

## 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/259/2020-21

February 5, 2021

**By portal**

### **The Corporate Relationship Department**

BSE Limited

1<sup>st</sup> 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: Outcome of Meeting of the Board of Directors**

### **Ref: Intimation dated January 28, 2021 for schedule of Board Meeting**

In furtherance to our captioned letter, we wish to inform you that the Board of Directors of the Company, at their meeting held on February 5, 2021, have *inter-alia* considered and approved the Unaudited Financial Results and Segment-Wise Financial Report of the Company, both on standalone as well as consolidated basis, for the 3<sup>rd</sup> quarter and nine months ended December 31, 2020 ("Financial Results") as recommended by the Audit Committee of the Company.

A copy of the Financial Results along with the Limited Review Report signed by Statutory Auditors, M/s. S R B C & CO LLP, Chartered Accountants, on the Financial Results is enclosed for your information and records.

The meeting of the Board of Directors commenced at 4:15 p.m. (IST) and concluded at 06:45 p.m. (IST).

We would appreciate if you could take the same on record.

Thanking you

Yours faithfully,

**For CG Power and Industrial Solutions Limited**

**Alen Ferns**

**Company Secretary and Compliance Officer**



**Encl: As above**

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of CG Power and Industrial Solutions Limited (the 'Company') Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to  
The Board of Directors  
CG Power and Industrial Solutions Limited**

1. We were engaged to review the accompanying statement of unaudited standalone financial results of CG Power and Industrial Solutions Limited (the 'Company') for the quarter ended December 31, 2020 and year to date from April 01, 2020 to December 31, 2020 ('the Unaudited Standalone Financial Results') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Unaudited Standalone Financial Results is the responsibility of the Company's Management and is approved by the Company's Board of Directors. As explained in the Basis of preparation, these Unaudited Standalone Financial Results, have not been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on these Unaudited Standalone Financial Results based on our review. Because of the matters described in paragraph 4 below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for conclusion on these Unaudited Standalone Financial Results and hence we do not express a conclusion on these Unaudited Standalone Financial Results.
3. We conducted our review of the Unaudited Standalone Financial Results in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Unaudited Standalone Financial Results is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. **Basis for Disclaimer of Conclusion**

As explained in the note 2 and note 3 of the Unaudited Standalone Financial Results, the National Company Law Tribunal (NCLT) has passed an order allowing the Ministry of Corporate Affairs (MCA) to reopen and recast the books of accounts and the financial statements of the Company and its subsidiaries ('Proposed Revision') under Section 130 of the Companies Act 2013. As stated in note 1 and note 2, the Board of Directors of the Company, taking into consideration the basis of preparation and significance of matters described in notes to the Unaudited Standalone Financial Results in relation to the past transactions, believes that the accompanying Unaudited Standalone Financial Results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind





**CG Power and Industrial Solutions Limited****Page 2 of 4**

AS 34) "Interim Financial Reporting" except for matters detailed in notes to the Unaudited Standalone Financial Results and impact arising out of reopening and recasting of financial statements; believes that the accompanying Unaudited Standalone Financial Results may not disclose all the effects and all the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, and that the accompanying Unaudited Standalone Financial Results may undergo change to that extent.

We are unable to determine the consequential impact of the aforesaid Proposed Revision and the impact of matters stated in our audit report for the year ended March 31, 2020 on the opening balances and the impact of certain specific transactions / matters and disclosures on these Unaudited Standalone Financial Results. Such specific transactions / matters include:

- i. We draw attention to note 6 of the Unaudited Standalone Financial Results, which describes that the Company has not made any provision towards the corporate guarantees provided to certain overseas entities declared as bankrupt and under liquidation amounting to Rs. 226.48 crores.

Pending outcome of bankruptcy / liquidation proceedings of such overseas entities, we are unable to obtain sufficient appropriate audit evidence in respect of potential impact post liquidation and obligation towards corporate guarantees extended to these subsidiaries and its consequential impact on the Unaudited Standalone Financial Results.

- ii. We draw attention to note 12 of the Unaudited Standalone Financial Results, which describes that, as at December 31, 2020, the Company has not provided for the interest liability aggregating to Rs. 16.41 crores for which the Company has received demand notices. However, basis management estimate the Company will be able to collect and deposit the said 'C' forms and there will be no possible cash outflows in this regard.

Considering that the 'C' forms are not yet collected and no provision has been made towards interest liability, we are unable to determine completeness of provision towards interest and consequential impact on the Unaudited Standalone Financial Results.

- iii. We draw attention to note 16 of the Unaudited Standalone Financial Results which describes that during the quarter and period ended December 31, 2020, the Company has recognized deferred tax assets of Rs. 382.85 crores on losses. Pending outcome of reopening and recasting exercise, we are unable to determine the potential impact on the deferred tax recognized in these Unaudited Standalone Financial Results.
- iv. We draw attention to note 17 to the Unaudited Standalone Financial Results which describes that the Company may not have complied with the various provisions of the various law and regulations (Applicable Laws). Such Applicable Laws includes the Companies Act, 2013, the Income Tax 1961, the Foreign Exchange Management Act 1999, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), Prevention of Money Laundering Act and other related regulations. The Company is in process of evaluation of implication of potential non compliances of Applicable Laws.



**CG Power and Industrial Solutions Limited**

Page 3 of 4

Further, as stated in note 3(a), 3(b), 3(d) and note 3(e) of the Unaudited Standalone Financial Results, there are investigations and enquiries been conducted, for reasons explained in the notes to the Unaudited Standalone Financial Results, by Securities and Exchange Board of India, Serious Fraud Investigation Office and Enforcement Directorate. Further, Department of Income Tax has also issued notices and is seeking explanations from the Company.

Pending outcome of the management assessment on implication of potential non compliances of Applicable Laws and outcome of investigation conducted on the Company by regulators, we are unable to determine the potential impact of non compliances with Applicable Laws and determine any further adjustment that may be necessary to these Unaudited Standalone Financial Results.

- v. We draw attention to note 3(h) and note 9 of the Unaudited Standalone Financial Results which describes that identified litigations and contingencies are pending to be evaluated by the management and the management has not ascertained the legal position of the Company, the possible cash outflow and consequential impact on these Unaudited Standalone Financial Results.

Pending management evaluation of legal positions and possible cash outflows, we are unable to obtain sufficient appropriate evidence with respect to completeness of litigation and contingencies and consequential impact on these Unaudited Standalone Financial Results.

**5. Disclaimer of Conclusion**

Because of the significance of the matters described in paragraphs 4 above, taking into consideration the ongoing investigation into various matters, pending assessment of legal compliances by the Company; ongoing regulatory reviews / actions and counter claims received by the Company; possible impact where-of has not been quantified by the management; and certain specific provisions accounted by the Company during the quarter and nine months ended December 31, 2020; we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether the accompanying Unaudited Standalone Financial Results:

- i. are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013 and;
- ii. disclose the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed or that it contains material misstatements.

**Other Matters**

6. In relation to certain identified transactions before March 31, 2019 and balances as at March 31, 2019, we had issued a letter under section 143(12) of the Companies Act, 2013 to the Company seeking investigation and outcome. Based on the interim response received from the Board of Directors of the Company, we filed our preliminary response to the Central Government reporting the suspected fraudulent transactions and balances.





**CG Power and Industrial Solutions Limited**

Page 4 of 4

7. The comparative Ind AS financial information for the quarter ended September 30, 2020, quarter and period ended December 31, 2019 and for the year ended March 31, 2020 are included in these Unaudited Standalone Financial Results, on which we have issued a disclaimer of conclusion dated October 28, 2020, February 14, 2020 and disclaimer of opinion dated June 27, 2020, respectively.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

**per Shyamsundar Pachisia**

Partner

Membership No.: 49237

UDIN: 21049237AAAAAC7027

Place: Mumbai

Date: February 05, 2021



# 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships

## STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2020

Sr. No.	Particulars	(₹ in crore)					
		Quarter ended			Nine months ended		Previous year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Income</b>						
	(a) Revenue from operations	703.30	564.80	558.12	1503.79	2704.07	3169.48
	(b) Other income	10.86	7.77	10.36	28.22	50.09	56.88
	<b>Total Income</b>	<b>714.16</b>	<b>572.57</b>	<b>568.48</b>	<b>1532.01</b>	<b>2754.16</b>	<b>3226.36</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	465.30	400.02	249.87	1006.59	1642.67	1947.34
	(b) Purchases of stock-in-trade	21.58	14.55	5.95	42.06	50.95	60.92
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(18.11)	(43.30)	134.62	(37.47)	174.61	171.29
	(d) Employee benefits expense	65.79	64.40	78.65	194.57	251.35	322.93
	(e) Finance costs	10.17	70.87	67.34	145.65	209.18	281.78
	(f) Depreciation and amortisation expense	19.97	20.60	22.79	61.57	69.16	90.54
	(g) Foreign exchange (gain) / loss (net)	3.61	(2.60)	2.71	2.60	10.60	25.81
	(h) Other expenses	87.77	87.91	91.30	235.39	411.82	537.80
	<b>Total Expenses</b>	<b>656.08</b>	<b>612.45</b>	<b>653.23</b>	<b>1650.96</b>	<b>2820.34</b>	<b>3438.41</b>
3	<b>Profit / (loss) before exceptional items and tax</b>	<b>58.08</b>	<b>(39.88)</b>	<b>(84.75)</b>	<b>(118.95)</b>	<b>(66.18)</b>	<b>(212.05)</b>
4	Exceptional items (net)	(799.52)	(88.64)	(50.73)	(1160.70)	(1573.32)	(1697.77)
5	<b>Loss before tax</b>	<b>(741.44)</b>	<b>(128.52)</b>	<b>(135.48)</b>	<b>(1279.65)</b>	<b>(1639.50)</b>	<b>(1909.82)</b>
6	<b>Tax expense:</b>						
	Current tax	-	-	-	-	-	-
	Deferred tax	(415.39)	6.38	(8.80)	(396.95)	(24.66)	(110.62)
7	<b>Loss after tax</b>	<b>(326.05)</b>	<b>(134.90)</b>	<b>(126.68)</b>	<b>(882.70)</b>	<b>(1614.84)</b>	<b>(1799.20)</b>
8	<b>Other comprehensive income:</b>						
	(i) Items that will not be reclassified to profit or loss	(0.03)	(0.04)	(0.94)	(0.10)	(2.83)	(0.13)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.01	0.01	0.33	0.03	0.99	0.05
9	<b>Total comprehensive income after tax</b>	<b>(326.07)</b>	<b>(134.93)</b>	<b>(127.29)</b>	<b>(882.77)</b>	<b>(1616.68)</b>	<b>(1799.28)</b>
10	Paid-up equity share capital (Face value of ₹ 2 each)	267.60	125.35	125.35	267.60	125.35	125.35
11	Reserves excluding Revaluation Reserve						588.54
12	<b>Earnings Per Share (not annualised except for the year ended March)</b>						
	(a) Basic	(3.67)	(2.15)	(2.03)	(12.36)	(25.77)	(28.71)
	(b) Diluted	(3.67)	(2.15)	(2.03)	(12.36)	(25.77)	(28.71)

SIGNED FOR IDENTIFICATION  
BY *[Signature]*  
SRBC & CO LLP  
MUMBAI



# 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships.

## STANDALONE SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Sr. No.	Particulars	(₹ in crore)					
		Quarter ended			Nine months ended		Previous year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Segment Revenue:						
	(a) Power Systems	202.08	160.88	248.55	450.96	1006.49	1117.28
	(b) Industrial Systems	502.13	404.05	309.58	1053.87	1697.86	2052.48
	<b>Total</b>	<b>704.21</b>	<b>564.93</b>	<b>558.13</b>	<b>1504.83</b>	<b>2704.35</b>	<b>3169.76</b>
	Less: Inter-Segment Revenue	0.91	0.13	0.01	1.04	0.28	0.28
	<b>Total income from operations</b>	<b>703.30</b>	<b>564.80</b>	<b>558.12</b>	<b>1503.79</b>	<b>2704.07</b>	<b>3169.48</b>
2.	Segment Results:						
	Profit / (loss) before tax and finance costs from each segment						
	(a) Power Systems	4.03	(21.35)	(14.76)	(64.22)	(12.44)	(61.70)
	(b) Industrial Systems	76.77	63.71	19.13	126.29	212.09	246.78
	<b>Total</b>	<b>80.80</b>	<b>42.36</b>	<b>4.37</b>	<b>62.07</b>	<b>199.65</b>	<b>185.08</b>
	Less:						
	(i) Finance costs	10.17	70.87	67.34	145.65	209.18	281.78
	(ii) Other un-allocable expenditure net of un-allocable income	8.94	13.97	19.07	32.77	46.05	89.54
	(iii) Foreign exchange (gain) / loss (net)	3.61	(2.60)	2.71	2.60	10.60	25.81
	Add:						
	(i) Exceptional items (net)	(799.52)	(88.64)	(50.73)	(1160.70)	(1573.32)	(1697.77)
	<b>Loss from ordinary activities before tax</b>	<b>(741.44)</b>	<b>(128.52)</b>	<b>(135.48)</b>	<b>(1279.65)</b>	<b>(1639.50)</b>	<b>(1909.82)</b>
3.	Segment Assets:						
	(a) Power Systems	818.54	797.43	1042.25	818.54	1042.25	860.90
	(b) Industrial Systems	677.06	622.88	694.15	677.06	694.15	637.77
	(c) Unallocable	1491.28	3002.37	3035.34	1491.28	3035.34	2991.07
	(d) Discontinued Operations	429.85	279.85	279.94	429.85	279.94	279.85
	<b>Total segment assets</b>	<b>3416.73</b>	<b>4702.53</b>	<b>5051.68</b>	<b>3416.73</b>	<b>5051.68</b>	<b>4769.59</b>
4.	Segment Liabilities:						
	(a) Power Systems	813.77	879.64	814.06	813.77	814.06	828.95
	(b) Industrial Systems	598.28	813.52	852.93	598.28	852.93	784.48
	(c) Unallocable	1509.16	2852.18	2488.20	1509.16	2488.20	2442.27
	(d) Discontinued Operations	-	-	-	-	-	-
	<b>Total segment liabilities</b>	<b>2921.21</b>	<b>4545.34</b>	<b>4155.19</b>	<b>2921.21</b>	<b>4155.19</b>	<b>4055.70</b>

SIGNED FOR IDENTIFICATION  
BY  
  
S R B C & CO LLP  
MUMBAI



## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships

### Notes on the unaudited standalone financial results for the quarter and nine months ended December 31, 2020:

1. These unaudited standalone financial results of CG Power and Industrial Solutions Limited ('the Company') have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on February 05, 2021. The statutory auditors have conducted limited review of the standalone financial results of the Company as required under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations'). The statutory auditors have disclaimed their conclusion in respect of standalone financial results for the quarter and nine months ended December 31, 2020 for the reasons explained in the "basis of disclaimer of conclusion" in their Limited Review Report.

Further taking into consideration the explanation provided in basis of preparation and related notes included in these standalone financial results, the Board of Directors (the 'Board') believe that these standalone financial results may not include all the impact and disclosure of the information, if any, required to be included and disclosed arising out of re-opening of books of accounts and recasting of financial statements of the Company; outcome of liquidation proceedings of identified subsidiaries and these standalone financial results to that extent may undergo change.

2. Basis of preparation of standalone financial results:

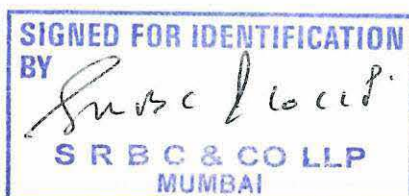
- (a) These standalone financial results except as stated in the notes hereafter, have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with relevant rules issued there under.

These standalone financial results have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of reporting period as per Ind AS.

- (b) Completeness of certain transactions recorded in these standalone financial results is subject to outcome of re-opening of books of accounts and recasting of financial statements of the Company and its subsidiary companies basis the order passed by the National Company Law Tribunal ('NCLT') on March 5, 2020. Refer note 3(b) below.

3. The following are the updates in relation to the ongoing investigations, regulatory and recovery actions:

- a) The Company and its subsidiary, CG Power Solutions Limited ('CGPSOL') continues to provide / submit various information sought by the Serious Fraud Investigation Office ('SFIO') from time to time.
- b) The Company received communication from Ministry of Corporate Affairs ('MCA') in relation to appointment of Chartered Accountant firm(s) ('firms') for recasting of books of accounts and financial statements (the 'recasting exercise') of the Company and its subsidiary companies for 5 years ended March 31, 2019. The



Handwritten signature/initials.



## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

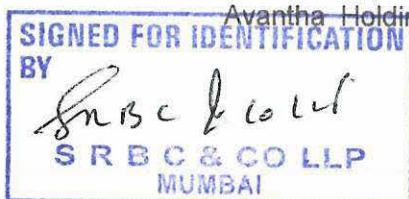
Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships.

Company has since received approval for appointment of the firms for recasting exercise and re-audit thereof.

- c) The Company has received final Report of investigation (earlier referred as Phase-II) from the appointed law firm. Hon'ble Justice Mr. T. S. Thakur (Retd.) who was appointed as Head of Investigation by the Company has also provided to the Board of Directors his report after reviewing the investigation report. The Board has confirmed that there are no additional financial implications, over and above the disclosures already made by the Company except for potential non-compliances with certain statutory provisions of various laws and regulations as stated in note 17.
- d) The Company has received the copy of the Forensic Auditor's Report ('FR Report') appointed by SEBI on September 4, 2020 and the report has been shared with statutory auditors. The transactions covered in the FR Report are covered in the investigation report of law firm appointed by the Company as well. There are no further follow up actions required by Board of Directors of the Company on the FR Report. The Company has also separately received follow up notices from SEBI in relation to investigation initiated by them and the Company has provided the required information.
- e) In respect of Income tax demand for INR 606.30 crore for FY 16-17, the interim stay granted by the Hon'ble Bombay High Court continues. The Company, received a notice from National Faceless Assessment Center (NFAC) requiring it to file its submission in respect of the appeal filed before Commissioner of Income Tax (Appeals) and the Company has filed the submissions as directed. Considering the facts and underlying documents with respect to the demand raised u/s 68 of the Income Tax Act, 1961, the management believes that the demand is not sustainable and bad in law as the ultimate source of funds can be established. As a results the provisions of said section are not applicable to the Company's case.
- f) The Company has filed a suit for recovery against identified erstwhile promoter (AHL) affiliate company, former Directors connected with the erstwhile promoter group and former KMPs for recovery of sum of INR 1416.07 crore (principal INR 727.07 crore together with damages aggregating INR 689 crore) for siphoning off funds. This suit is in addition to suits filed by the Company towards the loss caused to Company's subsidiary, CGPSOL for sum of INR 1709.46 crore (principal INR 1153.24 crore together with interest aggregating INR 556.22 crore) as detailed in the March 31, 2020 standalone financial results. The suits are pending disposal.
- g) Few of the recovery notices sent during the year ended March 31, 2020, to certain identified parties and erstwhile promoter (AHL) affiliates companies, were returned undelivered. There are no further update in relation to this in the quarter and nine months ended December 31, 2020.
- h) In November, 2019, the Company has rescinded the Royalty Agreement with Avantha Holdings Limited ('AHL'). Consequently, the Company does not have



4/11



## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

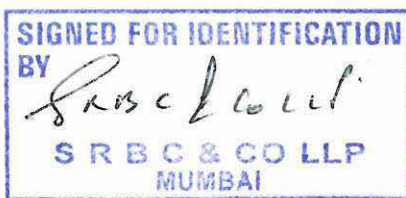
Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships.

liability towards payment of brand royalty. AHL, while directing the Company to discontinue the usage of Avantha brand has contested the rescinding of the Royalty Agreement. AHL has also issued notice invoking arbitration under the brand royalty agreement, which notice was rejected by the Company. AHL has further filed an arbitration petition before Delhi High Court.

- i) Seven suppliers due to non-payment of their dues by the Company have approached NCLT under Insolvency and Bankruptcy Code and the Company received notices in respect of such applications. Two of the supplier has already withdrawn the application from NCLT. The Company has paid outstanding dues to these suppliers and has received no dues certificates from other four suppliers and the petitions filed in NCLT by these suppliers are in the process of withdrawal.
  - j) In respect of a dispute related business transactions, a supplier has invoked arbitration proceedings seeking a claim of INR 23.50 crore (Principal of INR 19.98 crore + interest of INR 3.52 crore) and the proceedings are pending.
  - k) AHL along-with its two affiliate companies, were classified as Promoter and Promoter Group of the Company ("Promoters"). After necessary approval from SEBI and shareholders, the Stock Exchange has approved the reclassification of the AHL and affiliate companies shareholding from "Promoter" to "Public" on November 19, 2020. Consequently, AHL and all their associated group companies are now termed in the financial results as 'erstwhile promoter (AHL) affiliate companies'.
4. Subsequent to signing of Inter Creditor Agreement ('ICA') by the Lenders, the Company and lenders accepted a binding offer from Tube Investments of India Limited ('TII'), a member of the Murugappa group for resolving the debts of the Company and to infuse capital in the Company. A Securities Subscription Agreement ('SSA') was executed between the Company and TII and shareholders of the Company approved the issuance of securities. During the quarter ended December 31, 2020, after satisfactory fulfilment of Conditions Precedents contained in the SSA and receiving necessary regulatory approvals, the Board of the Company allotted following securities to TII:
- a) On November 26, 2020, 64,25,23,365 equity shares of the face value of INR 2 each at a price of INR 8.56 (including premium) per Equity Share, for an aggregate consideration of INR 550 crore;
  - b) On November 26, 2020, 17,52,33,645 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 INR 37.50 crore, being 25% of the aggregate consideration payable for subscribing to Equity Shares upon exercise of the Warrants; and
  - c) On December 19, 2020, 6,87,28,522 equity shares of the face value of INR 2 each at a price of INR 14.55 (including premium) per Equity Share, for an aggregate consideration of INR 100 crore;





## 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 7700 F: +91 22 2423 7733 W: [www.cgglobal.com](http://www.cgglobal.com)

E: [investorservices@cgglobal.com](mailto:investorservices@cgglobal.com)

Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships.

Consequent to the allotment of 64,25,23,365 equity shares, TII has acquired a controlling interest in the Company and therefore the Company become a subsidiary of TII from November 26, 2020. TII has now been classified as the 'promoter' of the Company and the Board of the Company is reconstituted pursuant to SSA. The Company has received aggregate considerations of INR 650 crore towards allotment of equity shares and INR 37.50 crore towards warrant subscription. The Company has utilised an amount of INR 23.10 crore from securities premium account towards expenses related to raising of equity.

5. During the quarter ended December 31, 2020, the Company, lenders and TII executed the Master Implementation cum Compromise Settlement ('Settlement Agreement') and under the said agreement, the Company has discharged and settled the existing credit facilities for a total consideration of INR 1000 crore.

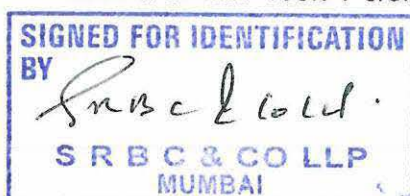
Consequent to above settlement, the cessation of liability aggregating to INR 1409.48 crore (including interest) is recognised in profit or loss as an exceptional item. In terms of settlement agreement, certain amounts appropriated by banks / paid to banks by the Company aggregating to INR 56.07 crore against the outstanding credit facilities are also refunded by the banks.

On completion of settlement in accordance with the above referred agreement:

- all the fund based facilities (including all costs, accumulated interest, penalties and other charges payable in relation to those facilities) excluding restructured debt stands discharged and settled in the books of the Company and the lenders
- any sponsor support undertaking / promoter undertaking / letter of comfort, whatsoever has been provided by the Company to lenders stands discharged without any further claim or liability of the Company and
- all proceedings filed by the lenders against the Company stands withdrawn except criminal proceedings, if any, against erstwhile promoter / management of the Company

One of the lender has filed recovery proceedings before Debt Recovery Tribunal ('DRT') against AHL on June, 30, 2020 for a loan of INR 500 crore availed by AHL in October, 2015. The Company has been arrayed as a party in DRT proceedings on the basis of a letter of comfort allegedly issued on behalf of the Company allegedly to discharge AHL's loan obligations. It is also alleged that certain erstwhile identified employees signed the post-dated cheques ('PDCs') aggregating to INR 210 crore in favour of the lender which was in violation of Rules of Procedure ('ROPs') and without the knowledge of the Board. Based on DRT filings, the Company has received notice in December, 2020 from DRT. The said lender has however signed Settlement Agreement on November 20, 2020 and hence the Company has asked the lender to withdraw these proceedings against the Company.

6. During the quarter ended December 31, 2020, the Company, its subsidiaries, offshore lenders and TII entered into agreements to settle the corporate guarantees obligations aggregating to INR 890.90 crore (INR equivalents of Euro and USD) owed to offshore lenders by the Company and its subsidiary, CGIBV crystallising the liability at maximum amount of INR 190.74 crore. The said settlement is in full and final discharge of all its





## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



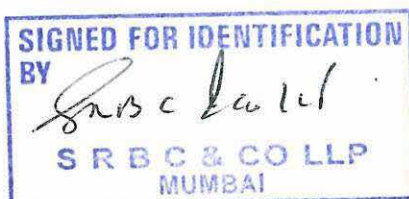
Smart solutions.  
Strong relationships

obligations under the corporate guarantees. Consequent to above, during the quarter and nine months ended December 31, 2020, provision aggregating to INR 46.96 crore and INR 94.45 crore is made towards guarantee obligation settlement consideration. The said settlement is subject to the RBI approval. In addition to above, the agreement for corporate guarantee given to one of the lender aggregating to INR 130.18 crore is yet to be finalised. In view of the standstill period and on the assumption of the recoverable value of the assets of Belgium group will be sufficient to meet these obligations, hence, the Company has not made provision of INR 226.48 crore.

The Company and its subsidiary CGIBV have provided corporate guarantee of INR 254.63 crore (Euro 28.39 million) towards credit facilities availed by CG Electric Systems Hungary ('ESHU') where due to pronouncement of bankruptcy proceedings, the bank issued invocation letter. Consequently, during the quarter and nine months ended December 31, 2020, the Company has made provision of INR Nil and INR 240.40 crore respectively (excluding foreign exchange loss of INR 14.23) towards this corporate guarantee. The Company is in the discussion with the stakeholders for settlement of corporate guarantee obligations.

7. The Company has following non-current receivables/advances and payable balances (net of provision) from various subsidiary, erstwhile promoter (AHL) affiliate companies and erstwhile connected parties. The Company has initiated recovery proceedings and filed recovery suits (refer note 3(f)). During the quarter ended December 31, 2020, considering the doubtful nature of recovery, the Company has made a provision aggregating to INR 2358.11 crore.

(₹ in crore)			
Name of the entity	Relationship	As at 31.12.2020	As at 31.03.2020
<b>A) Advance / Loan given</b>			
Avantha Holdings Limited	Erstwhile promoter (AHL) affiliate company	-	680.47
Avantha Realty Limited		-	10.66
Solaris Industrial Chemicals Limited		-	97.00
Acton Global Private Limited	Erstwhile connected party	-	175.00
Blue Garden Estate Private Limited		-	176.11
		-	<b>1139.24</b>
CG Power Solutions Limited	Subsidiary	-	1218.87
<b>Total</b>		-	<b>2358.11</b>
<b>B) Loan payable</b>			
Blue Garden Estate Private Limited (part of settlement referred in note 5)	Erstwhile connected party	-	320.00
<b>Total</b>		-	<b>320.00</b>





## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



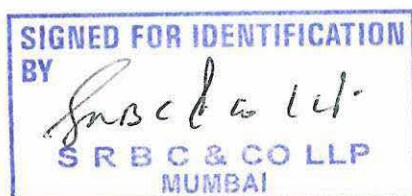
Smart solutions.  
Strong relationships

### 8. Exceptional Items:

Particulars	Quarter ended			Nine months ended		(₹ in crore)
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	Year ended 31.03.2020
Cessation of liability arising on settlement and restructuring of borrowings including interest thereon	1409.48	-	-	1409.48	-	-
Provision towards corporate guarantee invocation and obligation settlement	(46.96)	(47.90)	-	(335.26)	-	-
Foreign exchange gain / (loss) - net on provision for corporate guarantee invocation and obligation settlement	(13.82)	-	-	(13.82)	-	-
(Provision) / Reversal towards non-performance of contractual obligation towards delay in completion of land sale and expected restructuring cost	(31.48)	(31.47)	31.29	(94.09)	31.29	(21.94)
Professional and Consultancy fees due to ongoing investigations and debt resolution plan	(2.74)	(9.27)	(16.28)	(13.01)	(21.09)	(36.24)
Impairment of property and equipment	(44.64)	-	-	(44.64)	-	-
Provision against doubtful advances	(1139.24)	-	(68.58)	(1139.24)	(334.98)	(334.98)
(Impairment) / reversal of impairment of investments in subsidiaries	288.75	-	-	288.75	(884.12)	(884.12)
Provision against litigation (for trade receivable and claims)	-	-	-	-	-	(22.48)
Provision against loan given to subsidiaries	(1218.87)	-	-	(1218.87)	(315.75)	(315.75)
Provision for advances, trade receivables and trade payable (net) - overseas subsidiaries	-	-	2.84	-	(48.67)	(92.31)
Short fall of provident fund liability	-	-	-	-	-	(0.78)
Post retirement medical benefit provision reversal	-	-	-	-	-	10.83
<b>Total</b>	<b>(799.52)</b>	<b>(88.64)</b>	<b>(50.73)</b>	<b>(1160.70)</b>	<b>(1573.32)</b>	<b>(1697.77)</b>

Below are details on exceptional items:

- Consequent to settlement referred in note 5, amount aggregating to INR 1409.48 crore is recognised towards cessation of liability arising on settlement and restructuring of borrowings including interest thereon;
- During the quarter and nine months ended December 31, 2020, provision of INR 46.96 crore and INR 94.86 crore is made towards settlement consideration payable on guarantee obligation settlement;
- During the nine months ended December 31, 2020, provision of INR 240.40 crore has been created towards corporate guarantee invocation in relation to credit facilities availed by ESHU;
- During the quarter and nine months ended December 31, 2020, foreign exchange loss (net) of INR 13.82 crore is accounted on the provisions towards guarantee invocation and settlement accrued till December 31, 2020;
- During the quarter and nine months ended December 31, 2020, an amount INR 31.48 crore and INR 94.09 crore respectively is provided towards non-performance of contractual obligations due to delay in consummation of Kanjurmarg land sale (refer note 10);





## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

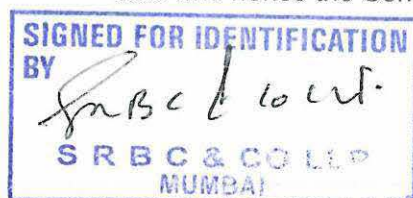
E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships

- f. During the quarter and nine months ended December 31, 2020, professional and consultancy charges of INR 2.74 crore and INR 13.01 crore respectively are incurred towards the debt resolution process initiatives and ongoing investigations in relation to matters identified and disclosed in the financial results for the year ended March 31, 2019 and March 31, 2020;
  - g. As per the settlement referred in note 5, the lenders will be paid from sale proceeds of the Property referred in note 13, on 'as is where is' basis against debt of INR 150 crore. Hence during the quarter, the Company has classified the said property as assets held for sale by restricting carrying value of property as at December 31, 2020 to INR 150 crore and made a provision towards impairment aggregating to INR 44.64 crore;
  - h. During the quarter and nine months ended December 31, 2020, considering the doubtful nature of recovery, provision of INR 2358.11 crore is made towards receivables from various subsidiary, erstwhile promoter (AHL) affiliate companies and erstwhile connected parties and the same is subject to change, if any, which may arise due to recasting exercise as stated in note 3(b);
  - i. During the quarter and nine months ended December 31, 2020, the Company reassessed value of investment in its subsidiary CGIBV and has reversed impairment provision of INR 288.75 crore;
9. A customer of step down subsidiary has claimed damages of CAD 11.85 million from Company and its subsidiary, CGIBV. The Company and CGIBV are contesting the claim as neither of them is party to the contract. The customer has sought extension of time for service of the legal claim which is granted by the local Court.
10. The Company had entered into a definitive agreement with a Buyer for sale of its remaining portion of land at Kanjurmarg. The consummation of sale of land is linked to certain Conditions Precedent. The Company has complied with those Conditions Precedent and the same are pending acceptance of the Buyer.
11. As at December 31, 2020, the Company's net current liability and provisions aggregate to INR 423.78 crore primarily on account of provision towards corporate guarantee invocation, corporate guarantee obligation settlement and interest payable on delay in consummation of Kanjurmarg land sale. However, this position has to be understood primarily in the context of following factors / mitigants:
- term loan is sanctioned by a bank for the payment towards guarantees agreed to be settled in cash
  - the Company has issued 17,52,33,645 warrants against which further subscription money of INR 112.50 crore is expected to be received
  - the Company expects to receive proceeds from sale of Kanjurmarg land in next 12 months
  - the Company has an unexecuted business order book of over INR 2815.00 crore as of date and hence the Company expects robust financial position over medium term



9/11



## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships.

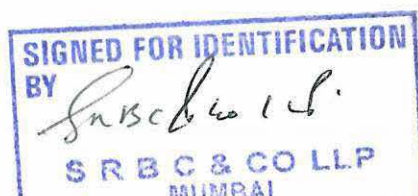
12. The Company is yet to submit certain C Forms to tax authorities for prior years in relation to sales tax. The Company is continuously collecting and reviewing submission of such C Forms. During the nine months ended December 31, 2020, the Company provided INR 18.92 crore (net of reversals INR 11.05 crore) towards principal liability. Based on past experience, considering that the interest payable on such liability is determined only after outcome of appeals and concluding final submissions of C Forms, the Company has not made provision of INR 16.41 crore towards interest demand on the principal liability.
13. The Company has lease hold rights in the 'Property' located in Mumbai, the lease for which expired in 2018. Prior to expiry of the lease, the Company submitted application for renewal of lease with the lessor which is pending consideration. As per the settlement referred in note 5, the lenders have the right to sell the property on 'as is where is' basis and appropriate the sale proceeds against debt of INR 150 crore. Hence during the quarter, the Company has classified the property as held for sale by restricting carrying value of property as at December 31, 2020 to INR 150 crore and made a provision towards impairment of INR 44.64 crore as exceptional item.
14. In compliance with the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018 ("SEBI ICDR Regulations"), the Company has issued equity shares and warrants under preferential allotment as detailed in note 4. Following are the details on utilisation of the proceeds received (Amount in INR crore) under preferential allotment:

Proceeds received	Amount utilised			Total unutilised amount
	At the beginning of the quarter	During the quarter#	At the end of the quarter	
587.50	-	(372.37)	(372.37)	215.13
100.00	-	0.04	0.04	100.04

# Movement during the quarter due to interest income accrual on deployment of proceeds received in bank fixed deposits is netted off in amount utilised during the quarter and excludes payment cleared after quarter end.

The Company has utilised the proceeds 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 in the books of the Company.

15. The Company is yet to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 pending which the Company has made provision for tax based on the normal tax rates (i.e. on the basis of rate applicable to the Company immediately before the amendment).
16. During the quarter and nine months ended December 31, 2020, the Company has recognised deferred tax asset of INR 382.85 crore on the losses based on availability of future taxable profits and the same is subject to change, if any, which may arise due to recasting exercise as stated in note 3(b).



## 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 7700 F: +91 22 2423 7733 W: [www.cgglobal.com](http://www.cgglobal.com)

E: [investorservices@cgglobal.com](mailto:investorservices@cgglobal.com)

Corporate Identity Number (CIN): L99999MH1937PLC002641




Smart solutions.  
Strong relationships.

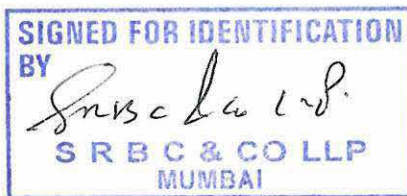
17. As a result of the transactions disclosed by the Company in its audited standalone financial results for the year ended March 31, 2019 and March 31, 2020 ('certain transactions'), the Company may not have complied with the provisions of Section 185, Section 186 and certain other applicable sections of the Companies Act, 2013 and there may be potential non-compliances under the Listing Regulations; Income Tax Act, 1961 and other statutes and regulations as applicable to the Company. The Company will evaluate the implications of these potential non-compliances and the potential remedies available in due course along-with completion of recasting exercise and regulatory investigations.
18. The Company has considered the possible effect in the preparation of these financial results from the outbreak of COVID-19 pandemic. The Company's operations in India were impacted primarily in March and April, 2020, due to suspension of production across all plants and closure of offices following nationwide lockdown. The national lock down continued until early June and was followed by further state level lock downs. Subsequently, the company has ramped up the production, sales and allied activities.
19. Previous periods figures have been regrouped / reclassified, where necessary to conform to the classification of the current period.

For CG Power and Industrial Solutions Limited

Place: Mumbai

Date: February 05, 2021

  
By Order of the Board  
N Srinivasan  
Managing Director  
DIN: 00123338





**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of CG Power and Industrial Solutions Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to  
The Board of Directors  
CG Power and Industrial Solutions Limited**

1. We were engaged to review the accompanying statement of unaudited consolidated financial results of CG Power and Industrial Solutions Limited (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended December 31, 2020 and year to date from April 01, 2020 to December 31, 2020 ('the Unaudited Consolidated Financial Results') attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Unaudited Consolidated Financial Results is the responsibility of the Holding Company's Management and is approved by the Holding Company's Board of Directors. As explained in the Basis of preparation, these Unaudited Consolidated Financial Results have not been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on these Unaudited Consolidated Financial Results based on our review. Because of the matters described in paragraph 5 below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for conclusion on these Unaudited Consolidated Financial Results and hence we do not express a conclusion on these Unaudited Consolidated Financial Results.
3. We conducted our review of the Unaudited Consolidated Financial Results in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Unaudited Consolidated Financial Results is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Unaudited Consolidated Financial Results includes the results of the subsidiaries as listed down in Annexure I.
5. **Basis for Disclaimer of Conclusion**

As explained in the note 2 and note 3 of the Unaudited Consolidated Financial Results, the National Company Law Tribunal (NCLT) has passed an order allowing the Ministry of Corporate Affairs (MCA) to reopen and recast the books of accounts and the financial statements of the Company and its subsidiaries ('Proposed Revision') under Section 130 of the Companies Act 2013. As stated in note 1 and note 2, the Board of Directors of the Holding Company, taking into consideration the basis of preparation and the significance of matters described in notes to the Unaudited Consolidated Financial Results in relation to the past transactions, believes that the accompanying Unaudited Consolidated Financial Results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" except for matters detailed in notes to the Unaudited Consolidated Financial Results and impact arising out of reopening and recasting of financial statements; believes that the accompanying Unaudited Consolidated Financial Results may not disclose all the effects and all the





**CG Power and Industrial Solutions Limited****Page 2 of 6**

information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, and that the accompanying Unaudited Consolidated Financial Results may undergo change to that extent.

We are unable to determine the consequential impact of the aforesaid Proposed Revision and the impact of matters stated in our audit report for the year ended March 31, 2020 on the opening balances and the impact of certain specific transactions / matters and disclosures on these Unaudited Consolidated Financial Results. Such specific transactions / matters include:

- i. We draw attention to note 8 of the Unaudited Consolidated Financial Results. There are certain outstanding identified receivables and identified liabilities as at March 31, 2020 aggregating Rs. 529.44 crores and Rs. 6.30 crores respectively appearing in the books of subsidiaries, which as explained to us, were dues from / dues to erstwhile promoter affiliate companies, and the transactions that resulted in such identified receivables and identified liabilities were approved by certain erstwhile identified employees.

As of the date of this report, the Board of Directors are yet to identify a basis to conclude whether the identified receivables are recoverable and identified liabilities are payable and investigation initiated by Regulatory authorities is yet to be concluded. Accordingly, we are unable to quantify the adjustments to the Unaudited Consolidated Financial Results in relation to such outstanding identified receivables and identified liabilities.

- ii. We draw attention to note 2(e), of the Unaudited Consolidated Financial Results, which describes that on July 7, 2020, Local Court in Hungary has declared CG Electric Systems Hungary Zrt. ('ESHU') as bankrupt, accordingly the Group has deconsolidated the operations of ESHU as on June 30, 2020.

Consequent to the above, the Group had recorded a total gain of Rs. Nil and Rs. 215.57 crores associated with the deconsolidation of the ESHU operations during the quarter and period ended December 31, 2020, respectively. Further, the Group has made a provision of Rs. Nil and Rs. 240.40 crores during the quarter and period ended December 31, 2020, towards the bank borrowings availed by the ESHU against corporate guarantee provided by the Holding Company. The management of Holding Company has accounted the impact of deconsolidation of ESHU on the basis of unaudited/ unreviewed financial information of ESHU.

In the absence of an audited / reviewed financial information of ESHU we are unable to determine completeness of financial information included in and potential impact on the accompanying Unaudited Consolidated Financial Results.

- iii. We draw attention to note 6 of the Unaudited Consolidated Financial Results, which describes that the Group has not made any provision towards the corporate guarantees provided to certain overseas entities declared as bankrupt and under liquidation amounting to Rs. 269.91 crores.

Pending outcome of bankruptcy / liquidation proceedings of such overseas entities, we are unable to obtain sufficient appropriate audit evidence in respect of potential impact post liquidation and obligation towards corporate guarantees extended to these subsidiaries and its consequential impact on the Unaudited Consolidated Financial Results.

- iv. We draw attention to note 14 of the Unaudited Consolidated Financial Results, which describes that, as at December 31, 2020, the Holding Company has not provided for the interest liability aggregating to Rs. 16.41 crores for which the Holding Company has received demand notices. However, basis management estimate the Holding Company will be able to collect and deposit the said 'C' forms and there will be no possible cash outflows in this regard.





**CG Power and Industrial Solutions Limited****Page 3 of 6**

Considering that the 'C' forms are not yet collected and no provision has been made towards interest liability, we are unable to determine completeness of provision towards interest and consequential impact on the Unaudited Consolidated Financial Results.

- v. We draw attention to note 18 of the Unaudited Consolidated Financial Results which describes that during the quarter and period ended December 31, 2020, the Company has recognized deferred tax assets of Rs. 382.85 crores on losses. Pending outcome of reopening and recasting exercise, we are unable to determine the potential impact on the deferred tax recognized in these Unaudited Consolidated Financial Results.
- vi. We draw attention to note 19 to the Unaudited Consolidated Financial Results which describes that the Holding Company may not have complied with the various provisions of the various law and regulations (Applicable Laws). Such Applicable Laws includes the Companies Act, 2013, the Income Tax 1961, the Foreign Exchange Management Act 1999, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), Prevention of Money Laundering Act and other related regulations. The Holding Company is in process of evaluation of implication of potential non compliances of Applicable Laws.

Further, as stated in note 3(a), 3(d) and note 3(e) of the Unaudited Consolidated Financial Results, there are investigations and enquiries been conducted, for reasons explained in the notes to the Unaudited Consolidated Financial Results, by Securities and Exchange Board of India, Serious Fraud Investigation Office and Enforcement Directorate. Further, Department of Income Tax has also issued notices and is seeking explanations from the Holding Company.

Pending outcome of management assessment on implication of potential non compliances of Applicable Laws and outcome of investigation conducted on the Group by regulators, we are unable to determine the potential impact of non - compliances with Applicable Laws and determine any further adjustment that may be necessary to these Unaudited Consolidated Financial Results.

- vii. We draw attention to note 3(h), 3(j) and note 10 of the Unaudited Consolidated Financial Results which describes that identified litigations and contingencies are pending to be evaluated by the management of the Holding Company and the management has not ascertained the legal position of the Group, the possible cash outflow and consequential impact on these Unaudited Consolidated Financial Results.

Pending management evaluation of legal positions and possible cash outflows, we are unable to obtain sufficient appropriate evidence with respect to completeness of litigation and contingencies and consequential impact on these Unaudited Consolidated Financial Results.

- viii. We draw attention to the Basis of Preparation of these Unaudited Consolidated Financial Results, which indicate that the accompanying Unaudited Consolidated Financial Results include unaudited financial results and other unaudited financial information in respect of 10 subsidiaries, part of continued operations of the Group, whose interim financial results and other financial information reflect total revenues of Rs. 19.82 crores and Rs. 73.71 crores, total net profit after tax Rs. 14.31 crores and total net loss after tax Rs. 46.39 crores, total comprehensive income (net) Rs. 14.31 crores and total comprehensive loss (net) of Rs. 46.39 crores for the quarter and period ended December 31, 2020 respectively, in respect of 3 subsidiaries, part of discontinued operations of the Group, whose interim financial results and other financial information reflect total revenues of Rs. Nil and Rs. Nil, total net profit after tax Rs. 0.03 crore and Rs. 0.04 crore, total comprehensive income (net) of Rs. 0.03 crore and Rs. 0.04 crore for the quarter and period ended December 31, 2020 respectively, as considered in the Unaudited Consolidated Financial Results based on their interim financial results and other financial information which have not been audited by their auditors. These unaudited interim financial results and other financial information are considered by the management of Holding





**CG Power and Industrial Solutions Limited**

Page 4 of 6

Company on the basis of financial information available with them (either approved or not approved by individual subsidiaries) for preparation of these Unaudited Consolidated Financial Results including elimination of related party transactions and conversion of financial statements into accounting principles generally accepted in India.

Further as state in note 6 of Unaudited Consolidated Financial Results, during the previous year ended March 31, 2020, the Group has deconsolidated certain subsidiaries based on the assumed date on January 01, 2020, pending completion of bankruptcy procedures.

Our report, in so far as it relates to amounts and disclosures included in respect of these subsidiaries is based solely on such interim financial results and other financial information as available and considered by the management. We are unable to determine the impact on total revenues and loss for the quarter and period ended December 31, 2020, had these entities been subjected to limited review.

- ix. We draw attention to note 2(d) of these Unaudited Consolidated Financial Results, which indicate non-compliance with the regulation 33(3)(h) of the Listing Regulations, which requires the Group to ensure limited review of at least 80% of its operations with effect from April 01, 2019. Further elimination of intercompany transactions for preparation of these Unaudited Consolidated Financial Results are made based on the unaudited interim financial results available with the Holding Company.

Pending review of identified subsidiaries and subject to the possible adjustments on account of ongoing investigations, we are unable to determine the potential impact of non-compliances with respect of regulation 33(3)(h) and determine any further adjustment that may be necessary to these Unaudited Consolidated Financial Results.

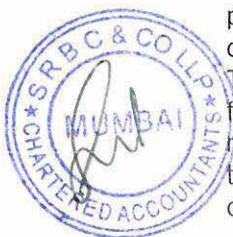
**6. Disclaimer of Conclusion**

Because of the significance of the matters described in paragraph 5 above, taking into consideration the ongoing investigation into various matters, pending assessment of legal compliances by the Holding Company; ongoing regulatory reviews / actions and counter claims received by the Holding Company; possible impact where-of has not been quantified by the management; and certain specific provisions accounted by the Holding Company during the quarter and nine months ended December 31, 2020; we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether the accompanying Unaudited Consolidated Financial Results:

- i. are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013 and;
- ii. disclose the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed or that it contains material misstatements.

**Other Matters**

7. We did not review the unaudited financial results and other financial information, in respect of 5 subsidiaries, part of continued operations of the Group, whose interim financial results and other financial information reflect total revenues of Rs. 117.52 crores and Rs. 303.64 crores, total net profit after tax Rs. 1.17 crores and Rs. 5.60 crores, total comprehensive income (net) of Rs. 1.17 crores and Rs. 5.60 crores for the quarter and period ended December 31, 2020, respectively. These financial results and other financial information have been reviewed by other auditors, which financial results, other financial information and auditor's reports have been furnished to us by the management. Our report on the Unaudited Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such other auditors.





**CG Power and Industrial Solutions Limited**

Page 5 of 6

Certain of these subsidiaries are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results / statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments are made by the Holding Company's management. Our report 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 read with paragraph 5 above and the conversion adjustments prepared by the management of the Holding Company.

8. In case of one subsidiary not reviewed by us, the other auditor who reviewed the subsidiary has reported a disclaimer of conclusion with respect to the financial results and other financial information of the subsidiary whose financial results and other financial information reflect total assets of Rs. 413.88 crores as at December 31, 2020, total revenues of Rs. Nil and Rs. Nil, total net profit after tax Rs. 0.79 crore and total net loss after tax Rs. 0.20 crore, total comprehensive income (net) of Rs. 0.79 crore and total comprehensive loss (net) Rs. 0.20 crore for the quarter and period ended December 31, 2020, as considered in these Unaudited Consolidated Financial Results.
9. In relation to certain identified transactions before March 31, 2019 and balances as at March 31, 2019, we had issued a letter under section 143(12) of the Companies Act 2013 to the Holding Company seeking investigation and outcome. Based on the interim response received from the Board of Directors of the Holding Company, we filed our preliminary response to the Central Government reporting the suspected fraudulent transactions and balances.
10. The comparative Ind AS financial information for the quarter ended September 30, 2020, quarter and period ended December 31, 2019 and for the year ended March 31, 2020 are included in these Unaudited Consolidated Financial Results, on which we have issued a disclaimer of conclusion dated October 28, 2020, February 14, 2020 and disclaimer of opinion dated June 27, 2020, respectively.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm registration number: 324982e/e300003

**per Shyamsundar Pachisia**

Partner

Membership No.: 49237



UDIN: 21049237AAAAAD3996

Place: Mumbai

Date: February 05, 2021

**CG Power and Industrial Solutions Limited**

Page 6 of 6

**Annexure 1 - List of entities included in the Unaudited Consolidated Financial Results**

Sr. No.	Name of Entity
1	CG PPI Adhesive Products Limited
2	CG International Holdings Singapore Pte Limited
3	CG Power Solutions Limited
4	CG Power Equipments Limited
5	CG Sales Networks Malaysia Sdn. Bhd.
6	PT Crompton Prima switchgear Indonesia
7	CG International BV
8	CG Drives & Automation Netherlands BV
9	CG Drives & Automation Germany GmbH
10	CG Industrial Holdings Sweden AB
11	CG Drives & Automation Sweden AB
12	CG Power Americas, LLC
13	QEI, LLC
14	CG-Ganz Generator and Motor Limited Liability Company
15	CG Service Systems France SAS (divested with effect from July 20, 2020)
16	CG Electric Systems Hungary Zrt. (deconsolidated with effect from June 30, 2020)
17	CG Power Solutions UK Ltd
18	CG Middle East FZE
19	CG Power Systems Canada Inc
20	CG Power and Industrial Solutions Limited Middle East FZCO





# 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com  
E: investorservices@cgglobal.com  
Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships.

## STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2020

(₹ in crore)

Sr. No.	Particulars	Quarter ended			Nine months ended		Previous Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations	819.52	663.89	1178.32	1846.14	4493.63	5109.88
	(b) Other income	8.77	9.56	12.15	85.15	27.71	48.13
	<b>Total Income</b>	<b>828.29</b>	<b>673.45</b>	<b>1190.47</b>	<b>1931.29</b>	<b>4521.34</b>	<b>5158.01</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	524.21	447.61	627.63	1169.01	2661.79	3069.04
	(b) Purchases of stock-in-trade	21.58	14.55	5.95	42.06	50.95	60.92
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(19.25)	(42.07)	146.33	(23.69)	183.79	198.15
	(d) Employee benefits expense	90.69	86.85	237.74	283.76	746.32	867.13
	(e) Finance costs	13.57	75.60	79.96	170.83	241.05	324.05
	(f) Depreciation and amortisation expense	33.92	32.21	61.99	105.75	170.88	211.48
	(g) Foreign exchange (gain) / loss (net)	(6.22)	(5.19)	18.31	(16.70)	53.36	72.53
	(h) Other expenses	105.70	101.34	178.95	336.03	697.87	845.20
	<b>Total Expenses</b>	<b>764.20</b>	<b>710.90</b>	<b>1356.86</b>	<b>2067.05</b>	<b>4806.01</b>	<b>5648.50</b>
<b>3</b>	<b>Profit / (loss) before share of profit / (loss) in associates and joint venture, exceptional items and tax</b>	<b>64.09</b>	<b>(37.45)</b>	<b>(166.39)</b>	<b>(135.76)</b>	<b>(284.67)</b>	<b>(490.49)</b>
<b>4</b>	<b>Share of profit / (loss) in associates and joint venture</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5</b>	<b>Exceptional items (net)</b>	<b>(1016.41)</b>	<b>153.67</b>	<b>(53.57)</b>	<b>(937.71)</b>	<b>(1615.03)</b>	<b>(1787.88)</b>
<b>6</b>	<b>Profit / (loss) before tax</b>	<b>(952.32)</b>	<b>116.22</b>	<b>(219.96)</b>	<b>(1073.47)</b>	<b>(1899.70)</b>	<b>(2278.37)</b>
<b>7</b>	<b>Tax expense:</b>						
	Current tax	0.39	0.76	1.40	1.16	0.47	2.64
	Deferred tax	(418.11)	6.09	(11.37)	(386.54)	(30.08)	(121.11)
<b>8</b>	<b>Profit / (loss) from continuing operations after tax</b>	<b>(534.60)</b>	<b>109.37</b>	<b>(209.99)</b>	<b>(688.09)</b>	<b>(1870.09)</b>	<b>(2159.90)</b>
<b>9</b>	<b>Profit / (loss) from discontinued operations before tax</b>	<b>0.01</b>	<b>-</b>	<b>0.04</b>	<b>(0.01)</b>	<b>(8.67)</b>	<b>(6.92)</b>
<b>10</b>	<b>Tax expense on discontinued operations</b>	<b>-</b>	<b>-</b>	<b>0.12</b>	<b>-</b>	<b>0.12</b>	<b>0.12</b>
<b>11</b>	<b>Profit / (loss) from discontinued operations after tax</b>	<b>0.01</b>	<b>-</b>	<b>(0.08)</b>	<b>(0.01)</b>	<b>(8.79)</b>	<b>(7.04)</b>
<b>12</b>	<b>Net profit / (loss)</b>	<b>(534.59)</b>	<b>109.37</b>	<b>(210.07)</b>	<b>(688.10)</b>	<b>(1878.88)</b>	<b>(2166.94)</b>
<b>13</b>	<b>Other comprehensive income:</b>						
	(a) (i) Items that will not be reclassified to profit or loss	(0.05)	(0.04)	(0.94)	(0.12)	(3.66)	(0.36)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.03	0.01	0.33	0.06	1.20	0.11
	(b) (i) Items that will be reclassified to profit or loss	(74.67)	14.39	31.87	(49.18)	59.03	52.70
<b>14</b>	<b>Total comprehensive income after tax</b>	<b>(609.28)</b>	<b>123.73</b>	<b>(178.81)</b>	<b>(737.34)</b>	<b>(1822.31)</b>	<b>(2114.49)</b>
<b>15</b>	<b>Total comprehensive income attributable to:</b>						
	(a) Owners of the Company	(615.19)	124.77	(173.13)	(721.99)	(1819.35)	(2107.00)
	(b) Non-controlling interests	(5.91)	1.04	5.68	15.35	2.96	7.49
<b>16</b>	<b>Paid-up equity share capital (Face value of ₹ 2 each)</b>	<b>267.60</b>	<b>125.35</b>	<b>125.35</b>	<b>267.60</b>	<b>125.35</b>	<b>125.35</b>
<b>17</b>	<b>Reserves excluding Revaluation Reserve</b>						<b>(229.03)</b>
<b>18</b>	<b>Earnings Per Share (for continuing operations) (not annualised except for the year ended March)</b>						
	(a) Basic	(6.09)	1.76	(3.26)	(9.42)	(29.79)	(34.34)
	(b) Diluted	(6.09)	1.76	(3.26)	(9.42)	(29.79)	(34.34)
	<b>Earnings Per Share (for discontinued operations) (not annualised except for the year ended March)</b>						
	(a) Basic	0.00	-	(0.00)	(0.00)	(0.14)	(0.11)
	(b) Diluted	0.00	-	(0.00)	(0.00)	(0.14)	(0.11)
	<b>Earnings Per Share (for continuing and discontinued operations) (not annualised except for the year ended March)</b>						
	(a) Basic	(6.09)	1.76	(3.26)	(9.42)	(29.93)	(34.45)
	(b) Diluted	(6.09)	1.76	(3.26)	(9.42)	(29.93)	(34.45)

SIGNED FOR IDENTIFICATION  
BY *[Signature]*  
SRBC & CO LLP  
MUMBAI



# 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships.

## CONSOLIDATED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

Sr. No.	Particulars	₹ in crore)					
		Quarter ended			Nine months ended		Previous Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Segment Revenue:						
	(a) Power Systems	228.93	180.81	787.50	562.29	2553.97	2735.84
	(b) Industrial Systems	588.32	480.39	387.51	1277.40	1929.52	2361.36
	(c) Others	3.18	2.82	3.32	7.49	10.42	12.96
	<b>Total</b>	<b>820.43</b>	<b>664.02</b>	<b>1178.33</b>	<b>1847.18</b>	<b>4493.91</b>	<b>5110.16</b>
	Less: Inter-Segment Revenue	0.91	0.13	0.01	1.04	0.28	0.28
	<b>Total income from operations</b>	<b>819.52</b>	<b>663.89</b>	<b>1178.32</b>	<b>1846.14</b>	<b>4493.63</b>	<b>5109.88</b>
2.	Segment Results:						
	Profit / (loss) before tax and finance costs from each segment						
	(a) Power Systems	8.20	(18.41)	(65.99)	(70.81)	(128.22)	(222.30)
	(b) Industrial Systems	75.92	66.15	16.76	127.37	212.01	246.91
	(c) Others	(0.80)	(0.81)	(0.82)	(2.48)	(2.45)	(3.67)
	<b>Total</b>	<b>83.32</b>	<b>46.93</b>	<b>(50.05)</b>	<b>54.08</b>	<b>81.34</b>	<b>20.94</b>
	Less:						
	(i) Finance costs	13.57	75.60	79.96	170.83	241.05	324.05
	(ii) Other un-allocable expenditure net of un-allocable income	11.88	13.97	18.07	35.71	71.60	114.85
	(iii) Foreign exchange (gain) / loss (net)	(6.22)	(5.19)	18.31	(16.70)	53.36	72.53
	Add:						
	(i) Share of profit / (loss) in associates and joint venture	-	-	-	-	-	-
	(ii) Exceptional items (net)	(1016.41)	153.67	(53.57)	(937.71)	(1615.03)	(1787.88)
	<b>Profit / (loss) from ordinary activities before tax</b>	<b>(952.32)</b>	<b>116.22</b>	<b>(219.96)</b>	<b>(1073.47)</b>	<b>(1899.70)</b>	<b>(2278.37)</b>
3.	Segment Assets:						
	(a) Power Systems	1328.92	1370.00	3522.88	1328.92	3522.88	1830.46
	(b) Industrial Systems	1054.21	982.59	1030.98	1054.21	1030.98	979.82
	(c) Others	11.56	11.91	12.64	11.56	12.64	12.75
	(d) Unallocable	1721.14	3584.46	3649.71	1721.14	3649.71	3573.36
	(e) Discontinued Operations	437.80	311.67	323.04	437.80	323.04	309.44
	<b>Total segment assets</b>	<b>4553.63</b>	<b>6260.63</b>	<b>8539.25</b>	<b>4553.63</b>	<b>8539.25</b>	<b>6705.83</b>
4.	Segment Liabilities:						
	(a) Power Systems	2149.79	2250.28	3263.13	2149.79	3263.13	2409.88
	(b) Industrial Systems	687.37	1129.90	1154.50	687.37	1154.50	1096.96
	(c) Others	4.49	4.22	3.75	4.49	3.75	4.26
	(d) Unallocable	1954.58	3150.46	3709.53	1954.58	3709.53	3268.86
	(e) Discontinued Operations	8.95	33.08	41.38	8.95	41.38	29.55
	<b>Total segment liabilities</b>	<b>4805.18</b>	<b>6567.94</b>	<b>8172.29</b>	<b>4805.18</b>	<b>8172.29</b>	<b>6809.51</b>

SIGNED FOR IDENTIFICATION  
BY *[Signature]*  
S R B C & CO LLP  
MUMBAI



## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships.

### Notes on the unaudited consolidated financial results for the quarter and nine months ended December 31, 2020:

1. These unaudited consolidated financial results of CG Power and Industrial Solutions Limited ('the Company') and its subsidiaries (collectively 'the Group') have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on February 05, 2021. The statutory auditors have conducted limited review of the consolidated financial results of the Group as required under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations'). The statutory auditors have disclaimed their conclusion in respect of consolidated financial results for the quarter and nine months ended December 31, 2020 for the reasons explained in the "basis of disclaimer of conclusion" in their Limited Review Report.

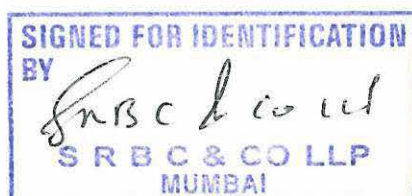
Further taking into consideration the explanation provided in basis of preparation and related notes included in these consolidated financial results, the Board of Directors (the 'Board') believe that these consolidated financial results may not include all the impact and disclosure of the information, if any, required to be included and disclosed arising out of re-opening of books of accounts and recasting of financial statements of the Group; in relation to recoverability of certain identified receivables from the erstwhile promoter (AHL) affiliate companies (refer note 8) in certain overseas subsidiaries; outcome of liquidation proceedings of identified subsidiaries and these consolidated financial results to that extent may undergo change.

#### 2. Basis of preparation of the consolidated financial results:

- (a) These consolidated financial results except as stated in the notes hereafter, have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with relevant rules issued there under.

These consolidated financial results have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of reporting period as per Ind AS and certain identified transactions measured and recognised as stated in note (b) below.

- (b) Certain identified financial assets and identified financial liabilities in relation to transactions and balances with certain erstwhile promoter (AHL) affiliate companies (as defined in note 3(i)) are stated at carrying value basis the transactions accounted in the books of the overseas subsidiaries as explained in the audited consolidated financial results for the year ended March 31, 2019 and March 31, 2020.
- (c) Completeness of certain transactions recorded in these consolidated financial results is subject to outcome of re-opening of books of accounts and recasting of financial statements of the Company and its subsidiary companies basis the order passed by the National Company Law Tribunal ('NCLT') on March 5, 2020. Refer note 3(b) below.
- (d) (i) The financial information in respect of following subsidiaries have been consolidated



3/13



## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships

on the basis of the information provided by the management since these subsidiaries had either no officers or directors on account of either their removal or resignation.

1. CG Power Solutions Limited
2. CG Middle East FZE
3. CG- Ganz Generator and Motor LLC

(ii) During the quarter and nine months ended December 31, 2020, the following entities have not been subjected to review by their auditors and have been consolidated based on the management accounts:

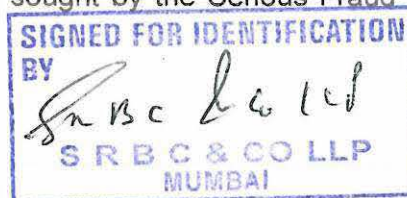
Name of the subsidiary	Country
CG Power Solutions UK Ltd	UK
CG Power & Industrial Solutions Limited Middle East FZCO	Dubai
CG Power Systems Canada Inc.	Canada
PT CG Prima Switchgear Indonesia	Indonesia
CG Electric Systems Hungary Zrt. (subsidiary upto June 30, 2020)	Hungary
CG Service Systems France SAS (subsidiary upto July 20, 2020)	France
CG Sales Networks Malaysia Sdn. Bhd.	Malaysia
CG International B.V.	The Netherlands
CG-PPI Adhesive Products Limited	India
CG Power Equipments Limited	India

For the purposes of consolidated financial results for the nine months ended December 31, 2020, 73.45% based on profitability criteria has been subject to review. This has led to non-compliance with regulation 33(3)(h) of the Listing Regulations.

(e) During the nine months ended December 31, 2020, the Group has deconsolidated the accounts of its subsidiary CG Electric Systems Hungary Zrt. ('ESHU') consequent to it being declared bankrupt by Local Court in Hungary ("Court") on July 7, 2020 and commenced liquidation proceedings. The Group no longer retains control over the operations of the said subsidiary with effect from the date of bankruptcy. In view of this, the management of the Company has considered practical expedient to deconsolidate the accounts of ESHU with effect from June 30, 2020. Consequently, in the quarter ended June 30, 2020, the Group has accounted total gain of INR 215.57 crore associated with deconsolidation including reclassification of foreign currency translation reserve and hedge reserve.

3. The following are the updates in relation to the ongoing investigations, regulatory and recovery actions:

- a) The Company and its subsidiary, CG Power Solutions Limited ('CGPSOL') continues to provide / submit various information sought by the Serious Fraud Investigation Office ('SFIO') from time to time.





## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

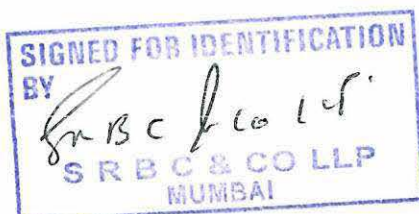
E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships.

- b) The Company received communication from Ministry of Corporate Affairs ('MCA') in relation to appointment of Chartered Accountant firm(s) ('firms') for recasting books of accounts and financial statements (the 'recasting exercise') of the Company and its subsidiary companies for 5 years ended March 31, 2019. The Company has since received approval for appointment of the firms for recasting exercise and re-audit thereof.
- c) The Company has received final Report of investigation (earlier referred as Phase-II) from the appointed law firm. Hon'ble Justice Mr. T. S. Thakur (Retd.) who was appointed as Head of Investigation by the Company has also provided to the Board of Directors his report after reviewing the investigation report. The Board has confirmed that there are no additional financial implications, over and above the disclosures already made by the Company except for potential non-compliances with certain statutory provisions of various laws and regulations as stated in note 19.
- d) The Company has received the copy of the Forensic Auditor's Report ('FR Report') appointed by SEBI on September 4, 2020 and the report has been shared with statutory auditors. The transactions covered in the FR Report are covered in the investigation report of law firm appointed by the Company as well. There are no further follow up actions required by Board of Directors of the Company on the FR Report. The Company has also separately received follow up notices from SEBI in relation to investigation initiated by them and the Company has provided the required information.
- e) In respect of Income tax demand for INR 606.30 crore for FY 16-17, the interim stay granted by the Hon'ble Bombay High Court continues. The Company received a notice from National Faceless Assessment Center (NFAC) requiring it to file its submission in respect of the appeal filed before Commissioner of Income Tax (Appeals) and the Company has filed the submissions as directed. Considering the facts and underlying documents with respect to the demand raised u/s 68 of the Income Tax Act, 1961, the management believes that the demand is not sustainable and bad in law as the ultimate source of funds can be established. As a results the provisions of said section are not applicable to the Company's case.
- f) The Company has filed a suit for recovery against identified erstwhile promoter (AHL) affiliate company, former Directors connected with the erstwhile promoter group and former KMPs for recovery of sum of INR 1,416.07 crore (principal INR 727.07 crore together with damages aggregating INR 689 crore) for siphoning off funds. This suit is in addition to suits filed by the Company towards the loss caused to Company's subsidiary, CGPSOL for sum of INR 1,709.46 crore (principal INR 1,153.24 crore together with interest aggregating INR 556.22 crore) as detailed in the March 31, 2020 consolidated financial results. The suit are pending disposal.
- g) Few of the recovery notices sent during the year ended March 31, 2020, to certain identified parties and erstwhile promoter (AHL) affiliates companies, were returned undelivered. There are no further update in relation to this in the quarter and nine months ended December 31, 2020.





## CG Power and Industrial Solutions Limited

Registered Office:

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

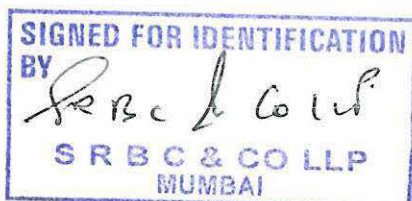
T: +91 22 2423 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



- h) In November, 2019, the Company has rescinded the Royalty Agreement with Avantha Holdings Limited ('AHL'). Consequently, the Company does not have liability towards payment of brand royalty. AHL, while directing the Company to discontinue the usage of Avantha brand has contested the rescinding of the Royalty Agreement. AHL has also issued notice invoking arbitration under the brand royalty agreement, which notice was rejected by the Company. AHL has further filed an arbitration petition before Delhi High Court.
- i) Seven suppliers due to non-payment of their dues by the Company had approached NCLT under Insolvency and Bankruptcy Code and the Company received notices in respect of such applications. Two of the supplier have already withdrawn the application from NCLT. The Company has paid outstanding dues to these suppliers and has received no dues certificates from other four suppliers and the petitions filed in NCLT by these suppliers are in the process of withdrawal.
- j) During the previous year, CGPSOL received assessment order u/s 143(3) of the Income Tax Act, 1961 for the financial year 2016-17 (Assessment Year 2017-18). Along with the order, the CGPSOL received notice u/s 274 read with section 270A from income tax department for levy of penalty. However, in the absence of availability of any director or officer, CGPSOL could not attend the penalty hearing and has not yet filed appeal before Commissioner of Income Tax (Appeals) contesting the order and penalty. Assessing officer is updated about CGPSOL's inability to file an appeal.
- k) In respect of a dispute related business transactions, a supplier has invoked arbitration proceedings seeking a claim of INR 23.50 crore (Principal of INR 19.98 crore + interest of INR 3.52 crore) and the proceedings are pending.
- l) AHL along-with its two affiliate companies were classified as Promoter and Promoter Group of the Company ("Promoters"). After necessary approval from SEBI and shareholders, the Stock Exchange has approved the reclassification of the AHL and affiliate companies shareholding from "Promoter" to "Public" on November 19, 2020. Consequently, AHL and all their associated group companies are now termed in the financial results as 'erstwhile promoter (AHL) affiliate companies'.
4. Subsequent to signing of Inter Creditor Agreement ('ICA') by the Lenders, the Company and the lenders accepted a binding offer from Tube Investments of India Limited ('TII'), a member of the Murugappa group for resolving the debts of the Company and to infuse capital in the Company. A Securities Subscription Agreement ('SSA') was executed between the Company and TII and the shareholders of the Company approved the issuance of securities. During the quarter ended December 31, 2020, after the satisfactory fulfilment of Conditions Precedents contained in the SSA and receiving necessary regulatory approvals, the Board of the Company allotted following securities to TII:
- On November 26, 2020, 64,25,23,365 equity shares of the face value of INR 2 each at a price of INR 8.56 (including premium) per Equity Share, for an aggregate consideration of INR.550 crore;





## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



- On November 26, 2020, 17,52,33,645 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 INR 37.50 crore, being 25% of the aggregate consideration payable for subscribing to Equity Shares upon exercise of the Warrants; and
- On December 19, 2020, 6,87,28,522 equity shares of the face value of INR 2 each at a price of INR 14.55 (including premium) per Equity Share, for an aggregate consideration of INR 100 crore;

Consequent to the allotment of 64,25,23,365 equity shares, TII has acquired a controlling interest in the Group on November 26, 2020. TII has now been classified as the 'promoter' of the Company and the Board of the Company is reconstituted pursuant to SSA. The Company has received aggregate considerations of INR 650 crore towards allotment of equity shares and INR 37.50 crore towards warrant subscription. The Company has utilised an amount of INR 23.10 crore from securities premium account towards expenses related to raising of equity.

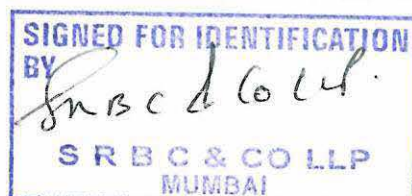
5. During the quarter ended December 31, 2020, the Company, Lenders and TII executed the Master Implementation cum Compromise Settlement Agreement ('Settlement Agreement') and under the said agreement, the Company has discharged and settled the existing credit facilities for a total consideration of INR 1000 crore.

Consequent to above settlement, the cessation of liability aggregating to INR 1409.48 crore (including interest) is recognised in profit or loss as an exceptional item. In terms of settlement agreement, certain amounts appropriated by banks / paid to banks by the Company aggregating to INR 56.07 crore against the outstanding credit facilities are also refunded by the banks.

On completion of settlement in accordance with the above referred agreement:

- all the fund based facilities (including all costs, accumulated interest, penalties and other charges payable in relation to those facilities) excluding restructured debt stands discharged and settled in the books of the Company and the lenders
- any sponsor support undertaking / promoter undertaking / letter of comfort, whatsoever has been provided by the Company to lenders stands discharged without any further claim or liability of the Company and
- all proceedings filed by the lenders against the Company stands withdrawn except criminal proceedings, if any, against erstwhile promoter / management of the Company

One of the lender has filed recovery proceedings before Debt Recovery Tribunal ('DRT') against AHL on June, 30, 2020 for a loan of INR 500 crore availed by AHL in October, 2015. The Company has been arrayed as a party in DRT proceedings on the basis of a letter of comfort allegedly issued on behalf of the Company allegedly to discharge AHL's loan obligations. It is also alleged that certain erstwhile identified employees signed the post-dated cheques ('PDCs') aggregating to INR 210 crore in favour of the lender which



12



## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships.

was in violation of Rules of Procedure ('ROPs') and without the knowledge of the Board. Based on DRT filings, the Company has received notice in December, 2020 from DRT. The said lender has however signed the settlement agreement, on November 20, 2020 and hence the Company has asked the lender to withdraw these proceedings against the Company.

6. During the quarter ended December 31, 2020, the Company, its subsidiaries, offshore lenders and TII entered into agreements to settle the corporate guarantees obligations aggregating to INR 890.90 crore (INR equivalents of Euro and USD) owed to offshore lenders by the Company and its subsidiary, CGIBV crystallising the liability at maximum amount of INR 190.74 crore. In addition, agreement for corporate guarantee amount of INR 130.18 crore is in the process of finalisation with the offshore lender for a maximum liability of INR 29.94 crore. The said settlement is in full and final discharge of all its obligations under the corporate guarantees. The said settlement is subject to the RBI approval. In addition to above, the agreement for corporate guarantee given to one of the lender aggregating to INR 130.18 crore is yet to be finalised. In view of the standstill period and on the assumption of the recoverable value of the assets of Belgium group will be sufficient to meet these obligations, hence, the Company has not made provision of INR 226.48 crore.

The Company and its subsidiary CGIBV have provided corporate guarantee of INR 254.63 crore (Euro 28.39 million) towards credit facilities availed by CG Electric Systems Hungary ('ESHU') where due to pronouncement of bankruptcy proceedings, the bank issued invocation letter. Consequently, during the quarter and nine months ended December 31, 2020, the Group has made provision of INR Nil and INR 240.40 crore respectively (excluding foreign exchange loss of INR 14.23 crore) towards this corporate guarantee. The Group is in the discussion with the stakeholders for settlement of corporate guarantee obligations.

No provision has been made towards corporate guarantee issued by the CGIBV aggregating to INR 43.43 crore towards credit facilities availed by Belgium Entities (ceased to be subsidiaries from the assumed date of January 1, 2020) on the assumption that the recoverable value of assets of these operations including those which are under bankruptcy proceedings, will be sufficient to meet all related liabilities.

During the quarter ended September 30, 2020, provision of INR 47.90 crore has been created as an exceptional item in relation to settlement consideration agreed with a bank towards corporate guarantee provided and derecognised the related borrowing of INR 239.50 crore. Since the settlement is yet to be effected, during the quarter ended December 31, 2020, the said provision of INR 47.90 crore is reversed and the borrowing of INR 239.50 crore is reinstated as an exceptional item.

7. During the nine months period ended December 31, 2020, the Group has divested the entire shareholding in its subsidiary, CG Services Systems France SAS, (SEFR). The divestment completed on July 20, 2020 effective which SEFR has ceased to be a subsidiary of the Company. Consequently, SEFR is deconsolidated from that date and total gain of INR 3.08 crore associated with deconsolidation is accounted as an exceptional item including reclassification of foreign currency translation reserve.





## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

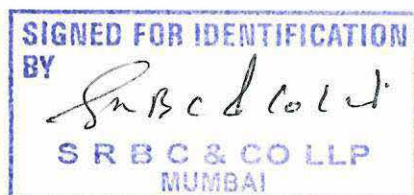
Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships

8. The Group has following non-current receivables/advances and payable balances (net of provision) from erstwhile promoter (AHL) affiliate companies and erstwhile connected parties. The Group has initiated recovery proceedings and filed recovery suits (refer note 3(f)). During the quarter ended December 31, 2020, considering the doubtful nature of recovery, a provision aggregating to INR 2,419.09 crore is made. In respect of advances (net) aggregating to INR 523.14 crore appearing in books of accounts of overseas subsidiaries provision is not created pending assessment.

(₹ in crore)			
Name of the entity	Relationship	As at 31.12.2020	As at 31.03.2020
<b>A) Advances / Loan given</b>			
Avantha Holdings Limited	Erstwhile promoter (AHL) affiliate company	-	1,001.37
Avantha Realty Limited		-	10.65
Avantha Power & Infrastructure Ltd		-	15.00
BILT Graphic Paper Products Limited		-	552.33
Solaris Industrial Chemicals Limited		-	377.00
Blue Garden Estate Private Limited	Erstwhile connected party	-	287.74
Acton Global Private Limited		-	175.00
<b>Subtotal</b>		-	<b>2,419.09</b>
Avantha International Assets BV	Erstwhile promoter (AHL) affiliate company	350.74	350.74
Ballarpur International Holdings BV		85.37	85.37
Mirabelle Trading PTE Ltd		93.33	93.33
<b>Subtotal</b>		<b>529.44</b>	<b>529.44</b>
<b>Total</b>		<b>529.44</b>	<b>2,948.53</b>
<b>B) Advances / Loan payable</b>			
Mirabelle Trading PTE Ltd	Erstwhile promoter (AHL) affiliate company	6.30	6.30
Blue Garden Estate Private Limited (part of settlement referred in note 5)	Erstwhile connected party	-	320.00
<b>Total</b>		<b>6.30</b>	<b>326.30</b>





## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



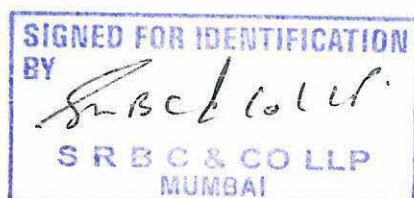
Smart solutions.  
Strong relationships.

### 9. Exceptional Items:

Particulars	Quarter ended			Nine months ended		Previous Year ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
Cessation of liability arising on settlement and restructuring of borrowings including interest thereon	1409.48	-	-	1409.48	-	-
Foreign exchange loss on corporate guarantee invocation and obligation settlement	(14.23)	-	-	(14.23)	-	-
Reversal / (Provision) towards corporate guarantee for overseas entities (including credit on discharge of borrowings)	(195.92)	191.80	-	(244.72)	-	-
(Provision) / Reversal towards non-performance of contractual obligation towards delay in completion of land sale and expected restructuring cost	(31.48)	(31.47)	31.29	(94.09)	31.29	(21.94)
Professional and consultancy fees due to ongoing investigations and debt resolution plan	(2.74)	(9.27)	(16.28)	(13.01)	(21.09)	(36.24)
Impairment of tangible and intangible assets	(44.64)	-	-	(62.64)	-	(34.33)
Provision against doubtful advances	(2419.09)	-	(68.58)	(2419.09)	(905.00)	(905.00)
Foreign currency translation reserve and hedge reserve transferred to statement of profit or loss on deconsolidation/sale of subsidiaries	-	1.39	-	75.57	-	182.24
Reversal / (provision) of net assets of subsidiaries	282.21	3.07	-	285.28	(569.48)	(468.28)
Gain on deconsolidation of subsidiary	-	-	-	134.98	-	-
Reversal / (liability) on deconsolidation of subsidiaries	-	(0.27)	-	6.14	-	(341.15)
Loss on sale of subsidiary	-	(1.38)	-	(1.38)	-	-
Provision for expected cost towards closure of factory	-	-	-	-	(23.28)	(23.28)
Provision for impairment of investment	-	-	-	-	(127.49)	(127.49)
Provision against litigation (Including trade receivable and claims)	-	-	-	-	-	(22.48)
Short fall of provident fund liability	-	-	-	-	-	(0.78)
Post retirement medical benefit provision reversal	-	-	-	-	-	10.83
<b>Total</b>	<b>(1016.41)</b>	<b>153.67</b>	<b>(53.57)</b>	<b>(937.71)</b>	<b>(1615.03)</b>	<b>(1787.88)</b>

Below are details on exceptional items:

- Consequent to settlement referred in note 5, amount aggregating to INR 1409.48 crore is recognised towards cessation of liability arising on settlement and restructuring of borrowings including interest thereon;
- During the quarter ended December 31, 2020, provision towards corporate guarantee settlement of INR 47.90 crore is reversed consequential borrowing of INR 239.50 crore is reinstated (refer note 6) and recognised INR 4.32 crore towards amount debited by the bank towards outstanding dues as exceptional items;
- During the nine months ended December 31, 2020, provision of INR 240.40 crore has been created towards corporate guarantee invocation in relation to credit facilities availed by ESHU;
- During the quarter and nine months ended December 31, 2020, foreign exchange loss of INR 14.23 crore is accounted on the provision towards guarantee invocation accrued till December 31, 2020;
- During the quarter and nine months ended December 31, 2020, an amount INR 31.48 crore and INR 94.09 crore respectively is provided towards non-performance of contractual obligations due to delay in consummation of Kanjurmarg land sale (refer note 11);
- During the quarter and nine months ended December 31, 2020, professional and consultancy charges of INR 2.74 crore and INR 13.01 crore respectively are incurred towards the debt resolution process initiatives and ongoing investigations in relation to



10/13



## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

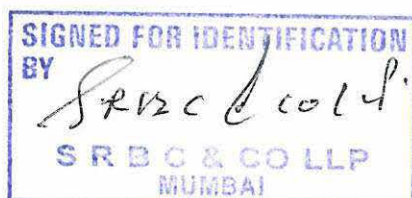
Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships

matters identified and disclosed in the financial results for the year ended March 31, 2019 and March 31, 2020;

- g. As per the settlement referred in note 5, the lenders will be paid from sale proceeds of the Property referred in note 15, on 'as is where is' basis against debt of INR 150 crore. Hence during the quarter, the Group has classified the said property as assets held for sale by restricting carrying value of property as at December 31, 2020 to INR 150 crore and made a provision towards impairment aggregating to INR 44.64 crore;
  - h. During the nine months ended December 31, 2020, Group's overseas subsidiary, CG Electric Systems Hungary Zrt has accounted for impairment of INR 18.00 crore towards tangible and intangible assets;
  - i. During the quarter and nine months ended December 31, 2020, considering doubtful nature of recovery, provision of INR 2,419.09 crore is made towards receivables from erstwhile promoter (AHL) affiliate companies and erstwhile connected parties and the same is subject to change, if any, which may arise due to recasting exercise as stated in note 3(b);
  - j. During the nine months ended December 31, 2020, foreign currency translation reserve of INR 75.15 crore and hedge reserve of INR 0.42 crore, previously recognised in other comprehensive income is reclassified to consolidated profit or loss due to deconsolidation of the subsidiaries. Further a gain of INR 141.12 crore and loss of INR 1.38 crore is accounted on deconsolidation of the subsidiaries;
  - k. During the quarter and nine months ended December 31, 2020, the Group reassessed recoverability of net assets of certain subsidiaries and accordingly has reversed provision of INR 282.21 crore.
10. A customer of step down subsidiary has claimed damages of CAD 11.85 million from Company and its subsidiary, CGIBV. The Company and CGIBV are contesting the claim as neither of them is party to the contract. The customer has sought extension of time for service of the legal claim which is granted by the local Court.
11. The Company had entered into a definitive agreement with a Buyer for sale of its remaining portion of land at Kanjurmarg. The consummation of sale of land is linked to certain Conditions Precedent. The Company has complied with all the Conditions Precedent and the same are pending acceptance of the Buyer.
12. The Group filed in Canada for voluntary bankruptcy for the subsidiary company, CG Canada. In accordance with the Canadian Law, upon filing of bankruptcy application all the assets of CG Canada will vest in the Insolvency Trustee.
13. As at December 31, 2020, the Group's net current liability and provisions aggregate to INR 1,745.08 crore primarily on account of provision towards corporate guarantee invocation, borrowings at overseas subsidiaries and provisioning towards non-performance obligations due to delay in consummation of Kanjurmarg land sale. However this position has to be understood primarily in the context of following factors / mitigants:



12



## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



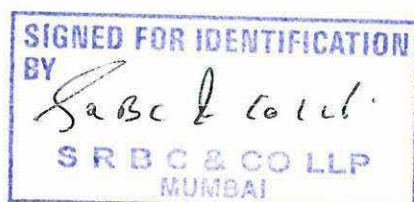
Smart solutions.  
Strong relationships.

- term loan is sanctioned by a bank for the payment towards guarantees agreed to be settled in cash and consequential liability towards those borrowings will be discharged and further the Group is also in discussion with stakeholders for settlement of corporate guarantee provided for credit facilities availed by ESHU
  - the Company has issued 17,52,33,645 warrants against which further subscription money of INR 112.50 crore is expected to be received
  - the Group expects to receive proceeds from sale of Kanjurmarg land in next 12 months
  - the Group has an unexecuted business order book of over INR 2989.60 crore as of date and hence the Company expects robust financial position over medium term
14. The Company is yet to submit certain C Forms to tax authorities for prior years in relation to sales tax. The Company is continuously collecting and reviewing submission of such C Forms. During the nine months ended December 31, 2020, the Company provided for INR 18.92 crore (net of reversals of INR 11.05 crore) towards principal liability. Based on past experience, considering that the interest payable on such liability is determined only after outcome of appeals and final submissions of C Forms, the Company has not made provision of INR 16.41 crore towards interest demand on the principal liability.
15. The Company has lease hold rights in the 'Property' located in Mumbai, the lease for which expired in 2018. Prior to expiry of the lease, the Company submitted application for renewal of lease with the lessor which is pending consideration. As per the settlement and referred in note 5, the lenders have the right to sell the property on 'as is where is' basis and appropriate the sale proceeds against debt of INR 150 crore. Hence during the quarter, the Company has classified the property as held for sale by restricting carrying value of property as at December 31, 2020 to INR 150 crore and made a provision towards impairment of INR 44.64 crore as exceptional item.
16. In compliance with the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018 ("SEBI ICDR Regulations"), the Company has issued equity shares and warrants under preferential allotment as detailed in note 4. Following are the details on utilisation of the proceeds received (Amount in INR crore) under preferential allotment:

Proceeds received	Amount utilised			Total unutilised amount
	At the beginning of the quarter	During the quarter#	At the end of the quarter	
587.50	-	(372.37)	(372.37)	215.13
100.00	-	0.04	0.04	100.04

# Movement during the quarter due to interest income accrual on deployment of proceeds received in bank fixed deposits is netted off in amount utilised during the quarter and excludes payment cleared after quarter end.

The Company has utilised the proceeds from the preferential issue for current / future running and expansion of the business, working capital, general corporate purpose,





## 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 7700 F: +91 22 2423 7733 W: www.cgglobal.com

E: investorservices@cgglobal.com

Corporate Identity Number (CIN): L99999MH1937PLC002641



Smart solutions.  
Strong relationships

repayment of loans and for payment of interest for loans liabilities towards lenders in the books of the Company.

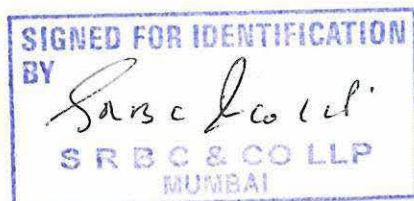
17. The Company is yet to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 pending which the Company has made provision for tax based on the normal tax rates (i.e. on the basis of rate applicable to the Company immediately before the amendment).
18. During the quarter and nine months ended December 31, 2020, the Company has recognised deferred tax asset of INR 382.85 crore on the losses based on availability of future taxable profits and the same is subject to change, if any, which may arise due to recasting exercise as stated in note 3(b).
19. As a result of the transactions disclosed in its audited consolidated financial results for the year ended March 31, 2019 and March 31, 2020 ('certain transactions'), the Company may not have complied with the provisions of Section 185, Section 186 and certain other applicable sections of the Companies Act, 2013 and there may be potential non-compliances under the Listing Regulations; Income Tax Act, 1961 and other statutes and regulations as applicable to the Company. The Company will evaluate the implications of these potential non-compliances and the potential remedies available in due course along-with completion of recasting exercise and regulatory investigations.
20. The Group has considered the possible effect in the preparation of these financial results from the outbreak of COVID-19 pandemic. The Group's operations in India and overseas were impacted primarily in March and April, 2020, due to suspension of production across all plants and closure of offices following nationwide lockdowns. The national lock down continued until early June and was followed by further state level lock downs. Subsequently, the Group has ramped up the production, sales and allied activities.
21. Previous periods figures have been regrouped / reclassified, where necessary to conform to the classification of the current period.

For CG Power and Industrial Solutions Limited

Place: Mumbai

Date: February 05, 2021

By Order of the Board  
N Srinivasan  
Managing Director  
DIN: 00123338



2