options granted which is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

(ix) **Share warrant money:**

Share warrant money represents amount received against instruments carrying right exercisable by the warrant holder to subscribe to one Equity Share per warrant at a specific fixed price within specified period from date of allotment.

19. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Secured loans		
Term loans from banks (Refer note (a) below)	107.47	631.91
Unsecured loans		
Term loan from banks (Refer note (b) (ii) and (iii) below)	-	4.02
Debentures (Refer note (b) (i) below)	200.00	200.00
	307.47	835.93

Notes:

Security created to the extent of :

(a) **Secured term loans from banks:**

(i) The term loans of ₹ 98.87 crores (as at 31 March, 2021 ₹ 612.99 crores) has been drawn at rate of interest of 6 months MCLR plus applicable spread and is secured by first charge on fixed assets except such properties as may be specifically excluded. Second charge by way of hypothecation of inventories and book debts / receivables of the Company. The initial loan amount was additionally secured by corporate guarantee from Tube Investments of India Limited. During the year the Bank has released this corporate guarantee considering the financial performances of the Company. The repayment of the loan is due in year 2027-28.

(ii) The term loans of ₹ 0.11 crores (as at 31 March, 2021 ₹ 0.15 crores) are repayable in 6-48 equal monthly instalments and are secured by hypothecation of vehicles. (Current maturity of the said loan is ₹ 0.05 crores) (as at 31 March, 2021 ₹ 0.12 crores). Refer note 23.

(iii) The term loan of ₹ Nil (as at 31 March, 2021 ₹ 237.77 crores) at an interest rate of 3 Months LIBOR+450 bps. The loan was secured by way of exclusive charge on all inventory and receivables of subsidiary and was supported by Corporate Guarantee of CG International B.V. Current maturity of the said loan as at 31 March, 2021 was ₹ 237.77 crores. During the year, on completion of settlement agreement and payment of settlement consideration, the bank has discharged its rights, claims and interest against the Group and the loan is extinguished. Refer note 23.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

19. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS (Contd.)

(iv) The term loan of ₹ 36.56 crores (as at 31 March, 2021 ₹ 36.56 crores) is secured by land, factory, machineries, inventories and receivables of subsidiary. The loan is supported by Corporate Guarantee of CG Power and Industrial Solutions Limited upto 51% of loan liability. (Current maturity of the said loan is ₹ 36.56 crores (as at 31 March, 2021 ₹ 36.56 crores). Refer note 23.

(v) Term loan of ₹ 16.67 crores (as at 31 March, 2021 ₹ 23.93 crores) 'Stibor 3M + 2.25% for a period of 4 years. The loan is repayable in quarterly installment of SEK 2.5 million. The loan is secured by pledging of shares of subsidary. Current maturity of the said loan is ₹ 8.13 crores (as at 31 March 2021 ₹ 5.04 crores). Refer note 23.

(b) **Unsecured loans:**

Debentures:

(i) The Non-convertible Debentures (NCDs) are unlisted, unsecured, redeemable and non-convertible. NCDs are issued to lenders in terms of Settlement Agreement towards settlment of borrowings. NCDs carry coupon rate of 0.01% for the initial period of 2 years and thereafter 8% p.a. until the maturity date. The NCDs is repayable after 5 years from December, 2020, the date of allotment. The Company has the right to redeem the NCDs, in whole or part, on and after initial period of 2 years from date of allotment of the NCDs till the date of maturity.

Unsecured term loan from banks:

(ii) The term loan of ₹ Nil (as at 31 March, 2021 ₹ 221.09 crores) at an interest rate Euribor + 2.25%. The loan was supported by Corporate Guarantee of CG Power and Industrial Solutions Limited. Current maturity of the said loan as at 31 March, 2021 was ₹ 221.09 crores. During the year, on completion of settlement agreement and payment of settlement consideration, the bank has discharged its rights, claims and interest against the Group and the loan is extinguished. Refer note 23.

(iii) Term loan of ₹ Nil (as at 31 March, 2021 ₹ 4.02 crores) availed by the subsidiary from a bank bears interest at a rate of 1%. During the year, the said loan is fully forgiven under the Government initiated Paycheck Protection Program in the United States of America.

20. NON-CURRENT OTHER FINANCIAL LIABILITIES

	As at 31-03-2022	As at 31-03-2021 (Revised)
Deposits payable	3.78	4.67
Others*	10.38	2.94
	14.16	7.61

* Represents interest accrued as per amortised cost method of Ind AS

21. NON-CURRENT PROVISIONS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Provision for employee benefits	17.70	19.71
Other provisions (Refer note 27)	12.89	7.91
	30.59	27.62

22. OTHER NON-CURRENT LIABILITIES

	As at 31-03-2022	As at 31-03-2021 (Revised)
Others	0.67	0.46
	0.67	0.46

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Secured loans		
From banks (Refer note (i) and (ii) below)	-	127.99
Current maturities of long- term loans from banks (Refer note 19)	44.74	279.49
Unsecured loans		
Current maturities of long- term loans from banks (Refer note 19)	-	221.09
	44.74	628.57

Notes:

(i) Working capital demand loan of ₹ Nil (as at 31 March, 2021 ₹ 0.24 crores) from bank was 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 of subsidiary, both present and future consisting of land, factory building structures, erections, godowns and furniture and fixtures of subsidiary.

(ii) Loan from banks of ₹ Nil (as at 31 March 2021 ₹ 127.75 crores) has been repaid during the year.

24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31-03-2022	As at 31-03-2021 (Revised)
Acceptances	234.30	3.16
Due to micro and small enterprises	40.57	84.29
Due to other than micro and small enterprises	873.77	947.07
	1148.64	1034.52

Note:

Refer note 42 for trade payables to related parties.

Trade payables ageing schedule:

As at 31-03-2022	Not due	Outstanding for following periods from due date of payment: < 1 year	1-2 years	2-3 years	> 3 years	Total
(i) Undisputed dues of micro enterprises and small enterprises	33.90	6.51	0.07	0.09	-	40.57
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	867.64	182.49	4.61	24.32	9.94	1088.99
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	0.66	18.42	19.08
Total	901.54	189.00	4.68	25.06	28.36	1148.64

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES (Contd.)

As at 31-03-2021 (Revised)	Not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues of micro enterprises and small enterprises	61.91	21.51	0.87	-	-	84.29
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	656.46	222.39	27.00	11.36	13.94	931.15
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	19.07	0.01	19.08
Total	718.37	243.90	27.87	30.43	13.95	1034.52

25. CURRENT-OTHER FINANCIAL LIABILITIES

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Interest free sales tax deferral loans from State Government		0.12		0.12
Interest accrued but not due on borrowings		1.72		36.85
Investor Education and Protection Fund:				
Unclaimed dividend (Refer note below (a))		0.00		0.39
Liability on deconsolidation of HBE Group		342.39		339.77
Other payables:				
Security deposits	10.27		9.36	
Dues to employees	23.60		27.53	
Others*	281.54		438.52	
		315.41		475.41
		659.64		852.54

Notes :

(a) Amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31 March, 2022 ₹ Nil (as at 31 March, 2021 ₹ 0.16 crores). Subsequent to year end, Company has remitted amount to IEPF ₹ Nil (previous year ₹ 0.16 crores).

(b) * Major items includes provision towards guarantee settlement consideration of ₹ 165.80 crores (as at 31 March, 2021 ₹ 185.89 crores), provision towards delay in completion of contractual obligation of ₹ Nil (as at 31 March, 2021 ₹ 156.90 crores), provision towards disputed claims ₹ 40 crores (as at 31 March, 2021 ₹ Nil).

26. OTHER CURRENT LIABILITIES

	As at 31-03-2022		As at 31-03-2021 (Revised)	
Advances from customers (Refer note 28)		196.51		186.32
Due to customers (Refer note 28)		10.25		12.80
Other payables:				
Statutory liabilities	20.52		47.14	
Advance from others (Refer note below)	566.70		566.70	
Others	23.26		32.28	
		610.48		646.12
		817.24		845.24

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

26. OTHER CURRENT LIABILITIES (Contd.)

Note:

The Group had received certain advances from unrelated parties aggregating to ₹ 566.70 crores (as at 31 March, 2021 ₹ 566.70 crores). The Group has recognised these advances as current liability and will continue to do so until fulfilment/ extinguishment of aforesaid liability.

Relationship with Struck off Companies

Name of stuck off company	Nature of transactions	Balance outstandng as at March 31, 2022	Relationship with the stuck off company, if any, to be disclosed
Kusum Multi Trade Private Limited	Other liabilities	0.33	No
Blazing Star Infrastructure Private Limited	Other liabilities	0.10	No
Bloomburg Multiventures Private Limited	Other liabilities	0.25	No
Charming Infrastructure Private Limited	Other liabilities	0.10	No
Converge Tradex Private Limited	Other liabilities	0.03	No
Kriarj Entertainment Private Limited	Other liabilities	0.20	No
Krutika Diamond Private Limited	Other liabilities	0.15	No
Overall Distributors Private Limited	Other liabilities	0.30	No
Scordite Impex Private Limited	Other liabilities	0.33	No
Sodha Infrastructure Private Limited	Other liabilities	1.60	No
Spireon Cargo Private Limited	Other liabilities	0.92	No
Starleaf Impex India Private Limited	Other liabilities	0.29	No
Trieye Distributors Private Limited	Other liabilities	0.20	No

Note: During year ended March 31, 2022, there are no transactions entered into with Struck off Companies. One subsidiary company of the Group has reported outstanding balances with above Struck off Companies as on 31 March 2022. The closing balances represents balances carried forward from earlier years. The said subsidiary had entered into transactions with these struck off companies when subsidiary was under the control of the previous management.

27. SHORT-TERM PROVISIONS

	As at 31-03-2022	As at 31-03-2021 (Revised)
Provision for employee benefits	12.78	9.89
Other provisions (Refer note below)	134.64	144.36
Provision for net assets of subsidiaries	24.03	63.82
	171.45	218.07

(a) **Movement in other provisions:**

	Provision for warranties	Provision for tax related litigations	Other litigation claims	Onerous contracts	Total
	2021-22	2021-22	2021-22	2021-22	2021-22
Carrying amount at the beginning of the year	48.38	65.44	35.19	3.25	152.26
Additional provision made during the year	16.57	12.42	-	-	28.99
Amounts used during the year	3.74	-	7.29	-	11.03
Unused amounts reversed during the year	5.61	16.96	-	-	22.57
Exchange differences	(0.06)	-	-	(0.06)	(0.12)
Carrying amount at the end of the year	55.54	60.90	27.90	3.19	147.53
Non-current (Refer note 21)	12.89	-	-	-	12.89
Current (Refer note 27)	42.65	60.90	27.90	3.19	134.64
Total	55.54	60.90	27.90	3.19	147.53

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

27. SHORT-TERM PROVISIONS (Contd.)

(b) Nature of provisions:

(i) Product warranties: The Group gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is generally expected to be within a period of two years from the date of Balance Sheet.

(ii) Provision for tax related litigations include liability on account of non-collection of declaration forms and other legal matters related to Sales Tax, Excise Duty, Custom Duty and Service Tax which are in appeal under the relevant Act / Rules.

(iii) Provision for other litigation related obligations represents estimated liabilities that are expected to materialise in respect of other matters under litigation.

(iv) Provision for onerous contracts have been made on contracts when it is probable that the estimated cost will exceed the total contract revenue.

28. REVENUE FROM OPERATIONS

	2021-22		2020-21 (Revised)	
Sale of products	5389.84		2792.80	
Sale of services	38.74		33.38	
Construction contracts	52.95		97.68	
		5481.53		2923.86
Other operating income - scrap sales		79.87		40.09
		5561.40		2963.95

Revenue from Contracts with Customers

	2021-22	2020-21 (Revised)
Revenue reconciliation		
Revenue as per contracted price	5601.11	3019.53
Less: Adjustments		
Discounts	27.55	31.19
Others (includes liquidated damages, price variations, etc)	12.16	24.39
Revenue recognised as per consolidated statement of profit and loss	5561.40	2963.95

	2021-22	2020-21 (Revised)
Revenue recognised in current year from		
Amount included in contract liability at the beginning of the year	76.44	90.36
Performance obligations satisfied in previous periods	-	-

	2021-22	2020-21 (Revised)
Revenue from contracts with customers		
Power Systems Business	1593.18	860.93
Industrial Sytems Business	3952.26	2091.46
Others	15.96	11.56
Total	5561.40	2963.95

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

28. REVENUE FROM OPERATIONS (Contd.)

	As at 31-03-2022	As at 31-03-2021 (Revised)
Contract balances		
Trade receivables	943.66	586.98
Contract assets	0.63	0.98
Contract liabilities		
Advance from customers	196.51	186.32
Due to customers	10.25	12.80

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration and are transferred to trade receivables on completion of milestones and its related invoicing.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group satisfies the performance obligation.

29. OTHER INCOME

	2021-22	2020-21 (Revised)
Interest income from:		
Deposits with banks	10.68	6.81
Others	9.48	6.39
Gain on sale of investments (net)	0.05	-
Fair value gain on financial instruments at fair value through profit or loss (Refer note 45)	0.63	0.14
Foreign exchange gain (net)	-	9.50
Other non-operating income:		
Income from business service centers (Refer note 38)	5.97	8.64
Miscellaneous income	14.90	79.94
	41.71	111.42

30. COST OF MATERIALS CONSUMED

	2021-22	2020-21 (Revised)
Opening Inventories	172.27	179.27
Add: Purchases	3855.18	1962.33
Less: Closing Inventories	209.14	172.27
	3818.31	1969.33

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

31. PURCHASES OF STOCK-IN-TRADE

	2021-22	2020-21 (Revised)
Purchases of stock-in-trade	164.87	86.12
	164.87	86.12

32. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	2021-22		2020-21 (Revised)	
Closing inventories:				
Finished goods	73.80		86.08	
Work-in-progress	216.27		159.52	
Stock-in-trade	10.08		7.44	
	300.15		253.04	
Opening inventories:				
Finished goods	86.08		40.11	
Work-in-progress	159.52		159.07	
Stock-in-trade	7.44		2.10	
	253.04	(47.11)		(51.76)
Less: Reduction on deconsolidation of subsidiaries		-		(29.42)
Net (increase) / decrease in inventories		(47.11)		(81.18)

33. EMPLOYEE BENEFITS EXPENSE

	2021-22	2020-21 (Revised)
Salaries, wages and bonus	311.95	313.45
Contribution to provident and other funds (Refer note 39)	40.43	41.56
Share based payment expense (Refer note 40)	1.78	-
Staff welfare expenses	23.32	16.77
	377.48	371.78

34. FINANCE COSTS

	2021-22	2020-21 (Revised)
Interest exepenses	66.99	195.32
Interest on lease liabilities (Refer note 38)	1.18	1.78
	68.17	197.10

35. DEPRECIATION AND AMORTISATION EXPENSE

	2021-22	2020-21 (Revised)
Depreciation of property, plant and equipment (Refer note 4)*	71.22	92.31
Amortisation of intangible assets (Refer note 5)	29.99	46.00
	101.21	138.31

* Includes depreciation of ROU assets ₹ 10.40 crores (previous year ₹ 12.89 crores)

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

36. OTHER EXPENSES

	2021-22	2020-21 (Revised)
Consumption of stores and spares	20.26	11.49
Power and fuel	31.19	25.75
Rent	8.04	4.11
Repairs - buildings	4.42	2.82
Repairs - machinery	19.31	13.54
Repairs - others	12.09	10.56
Insurance	7.60	9.66
Rates and taxes	7.88	25.61
Freight and forwarding	106.23	53.05
Packing materials	52.83	29.35
After sales services including warranties	35.57	9.82
Travelling and conveyance	7.91	5.43
Sales promotion	4.05	1.06
Bank charges	13.40	8.52
Sub contracting charges	105.36	70.94
Directors' sitting fees	1.03	2.17
Allowance for doubtful debts and advances	3.15	57.87
Legal and professional charges	60.86	26.87
Miscellaneous expenses	91.18	141.80
	592.36	510.42

37. CONTINGENT LIABILITIES AND COMMITMENTS

		As at 31-03-2022	As at 31-03-2021 (Revised)
A.	**Contingent liabilities:**		
	(to the extent not provided for)		
(a)	Claims against the Group not acknowledged as debts	4.80	4.84
(b)	Sales tax / VAT liability that may arise in respect of matters in appeal	5.57	14.79
(c)	Excise duty / custom duty / service tax liability that may arise in respect of matters in appeal	14.08	14.08
(d)	Income tax liability that may arise in respect of matters in appeal	0.86	2.07
B.	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	12.52	10.34

Notes:

(i) From time to time, the Group is involved in claims and legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the financial position, results of operations, or cash flows of the Group.

(ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at A(a) to A(d) above, pending resolution of the arbitration / appellate proceedings.

(iii) Sales tax / VAT cases include disputes pertaining to disallowances of Input tax credit and non-submission of various forms with authorities.

(iv) Excise duty / custom duty / service tax cases include disputes pertaining to inadmissibility of cenvat credit, short payment of service tax on work contracts, refund of excise duty on export of transformers, interest payment on Provisional Assessment Cases, etc.

(v) Contingent liabilities for Income tax cases pertains to difference on account of cenvat credit and valuation of closing inventory, disallowance of expenses, etc.

(vi) The Group had received notice of demand under Income Tax Act for ₹ 606.30 crores for financial year 2016-17, and the Hon'ble Bombay High Court has granted the interim stay against the notice of demand until admission of appeal before the High Court. The Company has filed its detailed submissions in response to the notices received for the appeal filed before Commissioner of Income Tax (Appeals). Considering the facts and underlying documents with respect to the demand raised under Section 68 of the Income Tax Act, 1961, the management strongly believes that the demand is not sustainable, bad in law and will be reversed at appellate levels.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

38. LEASES

(i) Group as a lessee

The Group has lease contracts for various items of land, building, furniture and vehicles used in its operation. Lease of land generally have lease terms between 30 to 999 years while furniture and building generally have lease terms between 2 to 9 years. The Group's obligation under the lease is secured by the lessor's title to leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right of use assets and lease liabilities included under financial liabilities and the movements during the year.

Movement in carrying value of right of use assets

	Land	Building	Fixture and fittings	Office equipments	Vehicles	Total
Opening net carrying balances as at 1-04-2020 (Revised)	70.39	17.21	0.25	0.07	6.62	94.54
Addition	-	7.32	-	0.31	2.79	10.42
Less: Deletion	-	1.48	-	0.03	1.58	3.09
Less: Depreciation	1.45	8.34	0.07	0.07	2.96	12.89
Exchange differences	-	1.17	-	0.04	0.40	1.61
Less: Reduction on deconsolidation of subsidiary	-	2.08	-	-	1.61	3.69
Closing net carrying balances as at 31-03-2021	68.94	13.80	0.18	0.32	3.66	86.90
Addition / modification	-	3.15	-	0.48	1.81	5.44
Less: Deletion	5.43	0.08	-	-	-	5.51
Less: Depreciation	1.42	7.28	0.07	0.16	1.47	10.40
Exchange differences	-	(0.22)	-	(0.02)	(0.10)	(0.34)
Closing net carrying balances as at 31-03-2022	62.09	9.37	0.11	0.62	3.90	76.09

Movement in lease liabilities during the year

	2021-22	2020-21 (Revised)
Opening balance	19.66	25.87
Add: Addition	4.99	10.42
Add: Accretion of interest	1.18	1.78
Less: Payment	(10.64)	(12.96)
Less: Removal of asset	(0.07)	(3.10)
Less: Gain on removal of asset	(0.01)	(0.28)
Exchange differences	(0.38)	1.61
Less: Reduction on deconsolidation of subsidiaries	-	(3.68)
Closing balance	14.73	19.66

Breakup of lease liabilities

	As at 31-03-2022	As at 31-03-2021 (Revised)
Current lease liabilities	7.87	9.08
Non-current lease liabilities	6.86	10.58
Total	14.73	19.66

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

38. LEASES (Contd.)

Amounts recognized in the consolidated statement of profit and loss

	2021-22	2020-21 (Revised)
Other Expenses		
Short-term lease rent expense	4.89	1.93
Low value asset lease rent expense	0.04	0.08
Variable lease rent expense	0.21	0.02
Finance Cost		
Interest expense on lease liability	1.18	1.78
Depreciation and amortisation expense		
Depreciation of ROU lease assets	10.40	12.89

Amounts recognised in the consolidated statement of cash flows

	2021-22	2020-21 (Revised)
Total cash outflow for leases	10.64	12.03

Contractual maturities of lease liabilities on an undiscounted basis

	As at 31-03-2022	As at 31-03-2021 (Revised)
Less than 1 year	8.62	9.46
1 - 5 years	6.27	9.87
More than 5 years	4.24	3.18
Total	19.13	22.51

(ii) Group as a lessor

Amounts recognised in the consolidated statement of profit and loss

	2021-22	2020-21 (Revised)
Other Income		
Non-operating lease income	5.97	8.64

Note:

Non-operating lease income is in respect of lease of land and / or building.

Undiscounted future payment to be received

	As at 31-03-2022	As at 31-03-2021 (Revised)
Maturity analysis :		
Less than 1 year	0.33	1.88
1 to 5 years	-	0.05
More than 5 years	-	-
Total	0.33	1.93

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

39. EMPLOYEE BENEFITS

(a) **Defined contribution plans:**

Amount of ₹ 37.33 crores (Previous year ₹ 38.64 crores) is recognised as an expense and included in Employee benefits expense as under:

Benefits (Contribution to)	2021-22	2020-21 (Revised)
Provident fund	10.99	10.34
Superannuation fund	3.65	3.94
Employee state insurance scheme	0.16	0.18
Labour welfare scheme	0.02	0.01
National pension scheme	0.99	0.93
Family pension	21.52	23.24
Total	37.33	38.64

(b) **Defined benefit plans:**

Gratuity:

Under the Gratuity plan operated by the Group, every employee who has completed at least five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per Payment of Gratuity Act, 1972.

The Group makes annual contributions to the CG Gratuity Fund, which is funded defined benefit plan for qualifying employees. The Board of Trustees of the fund is entrusted with responsibility for the administration of the plan assets and for the investment strategy.

The following table summarizes the components of net benefit expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the Balance Sheet.

		Gratuity (Funded)	
		2021-22	2020-21 (Revised)
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	45.28	42.77
2	Interest cost	3.11	2.92
3	Current service cost	2.63	2.75
4	Past service cost	-	0.01
5	Benefits paid	(8.91)	(9.18)
6	Actuarial changes arising from changes in demographic assumptions	1.13	-
7	Actuarial changes arising from changes in financial assumptions	0.54	(0.08)
8	Actuarial changes arising from changes in experience adjustments	0.90	6.09
9	Present value of defined benefit obligation at the end of the year	44.68	45.28
II	**Change in fair value of plan assets during the year**		
1	Fair value of plan assets at the beginning of the year	38.45	40.51
2	Interest income	2.64	2.77
3	Contributions paid by the employer	6.85	2.31
4	Benefits paid from the fund	(8.91)	(9.15)
5	Return on plan assets excluding interest income	(0.05)	2.01
6	Fair value of plan assets at the end of the year	38.98	38.45
III	**Net asset / (liability) recognised in the balance sheet**		
1	Present value of defined benefit obligation at the end of the year	(44.68)	(45.28)
2	Fair value of plan assets at the end of the year	38.98	38.45
3	Amount recognised in the balance sheet	(5.70)	(6.83)
4	Net (liability)/ asset- Current	(5.70)	(6.83)
	Net (liability)/ asset- Non-current	-	-

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

39. EMPLOYEE BENEFITS (Contd.)

		Gratuity (Funded)	
		2021-22	2020-21 (Revised)
IV	**Expenses recognised in the statement of profit and loss for the year**		
1	Current service cost	2.63	2.75
2	Interest cost on benefit obligation (net)	0.47	0.16
3	Past service cost	-	0.01
4	Total expenses included in employee benefits expense	3.10	2.92
V	**Recognised in other comprehensive income for the year**		
1	Actuarial changes arising from changes in demographic assumptions	1.13	-
2	Actuarial changes arising from changes in financial assumptions	0.54	(0.08)
3	Actuarial changes arising from changes in experience adjustments	0.90	6.09
4	Return on plan assets excluding interest income	0.05	(2.01)
5	Recognised in other comprehensive income	2.62	4.00
VI	**Maturity profile of defined benefit obligation**		
1	Within the next 12 months (next annual reporting period)	6.78	7.74
2	Between 2 and 5 years	20.63	17.95
3	Between 6 and 10 years	17.50	18.22
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	(2.13)	(2.37)
	(ii) One percentage point decrease in discount rate	2.38	2.67
	(i) One percentage point increase in rate of salary increase	2.43	2.72
	(ii) One percentage point decrease in rate of salary increase	(2.21)	(2.45)
	(i) One percentage point increase in employee turnover rate	0.45	0.60
	(ii) One percentage point decrease in employee turnover rate	(0.49)	(0.66)
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 asset**		
	Insurer managed funds	100%	98%
IX	**Weighted average duration of the defined benefit obligation (in years)**	8	7
X	**Actuarial assumptions**		
1	Discount rate	6.98% - 7.15% p.a.	6.83% - 6.89% p.a
2	Salary escalation	4.00% p.a.	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
3	Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate
4	Rate of employee turnover	6.00%p.a.	4.00% p.a.

	2021-22	2020-21 (Revised)
Expected contribution to the defined benefit plan for the next annual reporting period	6.98	6.88

Notes :

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at 31 March, 2022 and as at 31 March, 2021. 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.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

39. EMPLOYEE BENEFITS (Contd.)

(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. During the year, the Company has decided to transfer the fund to government administered Employee's Provident Fund Organisation ('EPFO'). Accordingly, majority of the plan assets held by the Trust are sold and the amount received is transferred to EPFO. The Company has agreed to pay to EPFO any shortfall in fund to the extent of employee provident fund liability as on March 31, 2022. Further, the Company has paid ₹ 5.92 crore towards shortfall assessed till date.The Company is carrying sufficient provision in the books of account as at March 31, 2022, towards shortfall.

40. STOCK OPTIONS

During the year, 1834100 stock options were granted to eligible employees at the rate of one stock option of the company for every stock option held and outstanding in the company.

In this regard, the Group has recognised expense amounting to ₹1.78 crores for employees services received during the year, shown under Employee benefits expenses. (Refer note 33)

The movement of Stock Options are given below:

Particulars	Date of Grant	Options outstanding as at 01-04-2021	During the year 2021-22 Options granted	Options cancelled/ lapsed	Options exercised and allotted	Options outstanding As at 31-03-2022	Options vested but not exercised as at 31-03-2022
Grant 1	18-Nov-21	-	838020	-	-	838020	-
Grant 2	18-Nov-21	-	317120	-	-	317120	-
Grant 3	18-Nov-21	-	339480	-	-	339480	-
Grant 4	18-Nov-21	-	339480	-	-	339480	-

Details of stock options granted to certain employees for 2021-22 are given below :

Particulars	Date of Grant	Weighted average exercise price (₹)	Options granted	Options cancelled/ lapsed	Options exercised and allotted	Options vested and outstanding at the end of the year	Options unvested and outstanding at the end of the year	Vested date	Weighted average remaining contractual life (in years)
Grant 1	18-Nov-21	156.20	838020	-	-	-	838020	-	0.64
Grant 2	18-Nov-21	156.20	317120	-	-	-	317120	-	1.64
Grant 3	18-Nov-21	156.20	339480	-	-	-	339480	-	2.64
Grant 4	18-Nov-21	156.20	339480	-	-	-	339480	-	3.64

The following tables list the input to the Black Scholes model used for the plans for the year ended 31-03-2022 :

Particulars	Date of Grant	Risk free Rate (%) p.a.	Expected Life (in years)	Expected Volatility of share price (%)	Dividend Yield
Grant 1	18-Nov-21	3.81	1.00	47.82	-
Grant 2	18-Nov-21	4.46	2.00	55.99	-
Grant 3	18-Nov-21	4.96	3.00	56.02	-
Grant 4	18-Nov-21	5.36	4.00	53.10	-

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

41. SEGMENT REPORTING

The Group has the following reportable segments:

Power Systems : Transformer, Switchgear, Automation and Turnkey Projects

Industrial Systems : Electric Motors, Alternators, Drives, Traction Electronics and SCADA

Identifications of Segments:

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of the nature of products / services and have been identified as per the quantitative criteria specified in the Ind AS.

Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

Inter segment transfer:

Inter segment prices are normally negotiated amongst segments with reference to the costs, market price and business risks. Profit or loss on inter segment transfers are eliminated at the Group level.

Summary of the Segmental Information as at and for the year ended 31 March, 2022 is as follows:

	Power Systems	Industrial Systems	Others	Discontinued Operations	Eliminations/ Unallocable Expenditure /Assets*	Total
Revenue						
External sales	1593.18	3952.26	15.96	-	-	5561.40
Add: Inter segment sales	0.34	0.28	-	-	(0.62)	-
Total revenue	1593.52	3952.54	15.96	-	(0.62)	5561.40
Segment results	161.33	482.43	3.36	-	-	647.12
Less: Finance costs						68.17
Less: Other unallocable expenditure net of unallocable income						51.13
Profit after finance cost but before exceptional items and tax						527.82
Exceptional items (net)						507.92
Tax expense						122.32
Profit from continuing operations after tax						913.42
Loss from discontinued operations after tax						(0.35)
Profit for the year						913.07
Other Information:						
Segment assets	1352.74	1319.81	18.78	8.06	1526.52	4225.91
Segment liabilities	1775.80	760.64	4.42	8.84	672.30	3222.00
Capital expenditure #	17.71	51.15	0.59	-	3.91	73.36
Depreciation and amortisation #	38.72	52.41	0.55	-	9.53	101.21
Non-cash expenses / (reversal) other than depreciation and amortisation #	4.59	(12.11)	0.02	-	(8.01)	(15.51)

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

41. SEGMENT REPORTING (Contd.)

Summary of the Segmental Information as at and for the year ended 31 March, 2021 is as follows (Revised):

	Power Systems	Industrial Systems	Others	Discontinued Operations	Eliminations/ Unallocable Expenditure /Assets*	Total
Revenue						
External sales	860.93	2091.46	11.56	-	-	2963.95
Add: Inter segment sales	1.02	0.14	-	-	(1.16)	-
Total revenue	861.95	2091.60	11.56	-	(1.16)	2963.95
Segment results	(82.20)	200.72	0.48	-	-	119.00
Less: Finance costs						197.10
Less: Other unallocable expenditure net of unallocable income						38.41
Loss after finance cost but before exceptional items and tax						(116.51)
Exceptional items (net)						1543.67
Tax expense						147.62
Profit from continuing operations after tax						1279.54
Profit from discontinued operations after tax						0.06
Profit for the year						1279.60
Other Information:						
Segment assets	1265.63	1151.45	14.86	290.17	1679.55	4401.66
Segment liabilities	1908.83	765.00	3.86	11.05	1797.21	4485.95
Capital expenditure #	8.78	8.31	0.58	-	-	17.67
Depreciation and amortisation #	59.46	64.33	0.57	-	13.95	138.31
Impairment of tangible and intangible assets #	25.15	-	-	-	-	25.15
Non-cash expenses / (reversal) other than depreciation and amortisation#	60.81	(2.78)	0.17	-	-	58.20

* Unallocable assets comprise assets and liabilities which cannot be allocated to the segments.

The disclosure pertains to continuing business segments.

Geographical Information:

	2021-22			2020-21 (Revised)		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue from contracts with customers	**4858.39**	**703.01**	**5561.40**	2335.39	628.56	2963.95

Note:

During the year ended 31 March, 2022 and 31 March, 2021 revenues from transactions with a single external customer did not amount to 10% or more of the Group's revenues from external customers.

	As at 31-03-2022			As at 31-03-2021 (Revised)		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Non-current assets	**801.28**	**320.31**	**1121.59**	816.69	363.27	1179.96

Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, goodwill, intangible assets, intangible assets under development and other non-current assets.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42. RELATED PARTY DISCLOSURES

(a) **List of related parties**

(i) **Parent company:**

1 Tube Investments of India Limited (Holding company w.e.f. 26 November, 2020)

(ii) **Subsidiaries:**

Details of the Group's subsidiaries at the end of the reporting period considered in the preparation of the consolidated financial statements are as follows:

Sr. No	Name of the Related Parties	Country of Incorporation	% Equity Interest As at 31-03-2022	% Equity Interest As at 31-03-2021 (Revised)
1	CG Power Solutions Limited	India	**100.00**	100.00
2	CG Adhesive Products Limited (formerly as "CG-PPI Adhesive Products Limited")	India	**81.42**	81.42
3	CG Power Equipments Limited	India	**100.00**	100.00
4	CG International Holdings Singapore Pte. Limited	Singapore	**100.00**	100.00
5	CG Sales Networks Malaysia Sdn. Bhd.	Malaysia	**100.00**	100.00
6	CG International B.V.	The Netherlands	**100.00**	100.00
7	CG Electric Systems Hungary Zrt. (ceased to be subsidiary w.e.f. 30 June, 2020)	Hungary	**-**	-
8	CG Power Solutions UK Limited	United Kingdom	**100.00**	100.00
9	CG Power Systems Canada Inc.	Canada	**100.00**	100.00
10	CG- Ganz Generator and Motor Limited Liability Company (ceased to be subsidiary w.e.f. 15 December, 2021)	Hungary	**-**	100.00
11	CG Service Systems France SAS (ceased to be subsidiary w.e.f. 20 July, 2020)	France	**-**	-
12	CG Industrial Holdings Sweden AB	Sweden	**100.00**	100.00
13	CG Drives and Automation Sweden AB	Sweden	**100.00**	100.00
14	CG Drives and Automations Germany GmbH	Germany	**100.00**	100.00
15	CG Drives and Automation Netherlands B.V.	The Netherlands	**100.00**	100.00
16	CG Middle East FZE	UAE	**100.00**	100.00
17	QEI, LLC	USA	**100.00**	100.00
18	CG Power Americas, LLC	USA	**100.00**	100.00
19	PT Crompton Prima Switchgear Indonesia	Indonesia	**51.00**	51.00
20	CG Power and Industrial Solutions Limited Middle East FZCO	UAE	**100.00**	100.00

(iii) **Key Management Personnel:**

1	Natarajan Srinivasan	- Managing Director (Appointed w.e.f. 26, November, 2020)
2	Susheel Todi	- Chief Financial Officer (Appointed w.e.f. 5 February, 2021)
3	P Varadarajan	- Company Secretary and Compliance Officer (Appointed w.e.f. 1 April, 2021)
4	K R Viswanarayan	- Company Secretary and Compliance Officer (Appointed w.e.f. 6 February, 2021 and Resigned w.e.f. 31 March, 2021)
5	Alen Ferns	- Company Secretary and Compliance Officer (Appointed w.e.f. 18 March, 2020 and Ceased w.e.f. 5 February, 2021)
6	Sudhir Mathur	- Whole Time - Executive Director (Resigned w.e.f. 26 November, 2020)

Non Executive Directors

1	Vellayan Subbiah	- Chairman, Non-Independent Non-Executive Director (Appointed w.e.f. 26 November, 2020)
2	M A M Arunachalam	- Non-Independent Non-Executive Director (Appointed w.e.f. 26, November, 2020)
3	P S Jayakumar	- Independent Non-Executive Director (Appointed w.e.f. 26, November, 2020)
4	Shailendra Narain Roy	- Independent Non-Executive Director (Appointed w.e.f. 26, November, 2020)
5	Sasikala Varadachari	- Independent Non-Executive Director (Appointed w.e.f. 26, November, 2020)
6	Sriram Sivaram	- Independent Non-Executive Director (Appointed w.e.f. 11 June, 2021)
7	Kalyan Kumar Paul	- Non-Independent Non-Executive Director (Appointed w.e.f. 11 June, 2021)
8	Ashish Kumar Guha	- Chairman, Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)
9	Narayan K. Seshadri	- Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)
10	Ramni Nirula	- Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42. RELATED PARTY DISCLOSURES (Contd.)

11	Jitender Balakrishnan	- Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)
12	Pradeep Mathur	- Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)
13	Dr. Aditi Raja	- Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)
14	Dr. Rathin Roy	- Non- Executive Independent Director (Resigned w.e.f. 26 November, 2020)

(iv) Other Related Parties:

1	Shanthi Gears Limited	(w.e.f. 26 November, 2020)
2	Clean Max Enviro Energy Solutions Private Limited	(w.e.f. 26 November, 2020 and Ceased to be a related party w.e.f. 02 September, 2021)
3	Parry Enterprises India Limited	(w.e.f. 26 November, 2020)

(v) Post Employment Benefit Entity:

1 CG Provident Fund
2 CG Gratuity Fund

(b) The following transactions were carried out with the related parties (Refer Note 1 below):

Sr. No.	Nature of transaction / relationship	2021-22	2020-21 (Revised)
1	Purchase of goods and services		
	Other Related Party		
	Shanthi Gears Limited	4.61	0.50
	Total	4.61	0.50
2	Sales of goods and services		
	Parent company		
	Tube Investments of India Limited	1.20	0.08
		1.20	0.08
	Other Related Party		
	Shanthi Gears Limited	0.43	0.16
		0.43	0.16
	Total	1.63	0.24
3	Proceeds from issue of equity shares		
	Parent company		
	Tube Investments of India Limited	-	650.00
	Total	-	650.00
4	Proceeds against warrants issued		
	Parent company		
	Tube Investments of India Limited	57.78	37.50
	Total	57.78	37.50
5	Issue of equity shares on conversion of warrants		
	Parent company		
	Tube Investments of India Limited	77.04	-
	Total	77.04	-
6	Purchase of fixed assets		
	Parent company		
	Tube Investments of India Limited	0.10	-
	Total	0.10	-
7	Payment to Key Management Personnel		
	Salaries, commission and perquisites*	6.58	3.78
	Total	6.58	3.78

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of transaction / relationship	2021-22	2020-21 (Revised)
8	Other expenses		
	Other Related Parties		
	Clean Max Enviro Energy Solutions Private Limited	0.38	0.24
	Parry Enterprises India Limited	1.19	0.28
	Total	1.57	0.52

*Remuneration does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

(c) Amount due to / from related parties :

Sr. No.	Nature of balance / relationship		As at 31-03-2022	As at 31-03-2021 (Revised)
1	Trade payable			
	Other Related Parties			
	Shanthi Gears Limited		0.93	0.59
	Clean Max Enviro Energy Solutions Private Limited		-	0.11
	Parry Enterprises India Limited		0.07	0.11
			1.00	0.81
	Non-current		-	-
	Current		1.00	0.81
	Total		1.00	0.81
2	Trade receivable			
	Parent company			
	Tube Investments Of India Limited		0.62	0.10
		(A)	0.62	0.10
	Non-current		-	-
	Current		0.62	0.10
			0.62	0.10
	Other Related Party			
	Shanthi Gears Limited		0.29	0.19
		(B)	0.29	0.19
	Non-current		-	-
	Current		0.29	0.19
			0.29	0.19
	Total	(A+B)	0.91	0.29
3	Other current Assets			
	Other Related Party			
	Parry Enterprises India Limited		0.75	-
	Total		0.75	-

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42. RELATED PARTY DISCLOSURES (Contd.)

(d) Compensation of Key Management Personnel of the Group:

Nature of transaction	2021-22	2020-21 (Revised)
Short-term employee benefits	5.50	3.62
Post-employment benefits	0.26	0.16
Fair value cost of stock option granted	0.82	-
Total compensation paid to key management personnel	6.58	3.78

Notes:

1 The sales to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions.

2 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 ₹ 10.91 crores (previous year ₹ 10.22 crores).

3 The Group maintains gratuity trust for the purpose of administering the gratuity payment to employees of holding company (CG Gratuity Fund). During the year, the Group contributed ₹ 6.69 crores (previous year ₹ 2.05 crores).

43. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) Following subsidiaries/ business units are considered as discontinued operations as at 31 March, 2022

(i) CG Sales Networks Malaysia Sdn. Bhd.

(ii) CG Power Equipments Limited

(iii) CG Power Systems Canada Inc.

(b) Transformer Division - Kanjurmarg

The Company had entered into a definitive agreement followed with revised term sheet with a Buyer for sale of its remaining portion of land at Kanjurmarg. During the year, the Company has complied with Conditions Precedent required as laid down in the binding term sheet signed and completed the sale transaction in December, 2021. The Company received net sale consideration ₹ 367.18 crores and accounted profit of ₹ 123.62 crores on completion of this transaction.

The plant and machineries of factory at this Kanjurmarg were shifted to other manufacturing facilities and the carrying value of land and building was classified as 'Asset held for sale'. The restructuring provision, utilisation thereof and provision towards delay in completing contractual obligation towards completion of land sale aggregating to ₹ 94.67 crores was accounted in previous year and formed part of the exceptional items in the consolidated financial statements. On completion of sale transaction, during current year accumulated provision of ₹ 156.90 crores is reversed and accounted as exceptional gain.

(c) During the year, subsidiary CG- Ganz Generator and Motor Limited Liability Company has been liquidated.

(d) Lliquidation of subsidiaries CG Sales Networks Malaysia Sdn. Bhd, and CG Power Systems Canada Inc. is under process. Consequently, as on 31 March, 2022, business of these subsidiaries has been classified as discontinued operation.

Statement of profit and loss of the discontinued operations is as under :

	2021-22			2020-21 (Revised)		
	Transmission and Distribution	Others	Total	Transmission and Distribution	Others	Total
Revenue from operations	-	-	-	-	-	-
Expenses (net of other income)	0.35	-	0.35	(0.06)	-	(0.06)
Profit / (loss) before tax	(0.35)	-	(0.35)	0.06	-	0.06
Tax expense	-	-	-	-	-	-
Profit / (loss) after tax from discontinued operations	(0.35)	-	(0.35)	0.06	-	0.06

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

43. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Contd.)

The major classes of assets and liabilities of the discontinued operation are as under:

	As at 31-03-2022		As at 31-03-2021 (Revised)	
	Transmission and Distribution	Others	Transmission and Distribution	Others
Assets				
Land and building (net)	-	-	279.85	-
Trade receivables	0.35	-	1.30	-
Cash and cash equivalents	2.19	0.02	2.06	0.02
Bank balances other than above	-	-	1.33	-
Current tax assets	0.87	-	0.90	-
Other current assets	4.63	-	4.71	-
Assets classified as held for sale (A)	8.04	0.02	290.15	0.02
Liabilities				
Trade payables	1.44	-	2.86	-
Other current liabilities	0.05	-	0.86	-
Provisions	7.35	-	7.33	-
Liabilities directly associated with assets classified as held for sale (B)	8.84	-	11.05	-
Net assets directly associated with disposal group (A-B)	(0.80)	0.02	279.10	0.02

Net cash flows attributable to the operating, investing and financing activities of discontinued operations:

	2021-22	2020-21 (Revised)
Operating	(0.17)	2.83
Investing	367.18	-
Financing	-	-

44. EXCEPTIONAL ITEMS

	2021-22	2020-21 (Revised)
Cessation of liability arising on settlement and restructuring of borrowings including interest thereon as per resolution plan (Refer note (a) below)	307.82	1426.89
Reversal / (provision) towards delay in completing contractual obligation towards completion of land sale and expected restructuring cost (Refer note 43)	156.90	(94.67)
Gain on sale of land at Kanjur Marg (Refer note 43)	123.62	-
Provision related to claims under dispute / litigation (Refer note (b) below)	(80.42)	(18.54)
Provision towards corporate guarantee invocation / settlement (Refer note (c) below)	-	(185.89)
Write off against doubtful advances (Refer note (d) below)	-	(176.11)
Reversal of provision towards net assets of subsidiaries (Refer note (e) below)	-	282.21
Impairment of intangible assets (Refer note (f) below)	-	(18.00)
Professional fees towards investigations and debt resolution (Refer note (g) below)	-	(14.39)
Net gain on sale / deconsolidation of subsidiaries including transfer of foreign currency translation reserve and hedge reserve transferred to statement of profit or loss on deconsolidation / sale (Refer note (i) below)	-	218.37
Reversal of liability on waiver by erstwhile subsidiaries (Refer note (h) below)	-	123.80
Total	507.92	1543.67

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

44. EXCEPTIONAL ITEMS (Contd.)

Details of exceptional items:

(a) The Group has discharged and settled the borrowings facilities. Consequent to settlement, the gain on extinguishment of liability on account of reduction of certain portion of agreed debt including interest thereon as per resolution plan aggregating to ₹ 307.82 crores (previous year ₹ 1426.89 crores) is recognised in profit or loss as an exceptional item.

(b) Group has made Provision related to claims under dispute / litigation for ₹ 80.42 crores (previous year ₹ 18.54 crores).

(c) In previous year, provision of ₹ 185.89 crores is made on invocation / settlement of corporate guarantees.

(d) In previous year, ₹ 176.11 crores were written off advances receivable from other company.

(e) In previous year, the Group reassessed recoverability of net assets of certain subsidiaries and based on the reassessment has reversed provision of ₹ 282.21 crores.

(f) In previous year, Group's overseas subsidiary accounted for impairment of ₹ 18.00 crores towards intangible assets.

(g) In previous year, the Group incurred professional fees of ₹ 14.39 crores towards investigations and debt resolution.

(h) In previous year, various Group entities entered into Waiver and Release Agreements with erstwhile subsidiary companies towards waiver of various receivable and / or payable balances. Accordingly, the Group has recognised net gain aggregating to ₹ 123.80 crores.

(i) In previous year, erstwhile subsidiary CG Electric Systems Hungary Zrt ('ESHU') was declared bankrupt by Local Court in Hungary ("Court") and went under liquidation proceedings. Consequently, the Group no longer retained control over the operations of the said subsidiary. In view of this, the the Group deconsolidated the accounts of ESHU with effect from June 30, 2020 and accounted total gain of ₹ 216.68 crores on deconsolidation.

Further, the Group divested the entire shareholding in its subsidiary, CG Services Systems France SAS on July 20, 2020 and accounted total gain of ₹1.69 crores on this divestment.

45. FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. The Group has not disclosed the fair value of financial instruments such as trade receivables, cash & cash equivalents, bank balances other than cash and cash equivalents, current financial assets - loans, current financial assets - others (except derivative instruments), current financial liabilities borrowings, trade payables and other financial liabilities (except derivative instruments and current maturities of long term borrowings) because their carrying amounts are a reasonable approximation of fair value and hence these have not been categorised in any level in the table given below. Further, for financial assets, the Group has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

2. The fair values of the quoted investments / units of mutual fund schemes are based on market price / net asset value at the reporting date.

3. The fair values for loans given are calculated based on discounted cash flows using current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these loans given. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 2 fair values in the fair value hierarchy.

4. Fair values of the Group's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values, accordingly non-current borrowings are classified as level 2 fair values in the fair value hierarchy.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

45. FAIR VALUE MEASUREMENTS (Contd.)

	Note No.	Carrying amount	Fair value		
		As at 31-03-2022	Level 1	Level 2	Level 3
Financial assets at amortised cost:					
Non-current investments	6	0.39	0.39	-	-
Non-current financial assets others	7	28.04	-	28.04	-
Total		28.43	0.39	28.04	-
Financial assets at fair value through profit or loss:					
Non-current investments	6	0.24	-	0.24	-
Current investments	11	40.62	40.62	-	-
Total		40.86	40.62	0.24	-
Financial liabilities at amortised cost:					
Long-term loans from bank	19	107.47	-	107.47	-
Long term loans - debentures	19	200.00	-	200.00	-
Non- current other financial liabilities	20	14.16	-	14.16	-
Current maturities of long term loans	23	44.74	-	44.74	-
Total		366.37	-	366.37	-

	Note No.	Carrying amount	Fair value		
		As at 31-03-2021 (Revised)	Level 1	Level 2	Level 3
Financial assets at amortised cost:					
Non-current investments	6	0.39	0.39	-	-
Non-current financial assets others	7	28.13	-	28.13	-
Total		28.52	0.39	28.13	-
Financial assets at fair value through profit or loss:					
Non-current investments	6	1.47	-	1.47	-
Current investments	11	0.01	0.01	-	-
Total		1.48	0.01	1.47	-
Financial liabilities at amortised cost:					
Long-term loans from bank	19	635.93	-	635.93	-
Long-term loans - debentures	19	200.00	-	200.00	-
Non- current other financial liabilities	20	7.61	-	7.61	-
Current maturities of long term loans	23	500.58	-	500.58	-
Total		1344.12	-	1344.12	-

During the reporting period ending 31 March, 2022 and 31 March, 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to certain financial risks namely credit risk, market risk, interest risk, currency risk & liquidity risk. The financial risks are managed in accordance with the Group's risk management policy which has been approved by its Board of Directors.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and equity price risk. Financial instruments affected by market risk include foreign currency receivables, payables, loans and borrowings, derivative financial instruments and FVTOCI investments.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group has managed its interest rate risk by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest risk

	As at 31-03-2022	As at 31-03-2021 (Revised)
Floating Rate borrowings	152.21	1145.86

Interest Rate sensitivity

	2021-22	2020-21 (Revised)
25 bp increase - Decrease in profit	(0.38)	(2.86)
25 bp decrease - Increase in profit	0.38	2.86

Foreign currency risk

The Group's functional currency is Indian Rupee. The Group undertakes transactions denominated in foreign currencies and consequently the Group is exposed to foreign exchange risk. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies.

Unhedged foreign currency exposure as at 31 March, 2022

	USD	Euro	GBP	Others	Total
Trade receivables	63.00	48.56	-	6.84	118.40
Bank balances in current accounts and term deposit accounts	0.20	4.37	-	-	4.57
Trade payables	(66.89)	(17.83)	(0.02)	(1.10)	(85.84)
Commission payable	(26.05)	(3.85)	-	(0.12)	(30.02)
Other short-term financial liabilities	-	(47.68)	-	-	(47.68)

Unhedged foreign currency exposure as at 31 March, 2021 (Revised)

	USD	Euro	GBP	Others	Total
Trade receivables	73.95	47.00	-	2.74	123.69
Bank balances in current accounts and term deposit accounts	0.03	7.07	-	-	7.10
Trade payables	(30.67)	(11.91)	-	(1.77)	(44.35)
Commission payable	(24.55)	(3.57)	-	(0.13)	(28.25)
Short-term borrowings	(237.77)	-	-	-	(237.77)
Other short-term financial liabilities	(23.00)	(277.77)	-	(0.15)	(300.92)

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax.

	2021-22		2020-21 (Revised)	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	0.70	(0.70)	(2.42)	2.42
Euro	(0.01)	0.01	(2.39)	2.39
GBP	(0.00)	0.00	-	-
Others	0.05	(0.05)	0.01	(0.01)
Increase / (decrease) in profit or loss	0.74	(0.74)	(4.80)	4.80

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

1 % increase or decrease in foreign exchange rates will have the following impact on equity

	2021-22		2020-21 (Revised)	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	0.00	(0.00)	(2.55)	2.55
Euro	(0.35)	0.35	(2.54)	2.54
GBP	(0.00)	0.00	-	-
Others	-	-	(0.00)	0.00
Increase / (decrease) in equity	(0.35)	0.35	(5.09)	5.09

Credit risk

Credit risk refers to the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans, foreign exchange transactions and other financial instruments. Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are generally set to manage credit risk. General payment terms include credit period ranging from 45 to 90 days and where applicable, mobilisation advance, progress payments and certain retention money to be released at the end of the project.

Where the loans or receivables are impaired, the Group continues to engage in enforcement activity to attempt to recover the receivable due.

The Group is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans given, other financial assets, financial guarantees.

In respect of financial guarantees provided by the Group to banks and financial institutions, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon or in case where settlement is agreed, the settlement amount. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided except as otherwise stated in respect of guarantees where settlement is agreed.

Exposure to credit risk

	As at 31-03-2022	As at 31-03-2021 (Revised)
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Investments in government or trust securities	0.39	0.39
Investments in debentures or bonds	0.05	0.05
Other non-current investments	0.18	1.41
Non-current financial assets - others	28.04	28.13
Cash and cash equivalents and other bank balances	488.02	533.56
Current financials assets - others	139.50	162.94
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)		
Trade receivables	1101.12	755.12

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks. Refer note 44(d) in respect of provision / write off towards non-current loans and non-current financial assets others.

The ageing analysis of the trade receivables (gross of provision) (current as well as non-current) has been considered from the date the invoice falls due.

	Amount
As at 31-03-2022	
Up to 3 months	843.77
3 to 6 months	43.19
More than 6 months	214.16
	1101.12

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

	Amount
As at 31-03-2021 (Revised)	
Up to 3 months	461.61
3 to 6 months	22.32
More than 6 months	271.19
	755.12

The following table summarizes the change in the loss allowances for trade receivables measured using life-time expected credit loss model:

	Amount
As at 1-04-2020 (Revised)	283.35
Provided during the year	10.60
Amounts written off	(103.45)
Reversals of provision	(12.73)
Reduction on deconsolidation of subsidiaries	(9.77)
Exchange differences	0.14
As at 31-03-2021 (Revised)	168.14
Provided during the year	34.69
Amounts written off	(32.95)
Reversals of provision	(13.04)
Exchange differences	0.62
As at 31-03-2022	157.46

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31-03-2022	Less than 1 year	1 to 5 years	Over 5 years	Total
Interest-free sales tax deferral loans from State Government	0.12	-	-	0.12
Deposits payable	-	3.09	0.69	3.78
Long term borrowings (excluding unamortised upfront fees of ₹ 1.13 crores)	-	208.60	100.00	308.60
Short-term borrowings	44.74	-	-	44.74
Trade payables#	1148.64	-	-	1148.64
Other financial liabilities	657.60	-	-	657.60
Lease liabilities	8.62	6.27	4.24	19.13

Includes disputed Trade payable of ₹19.08 crores. Refer note 24.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

As at 31-03-2021 (Revised)	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	-	4.58	0.09	4.67
Long term borrowings (excluding unamortised upfront fees of ₹ 9.35 crores)	-	548.88	296.40	845.28
Short-term borrowings	628.57	-	-	628.57
Trade payables#	1031.74	2.78	-	1034.52
Other financial liablities	852.42	-	-	852.42
Lease liabilities	9.46	9.87	3.18	22.51

Includes disputed Trade payable of ₹19.08 crores. Refer note 24.

General credit terms for the trade payables are in the range of 30 to 180 days. The Group has access to credit facilities to mitigate any short-term liquidity risk.

Collaterals:

The Group has hypothecated its trade receivables, other current receivables and cash and cash equivalents in order to fulfill collateral requirements for the banking facilities extended to the Group. There is obligation to return the securities to the Group once these banking facilities are surrendered (Refer note 19 and 23).

Capital management

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's capital management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	As at 31-03-2022	As at 31-03-2021 (Revised)
Total debt	352.33	1464.62
Equity	1003.91	(84.29)
Total debt and equity	1356.24	1380.33
Gearing ratio	25.98%	106.11%

No changes were made in objectives, policies or process for managing capital during the year ended 31 March, 2022 and 31 March, 2021.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

47. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1-04-2021	Cash Inflows / (Outflows)	Effect of reclassi-fication	Liabilities no longer required written back	One time settlement	Foreign exchange movement impact	Changes in fair values	Finance cost charged during the year	Others	As at 31-03-2022
Non-current financial liabilities - borrowings:										
Secured loans										
Term loans from banks	631.91	(521.99)	(10.33)	-	(0.35)	-	-	8.23	-	107.47
Unsecured loans										
Term loans from bank	4.02	-	-	(4.02)	-	-	-	-	-	-
Debentures	200.00	-	-	-	-	-	-	-	-	200.00
Non-current other financial liabilities										
Others*	2.94	-	-	-	-	-	-	7.44	-	10.38
Current financial liabilities - borrowings:										
Secured loans										
Banks	127.99	(127.99)	-	-	-	-	-	-	-	-
Current maturities of long- term loans from banks	279.49	(8.84)	10.33	-	(237.19)	(0.93)	-	1.88	-	44.74
Unsecured loans										
Current maturities of long- term loans from banks	221.09	-	-	-	221.09	-	-	-	-	-
Current - other financial liabilities:										
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	-	-	-	-	0.12
Interest accrued but not due on borrowings	36.85	(46.80)	-	-	(32.21)	(0.43)	-	44.31	-	1.72
Others*	-	-	-	-	-	-	-	1.92	-	1.92
Payment towards corporate guarantee	-	(138.72)	-	-	-	-	-	-	138.72	-
Non controlling interest	0.41	-	-	-	-	0.01	0.53	-	-	0.95
Total	1504.82	(844.34)	-	(4.02)	(490.84)	(1.35)	0.53	63.78	138.72	367.30

	As at 1-04-2020 (Revised)	Cash Inflows / (Outflows)	Effect of reclassi-fication	Con-version of debt	One time settle-ment	Foreign exchange movement impact	Changes in fair values	Reduction on decon-solidation of subsi-diaries	Finance cost charged during the year	Others	As at 31-03-2021 (Revised)
Non-current financial liabilities - borrowings:											
Secured loans											
Term loans from banks	516.04	626.59	(277.04)	-	-	19.32	-	(253.48)	0.48	-	631.91
Unsecured loans											
Term loans from banks	71.00	4.02	(71.00)	-		-	-	-	-	-	4.02
Debentures	-	-	-	200.00	-	-	-	-	-	-	200.00
Non-current other financial liabilities											
Others*	-	-	-	-	-	-	-	-	2.94	-	2.94
Current financial liabilities - borrowings:											
Secured loans											
Banks	397.88	(75.15)	(4.84)	94.74	(285.90)	1.26	-	-	-	-	127.99
Current maturities of long- term loans from banks	871.01	(387.29)	352.88	(182.81)	(378.35)	(1.72)	-	-	5.77	-	279.49
Unsecured loans											
Banks	525.38	(117.77)	-	(65.99)	(330.64)	(10.98)	-	-	-	-	-
Current maturities of long- term loans from banks	231.71	(18.47)	-	-	-	7.85	-	-	-	-	221.09
From other Company	320.00	(85.32)	-	(45.94)	(188.74)	-	-	-	-	-	-
Current - other financial liabilities:											
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	-	-	-	-	-	0.12
Interest accrued but not due on borrowings	138.29	(35.37)	-	-	(243.26)	(1.19)	-	-	178.38		36.85
Payment towards corporate guarantee	-	(4.32)	-	-	-	-	-	-	-	4.32	-
Non controlling interest	15.54	-	-	-	-	0.47	(15.60)	-	-	-	0.41
Total	3086.97	(93.08)	-	-	(1426.89)	15.01	(15.60)	(253.48)	187.57	4.32	1504.82

Notes:

* Represents interest accrued as per amortised cost method of IndAS.

The above disclosure does not include the cash flow movement for lease obligations (Refer note 38). The finance cost charged during the year is related to borrowings.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

48. EARNINGS PER SHARE

		2021-22	2020-21 (Revised)
Face value of equity share	₹	2.00	2.00
Weighted average number of Equity Shares			
- Basic	Nos.	1358728604	867943352
- Diluted	Nos.	1438032637	918678806
Profit for the year (continuing operations)	₹ crores	912.89	1295.14
Earnings per share (for continuing operations)			
- Basic	₹	6.72	14.92
- Diluted	₹	6.35	14.10
Profit for the year (continuing operations)	₹ crores	(0.35)	0.06
Earnings per share (for continuing operations)			
- Basic	₹	(0.00)	0.00
- Diluted	₹	(0.00)	0.00
Profit for the year (total operations)	₹ crores	912.54	1295.20
Earnings per share			
- Basic	₹	6.72	14.92
- Diluted	₹	6.35	14.10
Profit used as the numerators in calculating basic and diluted earnings per share (total operation)	₹ crores	912.54	1295.20
Weighted average number of equity shares used as the denominator in calculating basic earnings per share		1358728604	867943352
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share		1438032637	918678806
Type of instruments that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period presented		Warrants and Employee Stock Options	Warrants

49. DISCLOSURE OF INTEREST IN OTHER ENTITIES (SUBSIDIARIES)

Material non-controlling interest for continuing operations

	Principal place of business / Country of incorporation	Proportion of interest held by Non-controlling entities as at 31-03-2022 %	31-03-2021 % (Revised)
CG Adhesive Products Limited	India	18.58	18.58
PT Crompton Prima Switchgear Indonesia	Indonesia	49.00	49.00

The proportion of voting rights held by non controlling interest does not differ from the proportion of ownership interest.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

49. DISCLOSURE OF INTEREST IN OTHER ENTITIES (SUBSIDIARIES) (Contd.)

Summarised statement of profit and loss:

	CG Adhesive Products Limited		PT Crompton Prima Switchgear Indonesia	
	2021-22	2020-21 (Revised)	2021-22	2020-21 (Revised)
Revenue	23.24	15.30	-	26.24
Other income	1.30	0.76	-	0.16
Cost of materials consumed	(12.77)	(8.68)	-	(21.63)
Other expenses	(7.99)	(6.52)	-	(18.47)
Finance costs	-	(0.04)	-	(7.11)
Pre-tax profit / (loss) from continuing operations	3.78	0.82	-	(20.81)
Income tax expense	0.95	0.39	-	12.88
Post-tax profit / (loss) from continuing operations (A)	2.83	0.43	-	(33.69)
Other comprehensive income (B)	-	(0.11)	-	1.74
Total comprehensive income (A+B) = C	2.83	0.32	-	(31.95)
Attributable to non-controlling interest	0.53	0.06	-	(15.66)
Dividend paid to non-controlling interest	-	-	-	-

Summarised balance sheet:

	CG Adhesive Products Limited		PT Crompton Prima Switchgear Indonesia	
	As at 31-03-2022	As at 31-03-2021 (Revised)	As at 31-03-2022	As at 31-03-2021 (Revised)
Current assets	12.01	13.58	19.33	19.33
Non-current assets	13.22	8.50	127.16	127.16
Current liabilities	(4.11)	(3.79)	(105.52)	(105.52)
Non-current liabilities	(0.32)	(0.31)	(65.57)	(65.57)
Total equity	20.80	17.98	(24.60)	(24.60)
Attributable to:				
Equity holders of parent	16.94	14.64	(12.55)	(12.55)
Non-controlling interest	3.86	3.34	(12.05)	(12.05)

Summarised cash flow information:

	CG Adhesive Products Limited		PT Crompton Prima Switchgear Indonesia	
	2021-22	2020-21 (Revised)	2021-22	2020-21 (Revised)
Cash flows from:				
Operating activities	3.37	5.19	-	18.90
Investing activities	0.07	(4.03)	-	-
Financing activities	(0.24)	(1.14)	-	(18.52)
Net increase / (decrease) in cash and cash equivalents	3.20	0.02	-	0.38

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

50. UPDATES ON INVESTIGATION

The Company is fully co-operating with the ongoing investigation by Serious Fraud Investigation Office ('SFIO') and other regulatory authorities on the affairs of the Company and a subsidiary pertaining to past period and against erstwhile promoters and erstwhile key managerial personnel relating to transactions that took place when the Company was under the control of the erstwhile promoters/management.

51. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

₹ crores

52. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 AS AT AND FOR THE YEAR ENDED 31 MARCH 2022 AND 31 MARCH 2021

Year Ended 31 March 2022

Name of the entity in the Group	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ crores	As % of consolidated profit or loss	Amount ₹ crores	As % of consolidated other comprehensive income	Amount ₹ crores	As % of consolidated total comprehensive income	Amount ₹ crores
I. Parent								
CG Power and Industrial Solutions Limited	181.22	1,819.32	68.68	627.06	(13.33)	(1.96)	67.37	625.10
II. Subsidiaries								
a) Indian								
CG Adhesive Products Limited	2.07	20.81	0.31	2.83	-	-	0.31	2.83
CG Power Solutions Limited	(186.27)	(1869.94)	-	-	-	-	-	-
CG Power Equipments Limited	0.00	0.02	-	-	-	-	-	-
b) Foreign								
CG International B.V.	(154.86)	(1554.64)	(11.29)	(103.12)	-	-	(11.11)	(103.12)
CG Power Systems Canada Inc.	0.37	3.70	0.00	0.00	-	-	0.00	0.00
CG-Granz Generator and Motor LLC (ceased to be subsidiary w.e.f. 15 December, 2021)	-	-	(0.00)	(0.01)	-	-	(0.00)	(0.01)
CG Power Americas, LLC	(20.99)	(210.77)	(0.23)	(2.10)	-	-	(0.23)	(2.10)
QEI, LLC	10.98	110.18	2.62	23.96	-	-	2.58	23.96
CG Power Solutions UK Limited	(1.53)	(15.37)	-	-	-	-	-	-
CG Industrial Holdings Sweden AB	10.97	110.08	0.01	0.09	-	-	0.01	0.09
CG Drives and Automation Sweden AB	22.17	222.60	0.48	4.35	-	-	0.47	4.35
CG Drives and Automation Netherlands B.V.	3.33	33.39	0.44	3.98	-	-	0.43	3.98
CG Drives and Automation Germany GmbH	1.90	19.12	0.50	4.59	-	-	0.49	4.59
CG Middle East FZE	(50.70)	(508.96)	28.49	260.09	-	-	28.03	260.09
CG International Holdings Singapore Pte. Limited	(7.82)	(78.52)	24.66	225.13	-	-	24.26	225.13
CG Sales Network Malaysia sdn.bhd.	0.32	3.20	(0.04)	(0.33)	-	-	(0.04)	(0.33)
PT Crompton Prima Switchgear Indonesia	(2.45)	(24.61)	-	-	-	-	-	-
CG Power and Industrial Solutions Limited Middle East FZCO	-	-	-	-	-	-	-	-
Consolidation adjustment and elimination	291.29	2,924.30	(14.63)	(133.45)	113.33	16.69	(12.57)	(116.76)
Total	100.00	1003.91	100.00	913.07	100.00	14.73	100.00	927.80

₹ crores

52. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 AS AT AND FOR THE YEAR ENDED 31 MARCH 2022 AND 31 MARCH 2021 (Contd.)

Year Ended 31 March 2021 (Revised)

Name of the entity in the Group	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ crores	As % of consolidated profit or loss	Amount ₹ crores	As % of consolidated other comprehensive income	Amount ₹ crores	As % of consolidated total comprehensive income	Amount ₹ crores
I. Parent								
CG Power and Industrial Solutions Limited	1226.52	1033.83	53.84	688.99	(97.69)	(2.87)	53.50	686.12
II. Subsidiaries								
a) Indian								
CG Adhesive Products Limited	21.32	17.97	0.03	0.43	(3.74)	(0.11)	0.02	0.32
CG Power Solutions Limited	(2218.46)	(1869.94)	(0.00)	(0.00)	-	-	(0.00)	(0.00)
CG Power Equipments Limited	0.02	0.02	(0.00)	(0.01)	-	-	(0.00)	(0.01)
b) Foreign								
CG International B.V.	(1683.00)	(1418.60)	(6.15)	(78.67)	-	-	(6.13)	(78.67)
CG Power Systems Canada Inc.	4.21	3.55	0.00	0.06	-	-	0.00	0.06
CG-Granz Generator and Motor LLC	0.03	0.02	(4.82)	(61.68)	-	-	(4.81)	(61.68)
CG Electric Systems Hungary Zrt.	(192.85)	(162.56)	(11.73)	(150.15)	-	-	(11.71)	(150.15)
CG Service Systems France SAS	-	-	(0.11)	(1.42)	-	-	(0.11)	(1.42)
CG Power Americas, LLC	(239.23)	(201.65)	(1.42)	(18.18)	-	-	(1.42)	(18.18)
QEI, LLC	98.73	83.22	1.40	17.89	-	-	1.39	17.89
CG Power Solutions UK Limited	(18.49)	(15.59)	-	-	-	-	-	-
CG Industrial Holdings Sweden AB	134.72	113.55	0.04	0.45	-	-	0.04	0.45
CG Drives and Automation Sweden AB	267.26	225.28	0.14	1.73	-	-	0.13	1.73
CG Drives and Automation Netherlands B.V.	35.67	30.07	0.19	2.40	-	-	0.19	2.40
CG Drives and Automation Germany GmbH	17.65	14.87	0.11	1.37	-	-	0.11	1.37
CG Middle East FZE	(926.72)	(781.13)	0.12	1.50	-	-	0.12	1.50
CG International Holdings Singapore Pte. Limited	(362.04)	(305.16)	4.84	61.91	(275.51)	(8.10)	4.20	53.81
Crompton Greaves Network Malaysiya sdn bhd (frormerly known as crompton greaves sales Network Malaysiya sdn bhd)	4.10	3.46	(0.25)	(3.17)	-	-	(0.25)	(3.17)
PT Crompton Prima Switchgear Indonesia	(27.66)	(23.31)	(1.07)	(13.71)	-	-	(1.07)	(13.71)
CG Power and Industrial Solutions Limited Middle East FZCO	-	-	-	-	-	-	-	-
Consolidation adjustment and elimination	3758.22	3167.81	64.84	829.86	476.94	14.02	65.80	843.88
Total	(100.00)	(84.29)	100.00	1279.60	100.00	2.94	100.00	1282.54

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

53. The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

54. Amounts shown as ₹ 0.00 represents amount below ₹ 50000 (Rupees Fifty Thousand).

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Bharath N S
Partner
Membership No. 210934

Mumbai : 02 May, 2022

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 02 May, 2022

Additional Info

Products & Services

INDUSTRIAL SYSTEMS

MV MOTORS & GENERATORS

- 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 upto 25MVA in frame size up to 1250, upto13.2kV in enclosures type CACA, CACW & SPDP.
- Industrial duty DC machines upto 2000kW, in frame size upto 630, Voltage upto 800V, in enclosures type CACA, CACW & SPDP.

LT MOTORS

- 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 450LX (0.75 to 630kW) 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 400 (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 - Cast Iron Frame : 370 to 5500W, 4 Pole Single Phase Motors
- IEC 63–112 - Aluminium Frame 187 to 2250W, 2/4 Pole Single Phase Motors
- Flame Proof Enclosure: 370 to 750W, 4 Pole Motors
- Customized frames: 20 to 1500W, 2/4/6/8 Pole Motors for Appliance/Equipment's
- BLDC (Brushless DC) Motors – 40, 100 & 160 Watts – 500 RPM

CONSUMER PRODUCT RANGE

- Residential, Commercial and Agriculture Pumps
  - Slow speed self priming pumps: 0.5 and 1.0HP
  - Open Well Submersible Pump: 0.5 to 2.0HP (1 ph); 2 to 10 HP (3 Ph)
  - High Speed Self Priming Pumps: 0.5, 1.0 and 1.5HP
  - High Speed Super Suction Pumps: 0.5 and 1.0HP
  - Bore well Submersible Pumps: V3 & V4 (0.5-2HP 1 Ph, 1-5 HP 3 Ph)
  - Bore well Submersible Pumps : V5, V6, V7, V8 (3-20 HP 1/3 Ph)
  - Shallow well Jet Pumps: 0.5 and 1.0HP
  - Centrifugal Mono Block Pumps: 0.5 to 3.0 HP (1 Ph) and 2-10 HP (3 Ph)
  - Self Priming Pressure Booster Pumps : 0.5 to 1.0 HP
  - Horizontal Multistage Pressure Booster Pump : 0.5 to 1.5 HP
  - Sewage Submersible Pump : 0.5 to 3.0 HP
  - End suction Pump (Fire-fighting) : upto 150 metres head
- DOL/Star Delta Starters
  - Single Phase Mini Starters : 0.75- 2.20 Kw
  - Single Phase DOL Starters : 0.75- 3.70Kw
  - Three Phase DOL Starters : 0.75- 15kw
  - Three Phase Star Delta Starters : 7.5-15Kw
- Fans
  - Standard ceiling fans : 24/36/48/56 Inches sweep size
  - Decorative ceiling fans : 36/48 Inches sweep size
  - BLDC ceiling fans : 48 Inches sweep size
  - Table fans : 9/12/16 Inches sweep size
  - Wall fans : 12/16 Inches sweep size
  - Pedestal fans : 16/20 Inches sweep size
  - Domestic Exhaust fans : 4/6/8/9/10/12 Inches sweep size

- Heavy Duty Exhaust Fans: 12 inches to 36 inches
- Cooler Pumps : 20/40W : suitable for 5 feet and 8 feet height coolers
- Cooler Kits : 16/17/18/20 Inches sweep size

INDUSTRIAL DRIVES AND AUTOMATION (INDIA)

- LV Drives Systems upto 3MW, Voltage upto 690VAC
- DC Drives System upto 5400kW, Voltage upto 1000VDC
- Offering automation product PLC & HMI (New Product)
- CG is into solution business for Sector wise application specific solutions & projects, including Inverter Duty Transformer, Variable Frequency Drives, Switchgear Panels and Rotating Machines as complete package

INDUSTRIAL DRIVES AND AUTOMATION (SWEDEN)

- LV Drives Systems upto 3MW, Voltage upto 690VAC
- LV Softstarters upto 1.6MW, upto 690V
- Active front end Drive (AFE) -55kW to 1MW voltage upto 690Volt
- Shaft Power Monitors
- Rotating Heat Exchanger Drives with Switched Reluctance Motors
- CG is into solution business for Sector wise application specific solutions & projects

RAILWAY BUSINESS

TRACTION MACHINES & SYSTEM DIVISION

- AC Traction Motors (Electric Loco, Diesel Loco, EMU/MEMU and DEMU)
- DC Traction Motors (Electric Loco, Diesel Loco, DEMU, DETC and SPIC)
- Traction Alternators (Diesel Electric Loco, DEMU, DETC and SPIC)
- Complete Electrics including integrated power pack with traction alternator, Traction motors, Control equipment, Rectifier, Auxiliary alternator for Diesel Electrics Tower Car (DETC) with on board and underslung electrics, Self-Propelled Inspection car (SPIC) & Diesel Electric Multiple Units (DEMU).

RAIL TRANSPORTATION TRACTION ELECTRONICS DIVISION

- IGBT Based Traction and Auxiliary Converters for Locomotives
- IGBT Based Composite Converter/Hotel load Converter
- Propulsion System and electrics for EMU/MEMU/Train set
- Train Control and Management System (TCMS)
- Vehicle Control Unit (VCU) and Control Panels for Locomotives

RAILWAY SIGNALLING DIVISION

Signalling Products

- Q Type Signalling Relays
- Electric Point Machines
- DC Series Motor for Electric Point Machines
- DC Series Motors IP67 with 400 V ACI for Electric Point machines
- Secondary drive for Electric Point Machines

Coach Applications Products

- BLDC Carriage Fans
- Universal Carriage Fan

Control Panels for Loco and Coaches

- Switch Board Panels for Locomotive – SB1, SB2, HB1, HB2, Cubicle F
- Filter Cubical Panels for Locomotive
- EDTS 355 for coaches
- Switch Board Cabinet (SBC) for LHB EOG/HOG TYPE AC COACHES (under development)

STAMPING AND LAMINATION

- Lamination of 0.5 mm, 0.65 mm thick, from 65 mm (2.6 inches) to 1300 mm (51 inches) diameter in CRNGO and CRCA material in all grades & coatings for guaranteed watt loss & permeability as per customer requirement
- Auto stacked stators and stacked & skew rotors, High speed up to 425 mm diameter with additional features like air gap cutting
- Notching operation up to 1300 mm (51 inches) diameter by single point notching

POWER SYSTEMS

CG INDIA

TRANSFORMERS & REACTORS

- Auto Transformers (up to 1200kV)
- Generator Transformers (up to 800kV)
- Power Transformers (up to 800kV)
- 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
- Earthing Transformers
- Isolation Transformers
- Coupling Transformers for STATCOM
- Rectifier Transformers
- Shunt Reactors (upto 800kV)
- Series Reactors (upto 800kV)
- Variable Shunt Reactors (upto 420kV)
- Phase Shifting Transformers

SWITCHGEAR

- Current Transformers upto 800kV (with Porcelain and Composite Insulators)
- Capacitive Voltage Transformer upto 1200kV (with Porcelain and Composite Insulators)
- Inductive Voltage Transformers up to 420Kv
- Dry type Primary Voltage Transformer 25kV
- Condenser Bushings upto 800kV
- Coupling/Grading Capacitors up to 420kV
- Indoor & 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 Arresters up to 420 kV & Polymer Arresters up to 1200 kV)
- Disconnectors upto 245kV
- Vacuum Interrupters upto 72.5kV
- LV & MV Vacuum Contactors up to 36kV,
- Forward / Reverse Vacuum Contactor Panels up to 36kV
- Automatic Indoor and Outdoor Vacuum Capacitor Switches Up to 36kV
- Numerical Protection Relays,
- Control and Relay Panels
- Substation Automation
- 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 38kV
- Gas Insulated Sectionalizer/Load Break Switch up to 38kV
- Vacuum Load Break Switch Up to 36kV
- HT Automatic Power Factor Correction Systems up to 36kV
- Fixed Capacitor Bank up to 36kV
- Static VAR Compensator (STATCOM) up to 440V, 500KVAr

ENGINEERING PROJECTS

Projects on turnkey basis from concept to commissioning:

- Turnkey Air Insulated Substation upto 765kV
- Turnkey Gas Insulated Substation upto 400kV
- Engineered Packages
- Construction Packages for own EHV Equipments

CG POWER SYSTEM SERVICE

- Installation and commissioning
- Onsite Services and Inspection
- Repairs, Upgrading and Retrofitting
- Condition monitoring and diagnosis
- Power Quality Audits
- Service Contracts
- Supply of Spare Parts
- Training

Establishments

REGISTERED OFFICE

CG House, 6th Floor, Dr Annie Besant Road
Worli, Mumbai 400 030, Maharashtra, India
Tel +91 (0)22 2423 7777, 2423 7764, 2423 7765
Fax +91 (0)22 2423 7733

POWER SYSTEMS

TRANSFORMER DIVISION
Plot No. T1-T5 MPAKVN Industrial Area,
District Bhind, Malanpur 477 116
Madhya Pradesh, India
Tel +91 (0)7539 826 900 1751
Email anand.bhanpurkar@cgglobal.com

Plot No. 29, 31 & 32
New Industrial Area No.1
AKVN, District Raisen,
Mandideep 462 046, Madhya Pradesh, India
Tel +91 (0)7480 408200, 408201
Email anirban.saha@cgglobal.com

SWITCHGEAR DIVISION
A-3, M.I.D.C., Ambad,
Nashik 422 010, Maharashtra, India
Tel +91 (0)253 230 1401
Email mangesh.sonak@cgglobal.com

S6 & POWER QUALITY
Vacuum Interrupters &
Instrument Transformer Division
D2 & D1/2, MIDC, Waluj
Aurangabad 431 136, Maharashtra, India
Tel +91 (0) 240 255 8000
Fax +91 (0)240 255 4697
Email delip.wakode@cgglobal.com

ENGINEERING PROJECTS DIVISION
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

TRACTION MACHINES & SYSTEM DIVISION
D5 Industrial Area, MPAKVN
Mandideep 462 046, Madhya Pradesh, India
Tel +91 (0)7480 400 0102, 400 103, 400 181/2
Email dinesh.nimje@cgglobal.com

LARGE INDUSTRIAL MACHINES
Plot No. 9, MPAKVN, Phase 2
New Industrial Area, Mandideep 462 046
Madhya Pradesh, India
Tel +91 (0)7480 427 107, 427 102, 427 110
Email tejas.mehta@cgglobal.com

LT MOTORS (UNIT I)
Plot No. A-6/2, MIDC Industrial Area,
Ahmednagar 414 111. Maharashtra, India
Tel +91 (0)241 662 6102, 277 7500
Email gautam.suvarnpathaki@cgglobal.com

LT MOTORS (UNIT II)
B-108/109, MIDC Industrial Area,
Ahmednagar 414 111, Maharashtra, India
Tel +91 (0)241 662 4121
Email vinay.joshi@cgglobal.com

LT MOTORS (UNIT III)
S/14-15, Colvale Industrial Estate,
Colvale, Bardez 403 513, Goa, India
Tel +91 (0)832 240 4001
Email harish.savaikar@cgglobal.com

COMMERCIAL MOTORS
Plot No. 196-198,
Kundaim Industrial Estate,
Ponda 403 115, Goa, India
Tel +91 (0)832 398 3205
Email pradip.arote@cgglobal.com

COMMERCIAL PRODUCTS
Plot No. 196-198,
Kundaim Industrial Estate,
Ponda 403 115, Goa, India
Tel +91 (0)832 398 3228
Email anand.anurag@cgglobal.com

DRIVES & AUTOMATION
Plot No. 9, MPAKVN, Phase 2
New Industrial Area, Mandideep 462046
Madhya Pradesh, India
Tel +91 (0)7480 426 400, 426 403
Email ashish.raval@cgglobal.com

RAIL TRANSPORTATION & TRACTION ELECTRONICS
Plot No 9, MPAKVN Phase II,
New Industrial Area
Mandideep 462 046
Madhya Pradesh, India
Tel +91 (0)7480 426 400, 426 401/402
Email ranjan.singh@cgglobal.com

RAILWAY SIGNALLING DIVISION
11 B, Industrial Area No. 1
Pithampur 454 775, District Dhar
Madhya Pradesh, India
Tel +91 (0)7292 410 121, 410 107
Email: sunil.kelkar@cgglobal.com

STAMPINGS DIVISION
B-110, B-111/B, B-112/2
MIDC Industrial Area,
Ahmednagar 414 111,
Maharashtra, India
Tel +91 (0)241 661 0512/31
Email avin.patil@cgglobal.com

Branch & Marketing Offices

NORTHERN REGION

REGIONAL HEAD OFFICE: NOIDA
4th Floor, Discovery Tower
Plot No. A17, Sector 62, Noida
Uttar Pradesh 201 309, India
Tel +91 (0)120 686 1900, 686 1901
Fax +91 (0)120 686 1902
Email ritesh.tandon@cgglobal.com

JAIPUR
Shanti Sadan
Church Road, PO BOX 173
Jaipur 302 001, Rajasthan, India
Tel +91 (0) 141 2365371
Email deepak.raghav@cgglobal.com

JALANDHAR
SCO No. 18, 3rd Floor, Puda Complex
Near Dainik Bhaskar, Ladowali Road,
Jalandhar 144 001, Punjab, India
Tel +91 965 412 5341
Email vivek.sharma@cgglobal.com

LUCKNOW
Saran Chambers II, 3rd floor
5 Park Road, Lucknow 226 001
Uttar Pradesh, India
Email rajinderjit.singh@cgglobal.com

RAIL TRANSPORTATION SYSTEMS
4th Floor, Discovery Tower
Plot No. A17, Sector 62, Noida
Uttar Pradesh 201 309, India
Tel +91 (0)120 686 1900, 686 1901
Fax +91 (0)120 686 1902
Email salil.kumar@cgglobal.com

EASTERN REGION

REGIONAL HEAD OFFICE: KOLKATA
7th Floor, Block B,
50 Chowringhee Road
Kolkata 700 071
West Bengal, India
Tel +91 (0)33 2282 9681/85
Email ajoy.prasad@cgglobal.com

BHUBANESHWAR
Janpath Tower, 4th floor, Ashok Nagar
Unit II, Bhubaneshwar 751 009
Orissa, India
Email siladitya.khuntia@cgglobal.com

PATNA
501, 5th Floor,
Luvkush Tower, Exhibition Road
Patna 800 001
Bihar, India
Email bishwabasu.baral@cgglobal.com

GUWAHATI
C/o Bhawani Marketing,
Sima Plaza, 3rd Floor
Ulubari Chariali
Guwahati 781007
Assam, India
Email saroj.sharma@cgglobal.com

WESTERN REGION

REGIONAL HEAD OFFICE: MUMBAI
Western Region
CG House, 8th Floor
Dr. Annie Besant Road, Worli
Mumbai 400 030
Maharashtra, India
Tel +91 (0)22 24238989
Email gajanan.wandhare@cgglobal.com

AHMEDABAD
909-916, Sakar II, Near Ellis Bridge
Ahmedabad 380 006,
Gujarat, India
Tel +91 (0)79-2658 7481
Email rajesh.gupta@cgglobal.com

BARODA
(SATELLITE OFFICE)
10-A, Vrundavan Colony
Near Harinagar Water Tank
Gotri Road, Baroda 390 007
Gujarat, India
Tel +91 (0)265 233 2460, 233 4447
Email jitendra.rawat@cgglobal.com

INDORE
108-110 Apollo Trade centre,
Geeta Bhavan, Square Road
A B Road, Indore-452 001
Madhya Pradesh, India
Email ravindra.aundhkar@cgglobal.com

PUNE
Second Floor, Argade Heights,
CTS No. 1303, Shivajinagar,
J M Road, Above Fabindia,
Pune-411 005, Maharashtra, India
Email rohan.prabhu@cgglobal.com

NAGPUR
2nd Floor, Sai Nivas, Plot No. U16/A,
Ujjawal Co-operative Housing Society,
Opposite to Sri Nagar MSEB office,
Ring Road, Narendra Nagar,
Nagpur-440 015, Maharashtra, India
Email suyog.deshpande@cgglobal.com

RAIPUR
A 207, Crystal Arcade
Near Lodhi Para Square, Shankar Nagar Road
Raipur 492 007, Chhattisgarh, India
Email suyog.deshpande@cgglobal.com

SOUTHERN REGION

REGIONAL HEAD OFFICE: CHENNAI
Crompton House-3, Dr MGR Salai
(Kodambakkam High Road)
Nungambakkam, Chennai 600 034
Tamil Nadu, India
Tel +91 (0)44 4224 7502
Email mujahid.shaikh@cgglobal.com

COIMBATORE
1st Floor, No.- 42, D. P. F Street,
Pappanaicken Palayam
Coimbatore- 641037, Tamil Nadu
Email srinivasan.s@cgglobal.com

BANGALORE
J P Square, 3rd Floor
No:17, 3rd Cross, 5th Main
Chamrajpet, Bangalore 560 018
Karnataka, India
Tel +91 (0) 80 4664 2828
Email shaffi.syed@cgglobal.com

SECUNDERABAD
Minerva Complex, 4th floor
94 Sarojni Devi Road
Secunderabad-500 003
Hyderabad, India
Tel +91 (0)40 4000 2345
Email prashant.reddy@cgglobal.com

Service Centres

NORTHERN REGION

NOIDA
4th Floor, Discovery Tower Plot No. A17, Sector 62,
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Fax +91 (0)120 686 1902
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Rajasthan, India
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abhimanyu.guhe@cgglobal.com

JALANDHAR
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Near Dainik Bhaskar, Ladowali Road,
Jalandhar 144 001, Punjab, India
Tel +91 911 513 6474/964 634 4665
Email vivek.sharma@cgglobal.com
ankit.sharma@cgglobal.com

LUCKNOW
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charu.pathak@cgglobal.com

WESTERN REGION

MUMBAI
Western Region
CG House, 8th Floor
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Mumbai 400 030, Maharashtra, India
Email amul.chhajed@cgglobal.com
prashant.anpan@cgglobal.com

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Tel +91 (0)79-2658 7481
Email vipul.mistry@cgglobal.com

INDORE
108-110, Apollo Trade centre
Geeta Bhavan, Square Road, A B Road
Indore-452 001, Madhya Pradesh, India
Email ravindra.aundhkar@cgglobal.com

PUNE
Second Floor, Argade Heights,
CTS No. 1303, Shivajinagar,
J M Road, Above Fabindia,
Pune-411 005, Maharashtra, India
Email rohan.prabhu@cgglobal.com
vivekanand.awaje@cgglobal.com

NAGPUR
2nd Floor, Sai Nivas, Plot No. U16/A,
Ujjawal Co-operative Housing Society,
Opposite to Sri Nagar MSEB office,
Ring Road, Narendra Nagar,
Nagpur-440 015, Maharashtra, India
Email suyog.deshpande@cgglobal.com
rohit.talwalkar@cgglobal.com

RAIPUR
A 207, Crystal Arcade, Near Lodhi Para Square
Shankar Nagar Road, Raipur 492 007
Chhattisgarh, India
Tel +91 (0)771 401 9201, 401 9202
Email suyog.deshpande@cgglobal.com
rohit.talwalkar@cgglobal.com

SOUTHERN REGION

CHENNAI
Crompton House-3,
Dr MGR Salai (Kodambakkam High Road)
Nungambakkam,
Chennai 600 034, Tamil Nadu, India
Tel +91 (0)44 4224 7500, 4224 7597
Email prakash.j@cgglobal.com

BANGALORE
J P Square, 3rd Floor
No:17, 3rd Cross, 5th Main
Chamrajpet, Bangalore 560 018
Karnataka, India
Tel +91 (0) 80 4664 2820
Email srinivasulu.murthy@cgglobal.com

SECUNDERABAD
Minerva Complex, 4th Floor
94 Sarojni Devi Road
Secunderabad-500 003
Hyderabad, India
Tel +91 (0)40 4000 2342
Email aravind.kammari@cgglobal.com

Region EMEA

CORPORATE & REGISTERED OFFICES

CG DRIVES & AUTOMATION SWEDEN AB
Mörsaregatan 12, Box 222 25
SE-250 24 Helsingborg, Sweden
Tel +46 42 16 99 00
Fax +46 42 16 99 49

CG INTERNATIONAL BV
Polakkers 5, 5531NX Bladel,
The Netherlands

BUSINESS UNITS

CG DRIVES & AUTOMATION NETHERLANDS BV
Polakkers 5, 5531 NX BLADEL
Postbus 132, 5530 AC BLADEL
The Netherlands
Tel +31 (0)497 389 222
Fax +31 (0)497 386 275

CG DRIVES & AUTOMATION GERMANY GMBH
Gießerweg 3, D-38855 Wernigerode
Germany
Tel +49 (0)3943 92050
Fax +49 (0)3943 92055

Region Americas

BUSINESS UNITS

QEI, LLC
45 Fadem Road
Springfield, NJ 07081, USA
Tel +1 908 379 7400

SERVICES

QEI, LLC
45 Fadem Road
Springfield, NJ 07081, USA
Tel +1 908 379 7400

Notes

Notes

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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

NOTICE

NOTICE is hereby given that the Eighty Fifth Annual General Meeting of the Members of **CG POWER AND INDUSTRIAL SOLUTIONS LIMITED ('the Company')** will be held on **Wednesday, 27 July 2022 at 03:00 pm (IST)** through Video Conferencing **('VC')**/ Other Audio-Visual Means **('OAVM')** to transact the following business:

ORDINARY BUSINESS:

Adoption of Standalone Financial Statements for the financial year ended 31 March 2022

1. To consider and, if deemed fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2022, the Reports of the Board of Directors and the Auditors thereon, be and are hereby received and adopted."

Adoption of Consolidated Financial Statements for the financial year ended 31 March 2022

2. To consider and, if deemed fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2022 and the Report of the Auditors thereon, be and are hereby received and adopted."

Re-appointment of Director retiring by rotation

3. To re-appoint Mr. M A M Arunachalam (DIN:00202958), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Ratification of remuneration payable to Cost Auditor

4. 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, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 7,70,000/- (Rupees Seven Lakhs Seventy Thousand Only) plus taxes as applicable and reimbursement of out-of-pocket expenses, to conduct the audit of cost records of the Company for the financial year ending 31 March 2023, 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."

Payment of special incentive to Mr. Natarajan Srinivasan, Managing Director

5. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT in partial modification to the resolution passed by the Members at the Extra-ordinary General Meeting of the Company held on 7 June 2021 and pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules under the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and as recommended by the Nomination and Remuneration Committee and as approved by the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for payment of special incentive of ₹ 5,00,00,000 (Rupees Five Crores only) to Mr. Natarajan Srinivasan, Managing Director of the Company for the financial year 2021-22.

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes any committee thereof) be and is hereby authorised to take such steps expedient or desirable to give effect to this resolution."

By Order of the Board
For **CG Power and Industrial Solutions Limited**

P Varadarajan
Company Secretary
Membership No. ACS 8237

Mumbai, 28 June 2022

NOTES:

(a) Convening of Annual General Meeting through Video Conferencing / Other Audio Visual Means facility:

In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 22/2020, 33/2020, 19/2021, 21/2021 and 02/2022 dated 8 April 2020, 13 April 2020, 5 May 2020, 15 June 2020, 28 September 2020, 08 December 2021, 14 December 2021, 05 May 2022 respectively and all other relevant circulars, issued by the Ministry of Corporate Affairs **(**hereinafter collectively referred as **'MCA Circulars')** and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 and all other relevant circulars issued by the Securities and Exchange Board of India **('SEBI Circulars')** and in compliance with the provisions of the Companies Act 2013 **('Act')** and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **('SEBI LODR')**, the 85th Annual General Meeting of the Company **('AGM' or 'Meeting')** is being conducted through Video Conferencing **('VC')** / Other Audio Visual Means **('OAVM')** facility, which does not require physical presence of members at a common venue. Hence, Members are requested to attend and participate at the ensuing AGM through VC / OAVM facility being provided by the Company through National Securities Depository Limited **('NSDL')**.

The deemed venue for the AGM shall be the Registered Office of the Company.

(b) Quorum:

The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the AGM. The Company may close the window for joining the VC/OAVM facility 15 minutes after the scheduled time of start of the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee and Auditors, who are allowed to attend the AGM without restriction as provided in the MCA circulars.

The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

(c) Proxy(ies):

Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

(d) Explanatory Statement:

An Explanatory Statement as per Section 102 of the Act in respect of the special business under Item No. 4 and 5 of this Notice, proposed to be transacted at the AGM and relevant information with respect to Director seeking appointment at the Meeting under Item No. 3 of this Notice as required under Regulation 36 of the SEBI LODR and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India **('SS-2')**, are annexed to this Notice.

(e) Corporate Representations:

Pursuant to the provisions of Section 113 of the Act, Body Corporate Members who intend their authorised representative(s) to attend the AGM are requested to send, to the Company, a certified copy of the Resolution of its Board of Directors or other governing body, authorizing such representative(s) along with the respective specimen signature(s) of those representative(s) authorised to attend the AGM through VC/OAVM facility and participate thereat and cast their votes through e-voting. The said resolution/authorization should be sent to the scrutinizer by email through its registered email address to acs.pmehta@gmail.com with a copy marked to investorservices@cgglobal.com.

(f) Queries:

Members who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at investorservices@cgglobal.com. Questions/ queries received by the Company till Friday, 22 July 2022 shall only be considered and responded during the AGM.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending an email to investorservices@cgglobal.com any time before 05:00 p.m. (IST) on Friday, 22 July 2022, mentioning their name, demat account number/folio number, email id and mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM, depending on availability of time.

The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting. The Members may be allowed to pose questions during the course of the AGM.

(g) Unclaimed/Unpaid Dividends and Shares:

During the financial year 2021-22, 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 - Financial Express and Loksatta in this regard.

Unpaid/unclaimed Dividend(s) pertaining to the financial year 2014-15 which remained unclaimed/unpaid for a period of seven consecutive years, were transferred to IEPF as detailed hereunder:

Date of Declaration of Dividend	Due Date for Transfer to the IEPF
3 February 2015	2 March 2022

It may be noted that there are no unclaimed dividend which are remaining to be transferred to IEPF.

(h) Dispatch of Notice and Annual Report through electronic means and inspection of documents:

In terms of sections 101 and 136 of the Act, read with rules made thereunder and Regulation 36 of the SEBI LODR as amended from time to time, the listed companies may send the Annual Report and the notice of AGM by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars and SEBI Circulars, electronic copy of the Notice of 85th AGM along with the Annual Report for Financial Year 2021-22 is being sent to all the Members whose e-mail addresses are registered with the Company/ RTA/Depository Participant(s). If any Member is interested in obtaining a hard copy of the Annual Report, he/she may send the requests to the Company at investorservices@cgglobal.com.

The Members may also note that the Annual Report and the Notice of the AGM will also be available on the Company's website www.cgglobal.com and on the website of Stock Exchanges (where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited) and also on the website of NSDL at www.evoting.nsdl.com for download. Members may note that relevant documents referred in the Notice and other documents as required under applicable laws shall be made available for inspection in accordance with applicable statutory requirement based on request received by the Company at investorservices@cgglobal.com.

For members who have not received the Notice of 85th AGM along with the Annual Report for Financial Year 2021-22 due to change/ non-registration of their e-mail address with the Company/ RTA/ Depository Participants, they may request for the said Notice and Annual Report, by sending an email at cginvestors@datamaticsbpm.com or investorservices@cgglobal.com. Post receipt of such request and verification of details of the shareholder, the shareholder would be provided soft copy of the said Notice and Annual Report. It is clarified that for registration of email address, the shareholders are however requested to follow due procedure for registering their e-mail address with the Company/ RTA in respect of physical holdings and with the Depository Participants in respect of electronic holdings. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their Depository Participants/ RTA/ Company to enable servicing of notices/ documents/ Annual Reports electronically to their email address.

The Members who have not received any communication regarding this AGM for any reason whatsoever, and are eligible to vote, are also entitled to vote and may obtain the User ID and password or instructions for remote e-voting by contacting the Company's Registrar & Share Transfer Agent, Datamatics Business Solutions Limited **('RTA')** at Tel No.022-6671 2001 to 6671 2006 or e-mail at cginvestors@datamaticsbpm.com between 09:00 a.m. to 5:00 p.m. (IST) on all working days, except Saturday and Sunday, or contact the Company at investorservices@cgglobal.com or NSDL at evoting@nsdl.co.in.

Any person becoming the Member of the Company after the dispatch of Notice of the AGM (i.e. after Friday, 24 June 2022) may obtain the user ID and password by referring to the e-voting instructions attached to this notice and also available on the Company's website www.cgglobal.com and the website of NSDL www.evoting.nsdl.com. Alternatively, member may send request providing their email address, mobile number and self-attested PAN copy via email to cginvestors@datamaticsbpm.com for obtaining the Notice of 85th AGM and Annual Report.

(i) Scrutinizer:

The Board of Directors, at its meeting held on Monday, 02 May 2022, has appointed Mr. Prashant S. Mehta (Membership No ACS 5814), Proprietor of M/s. P. Mehta & Associates, Practising Company Secretaries (C.P. No. 17341), as the Scrutinizer to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman/ Managing Director /Company Secretary of the Company after completion of the scrutiny of the remote e-voting and e-voting at the AGM. The results will be announced by the Chairman/ Managing Director /Company Secretary of the Company within 2 (two) working days from the conclusion of the AGM and will be posted on the Company's website viz. www.cgglobal.com and will also be posted on the website of NSDL at www.evoting.nsdl.com. The results shall also be intimated to the Stock Exchanges where the securities of the Company are listed.

(j) Electronic voting:

In compliance with provisions of Sections 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 **('Rules')**, Regulation 44 of SEBI LODR, and SS-2, the Company is providing remote e-voting facility to enable members to cast their votes electronically on the matters included in this Notice. For this purpose, the Company has engaged the services of NSDL to provide e-Voting facility. The facility of casting votes by a member using remote e-voting system as well as e-voting at the AGM will be provided by NSDL.

Members are requested to follow the procedure stated in the "instructions for e-voting section" of this Notice for casting of votes electronically.

The cut-off date for determining the Members eligible to vote on resolutions proposed to be considered at the Meeting is Wednesday, 20 July 2022. The remote e-voting period will commence on Saturday, 23 July 2022 at 9:00 a.m. (IST) and end on Tuesday, 26 July 2022 at 5:00 p.m. (IST). The remote e-voting will not be allowed beyond the aforesaid date and time. The remote e-voting module shall be disabled thereafter.

The Resolutions set out in this notice will be deemed to have been passed on the date of the AGM, if approved by the requisite majority.

Only those members whose names are appearing in the Register of Members / List of Beneficial Owners as on the cut-off date i.e. Wednesday, 20 July 2022, shall be entitled to cast their vote through remote e-voting or voting through VC /OAVM at the AGM, as the case may be. A person who is not a member on the cut-off date should treat this notice for information purpose only.

The Members who have cast their vote by remote e-voting prior to the AGM, may also attend and participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again. The Members can opt for only one mode of voting i.e. remote e-voting or e-voting through VC/OAVM at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and e-voting through VC/OAVM at AGM will not be considered. Members must note that voting by show of hands will not be available at the Meeting in terms of the aforesaid provisions.

(k) Voting Rights:

Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on the cut-off date being Wednesday, 20 July 2022.

(l) Registrar & Share Transfer Agent & Investor Services Department:

The Company's Registrar & Share Transfer **('RTA')** is Datamatics Business Solutions Limited **('DBSL')**. In addition to the RTA, our Corporate Secretarial Department is happy to assist in case of any difficulties being experienced by the Members in their interaction with DBSL. For any communication, the Shareholders may send an e-mail to the Company's Secretarial Department at investorservices@cgglobal.com.

Address and details for correspondence with DBSL and the Secretarial Department are provided in the section titled 'Report on Corporate Governance' in the 85th Annual Report for Financial Year 2021-22 accompanying this Notice.

(m) Route Map:

As the AGM is held through VC/OAVM, without the physical presence of the Members in terms of MCA Circulars, the route map is not annexed to this Notice.

(n) Shares related:

a. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

   i. For shares held in electronic form: to their Depository Participants (DPs)

   ii. For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3 2021. The Company has sent letters for furnishing the required details.

b. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at https://www.cgglobal.com/shares_related and on the website of the Company's Registrar and Transfer Agents, Datamatics Business Solutions Limited ("RTA") at https://www.datamaticsbpm.com/registrar-and-transfer-agent/information-to-shareholders/. It may be noted that any service request can be processed only after the folio is KYC Compliant.

c. SEBI vide its notification dated 24 January 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

d. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

e. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website https://www.cgglobal.com/shares_related. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

Members are therefore requested to dematerialize their physical holdings. For any clarification, assistance or information relating to dematerialization of Company's shares, please contact the Company's RTA, DBSL at Tel No.022- 6671 2001 to 6671 2006 or e-mail at cginvestors@datamaticsbpm.com.

By Order of the Board
For **CG Power and Industrial Solutions Limited**

P Varadarajan
Company Secretary
Membership No. ACS 8237

Mumbai, 28 June 2022

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 on General Meetings issued by the Institute of Company Secretaries of India **('SS-2')**, the following Explanatory Statement and annexure thereto should be taken as forming part of this Notice.

Item No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, have at their Meeting held on 02 May 2022, 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 2023 at a remuneration of ₹ 7,70,000/- (Rupees Seven Lakhs Seventy Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board is required to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of this Notice for ratification of the remuneration payable to the Cost Auditors of the Company for the financial year ending 31 March 2023.

The Board of Directors recommends the Ordinary Resolution at Item No. 4 for approval of the Members.

None of the Directors, Key Managerial Personnel or their relatives are in any way, financially or otherwise, concerned or interested in the said Ordinary Resolution set out at Item No. 4 of the accompanying Notice.

Item No. 5

The Members of the Company had, at the Extra-ordinary General Meeting of the Company held on 7 June 2021, approved the appointment of Mr. Natarajan Srinivasan as the Managing Director of the Company for a period of 2 years effective from 26 November 2020, along with other terms and conditions of appointment, including payment of remuneration. The terms of remuneration of Mr. Natarajan Srinivasan as approved by the Members inter alia included incentives and high performance bonus, each of which, at 100%, would be 35% of his Annual Pay.

The Members are requested to note that ever since the change in Management of the Company in November 2020 pursuant to acquisition of controlling stake by Tube Investments of India Limited, there has been a swift turnaround in the operational and financial performance of the Company, under the strong and able leadership of Mr. Natarajan Srinivasan. He has played significant role in resolving many of the legacy issues, including (a) completion of restatement/voluntary revision of accounts in a record time, (b) resolving long pending issues relating to sale of Kanjurmarg property which helped the Company to reduce its debts, (c) repayment of debt relating to the CG House property which enabled avoidance of its sale and the CG House property continues to remain with the Company; and (d) guiding the Company on regulatory matters including investigations by SFIO, Enforcement Directorate and CBI, which all helped the Company in posting the excellent performance.

As can be seen, all the businesses of the Company have performed to their potential with highest-ever sales reported by Motors and Railways segment. On a standalone basis, the total sales of the Company for the year were higher at ₹ 5,159 crores, recording a growth of 104% YoY, and Profit Before Tax (before exceptional items) for the year stood at ₹ 502 crores as against loss of ₹ 91 crore in the previous year. Free cash flow generated for the year was ₹ 392 crores. Market capitalization of the Company which was ₹ 4,982 crores in November 2020 rose to ₹ 27,316 Crores as on 31 March 2022.

Considering the significant performance of the Company, including achievement in terms of Profit Before Tax, based on recommendation of the Nomination and Remuneration Committee, the Board approved the payment of incentive of ₹ 1.53 crore and high performance bonus of ₹ 1.53 crore to Mr. Natarajan Srinivasan, as per the terms of remuneration already approved by the shareholders. Thus, the total remuneration of Mr.Natarajan Srinivasan for the year 2021-22, including the salary, incentive and high performance bonus, aggregates to ₹ 6.25 crores.

Further, considering the significant contribution of Mr. Srinivasan in the complete turnaround in operational and financial performance of the Company and resolving of many of the legacy issues of the Company, the Nomination and Remuneration Committee has recommended to the Board, and the Board has approved, subject to further approval by the Members, the payment of special incentive of ₹ 5 crores to Mr. Natarajan Srinivasan for the financial year 2021-22. Since this special incentive is in addition to the incentive and high performance bonus earlier approved by the Members of the Company, it requires approval of the Members.

In view of the above, approval of the Members is being sought for payment of special incentive of Rs. 5 Crore to Mr. Natarajan Srinivasan for the financial year 2021-22. It may be noted that the total remuneration of Mr. Natarajan Srinivasan for the financial year 2021-22 (including the special incentive of Rs.5 Crore as mentioned above), would be Rs.11.25 crore and the same will be well within the limits prescribed under the Companies Act, 2013 ("**the Act**"). The maximum remuneration payable to the Managing Director under the Act is Rs. 33.26 crore, being 5% of the profit for the year as computed under the provisions of Section 197 and 198 of the Act.

Except for Mr. Natarajan Srinivasan, none of the other Directors and Key Managerial Personnel of the Company or their relatives are, in any way, financially or otherwise, concerned or interested in the said Ordinary Resolution set out at Item No. 5, except to the extent of their shareholding in the Company, if any.

The Board recommends the Ordinary Resolution at Item No. 5 for approval of the Members.

By Order of the Board
For **CG Power and Industrial Solutions Limited**

P Varadarajan
Company Secretary
Membership No. ACS 8237

Mumbai, 28 June 2022

Details of Director seeking re-appointment at the 85th 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. M A M Arunachalam
DIN	00202958
Nationality	Indian
Date of First Appointment on the Board of Directors	26 November 2020 as an Additional Director
Age	54 years
Qualifications	MBA from the University of Chicago
Capacity	Non-Executive Non- Independent Director
Experience and expertise in Specific Functional Areas	Has over 25 years of experience in diverse area of Business Development and strategic initiatives

List of Directorships held in other companies including the companies from which he has resigned in the past three years

Directorship in other companies

Listed Companies

a) Shanthi Gears Limited

b) Tube Investments of India Limited

c) Cholamandalam Investment and Finance Company Limited

Other Companies

a) Ambadi Investments Limited

b) Cholamandalam Home Finance Limited

c) Parry Enterprises India Limited

d) AR Lakshmi Achi Trust

e) Great Cycles (Private) Limited, Sri Lanka

f) Creative Cycles (Private) Limited, Sri Lanka

g) New Ambadi Estates Private Limited

h) TI Clean Mobility Private Limited

Companies resigned in past three years

Listed Companies

a) Carborundum Universal Limited

b) Coromandel Engineering Company Limited

Other Companies

a) Parry Murray & Company Limited, UK

b) The Africa Under Canvas Safaris Limited, Tanzania

Membership/ Chairmanship in the Committees of the Boards of companies in which he is a Director

CG Power and Industrial Solutions Limited

- Stakeholders' Relationship Committee – Member
- Risk Management Committee- Member

Tube Investments of India Limited

- Stakeholders' Relationship Committee – Chairman
- Shares and Debentures Committee – Chairman
- Loans Committee – Chairman
- Audit Committee – Member

- Corporate Social Responsibility Committee – Member
- Risk Management Committee- Member

Cholamandalam Investment and Finance Company Limited

- Audit Committee – Member
- Corporate Social Responsibility Committee – Member
- Risk Management Committee – Member
- Business Committee – Member
- Stakeholders' Relationship Committee – Chairman

Parry Enterprises India Limited

- Audit Committee – Member
- Nomination and Remuneration Committee – Member

<table>
<tr><td>Terms and Conditions of appointment/ re-appointment</td><td>Appointment as a Non-Executive Non- Independent Director subject to retirement by rotation</td></tr>
<tr><td>Details of remuneration sought to be paid</td><td>Entitled to sitting fees for attending meetings of the Board/ Committees and commission as per the limits set out in the Act.</td></tr>
<tr><td>Last drawn remuneration</td><td>Not Applicable. Only sitting fees paid. Kindly refer the section titled 'Report on Corporate Governance' of the 85th Annual Report of the Company accompanying this Notice.</td></tr>
<tr><td>Number of meetings of Board attended during the year</td><td>Attended all the 9 Board Meetings that were held during the financial year 2021-22.</td></tr>
<tr><td>Number of shares held in the Company including shareholding as a beneficial owner</td><td>Shareholding in capacity of Director and beneficial owner as on 31 March, 2022:
<table>
<tr><th>Sr. No.</th><th>Capacity</th><th>Number of shares held</th></tr>
<tr><td>1.</td><td>Director</td><td>1,85,000</td></tr>
<tr><td>2.</td><td>M.A. Murugappan HUF- Kartha</td><td>64,500</td></tr>
<tr><td>3.</td><td>Murugappan Arunachalam Trust-Trustee</td><td>46, 900</td></tr>
<tr><td>4.</td><td>Arun Murugappan Children Trust-Trustee</td><td>74,000</td></tr>
<tr><td>5.</td><td>M.A. Murugappan Holdings LLP / Partner</td><td>3,67,000</td></tr>
</table></td></tr>
<tr><td>Justification for choosing the individual for appointment as an Independent Director</td><td>Not Applicable</td></tr>
<tr><td>Relationship with other Directors'/ KMPs</td><td>Not related to any Director / Key Managerial Personnel</td></tr>
</table>

By Order of the Board
For **CG Power and Industrial Solutions Limited**

P Varadarajan
Company Secretary
Membership No. ACS 8237

Mumbai, 28 June 2022

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE 85TH ANNUAL GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday, 23 July 2022 at 9:00 a.m. (IST) and ends on Tuesday, 26 July, 2022 at 5:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 20 July 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 20 July 2022.

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9 December 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DepositoryParticipants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in demat mode with NSDL	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of **e-voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on options available against company name or **e-voting service provider-NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password,' you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password.'
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to acs.pmehta@gmail.com with a copy marked to evoting@nsdl.co.in and the Company at investorservices@cgglobal.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 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).

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cginvestors@datamaticsbpm.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorservices@cgglobal.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

The instructions for Members for e-voting on the day of the AGM are as under:-

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the M through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name.You are requested to click on VC/ OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorservices@cgglobal.com. The same will be replied by the company suitably.

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

Smart solutions.
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 or through email at cginvestors@datamaticsbpm.com.

Shareholders who hold shares in dematerialized form are requested to approach the concerned Depository Participant for updating/modifying their e-mail id(s) as the case may be.

For CG Power and Industrial Solutions Limited

P Varadarajan
Company Secretary and Compliance Officer
Membership No. ACS 8237

E-MAIL REGISTRATION FORM

To* :

The Company (for Shareholders holding shares in physical mode)

The Depository Participants (for Shareholders holding shares in dematerialised form)

Sub: Registration of e-mail address - CG Power and Industrial Solutions Limited

I/We would like to receive Notices, Annual Reports and other communications/documents from the Company in electronic mode. I/We request you to register my/our e-mail address for receiving communications/documents electronically as per the following details:

Name of the Shareholder(s)	
Folio/DP ID/Client ID	
E-mail address	
Mobile No	

Date:

Place:

Signature of the Shareholder(s)#

* Please tick as applicable.

\# Please ensure that the form is signed by the registered Shareholder along with Joint Shareholder(s), if any.

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