

CG Power and Industrial Solutions Limited
(Formerly Crompton Greaves 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

E: investorservices@cgglobal.com

Corporate Identity Number(CIN): L99999MH1937PLC002641



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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2018

(₹ in crore)

Sr. No.	Particulars	Quarter ended			Previous year ended
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		Unaudited	Audited	Unaudited	Audited
1	Income from operations				
	Revenue from operations	1490.14	1814.26	1437.92	6366.68
	Other income	8.24	0.21	11.63	39.53
	Total Income	1498.38	1814.47	1449.55	6406.21
2	Expenses				
	(a) Cost of materials consumed	997.14	1132.79	889.36	4068.30
	(b) Purchases of stock-in-trade	4.68	6.84	16.26	46.65
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3.31)	96.87	7.54	135.35
	(d) Excise duty	-	-	98.91	98.91
	(e) Employee benefits expense	146.05	138.76	127.06	531.95
	(f) Finance costs	56.57	52.24	53.63	219.30
	(g) Depreciation and amortisation expense	37.67	38.38	34.32	149.21
	(h) Other expenses	226.35	295.52	249.59	1030.52
	Total Expenses	1465.15	1761.40	1476.67	6280.19
3	Profit / (loss) before share of profit / (loss) in associates and joint venture, exceptional items and tax	33.23	53.07	(27.12)	126.02
4	Share of profit / (loss) in associates and joint venture	(1.44)	0.67	(0.70)	(1.74)
5	Exceptional items (net)	-	(414.84)	-	(442.78)
6	Profit / (loss) before tax	31.79	(361.10)	(27.82)	(318.50)
7	Tax expense / (credit)	27.20	28.47	14.57	74.85
8	Profit / (loss) from continuing operations after tax	4.59	(389.57)	(42.39)	(393.35)
9	Loss from discontinued operations before tax	(89.62)	(210.37)	(43.59)	(799.10)
10	Tax expense / (credit) on discontinued operations	0.54	(18.12)	-	(26.55)
11	Loss from discontinued operations after tax	(90.16)	(192.25)	(43.59)	(772.55)
12	Net loss for the period / year	(85.57)	(581.82)	(85.98)	(1165.90)
13	Other comprehensive income:				
	(a) (i) Items that will not be reclassified to profit or loss	(1.48)	(34.28)	(2.01)	(40.31)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.32	1.06	0.59	3.14
	(b) (i) Items that will be reclassified to profit or loss	(18.27)	(36.20)	(50.40)	(111.54)
14	Total comprehensive income after tax	(105.00)	(651.24)	(137.80)	(1314.61)
15	Total comprehensive income attributable to:				
	(a) Equity holders of the parent	(105.07)	(649.00)	(137.85)	(1312.61)
	(b) Non-controlling interests	(0.07)	2.24	(0.05)	2.00
16	Paid-up equity share capital (Face value of equity share of ₹ 2 each)	125.35	125.35	125.35	125.35
17	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year				2588.79
18	Earnings Per Share (for continuing operations) (of ₹ 2 each) (Not annualised)				
	(a) Basic	0.07	(6.22)	(0.67)	(6.28)
	(b) Diluted	0.07	(6.22)	(0.67)	(6.28)
	Earnings Per Share (for discontinued operations) (of ₹ 2 each) (Not annualised)				
	(a) Basic	(1.44)	(3.03)	(0.70)	(12.29)
	(b) Diluted	(1.44)	(3.03)	(0.70)	(12.29)
	Earnings Per Share (for continuing and discontinued operations) (of ₹ 2 each) (Not annualised)				
	(a) Basic	(1.37)	(9.25)	(1.37)	(18.57)
	(b) Diluted	(1.37)	(9.25)	(1.37)	(18.57)

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CONSOLIDATED SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES
FOR THE QUARTER ENDED 30TH JUNE, 2018

Sr. No.	Particulars	Quarter ended			Previous year ended
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		Unaudited	Audited	Unaudited	Audited
1.	Segment Revenue:				
	(a) Power Systems	768.48	1062.26	804.68	3706.77
	(b) Industrial Systems	718.18	747.87	629.51	2643.70
	(c) Others	4.31	4.27	3.99	16.71
	Total	1490.97	1814.40	1438.18	6367.18
	Less: Inter-Segment Revenue	0.83	0.14	0.26	0.50
	Total income from operations	1490.14	1814.26	1437.92	6366.68
2.	Segment Results: [Profit / (loss) before tax and finance costs from each segment]				
	(a) Power Systems	67.69	84.27	42.54	312.01
	(b) Industrial Systems	62.67	63.17	16.57	165.91
	(c) Others	(0.79)	(0.07)	0.54	2.99
	Total	129.57	147.37	59.65	480.91
	Less:				
	(i) Finance costs	56.57	52.24	53.63	219.30
	(ii) Other un-allocable expenditure net of un-allocable income	39.77	42.06	33.14	135.59
	Add:				
	(i) Share of profit / (loss) in associates and joint venture	(1.44)	0.67	(0.70)	(1.74)
	(ii) Exceptional items (net)	-	(414.84)	-	(442.78)
	Profit / (loss) from ordinary activities before tax	31.79	(361.10)	(27.82)	(318.50)
3.	Segment Assets:				
	(a) Power Systems	2624.86	2853.33	3092.64	2853.33
	(b) Industrial Systems	1358.99	1353.12	1335.95	1353.12
	(c) Others	118.65	111.65	32.71	111.65
	(d) Unallocable	1759.45	1814.47	2312.82	1814.47
	(e) Discontinued Operations	2895.04	2880.56	3574.12	2880.56
	Total segment assets	8756.99	9013.13	10348.24	9013.13
4.	Segment Liabilities:				
	(a) Power Systems	1268.07	1322.25	1543.50	1322.25
	(b) Industrial Systems	624.84	598.36	475.42	598.36
	(c) Others	70.32	66.48	7.29	66.48
	(d) Unallocable	220.75	296.07	183.91	296.07
	(e) Discontinued Operations	1441.90	1373.45	1355.00	1373.45
	Total segment liabilities	3625.88	3656.61	3565.12	3656.61

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Notes on consolidated financial results:

1. The above unaudited consolidated results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 10th August, 2018. The statutory auditors have carried out a limited review of the 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').
2. Other comprehensive income is in respect of fair valuation of exposure in foreign subsidiaries, other investment and employee benefits.
3. The Ministry of Corporate Affairs has notified Ind AS 115 "Revenue from contracts with customers" on 28th March, 2018 which is mandatory and effective from 1st April, 2018. The Company has aligned its policy of revenue recognition with Ind AS 115. The cumulative effect of initial application of Ind AS 115 upto 31st March, 2018 has been adjusted in opening retained earnings as per the standard. In view of adoption of Ind AS 115, current quarter revenue is higher by ₹ 90.40 crore and profit after tax is higher by ₹ 12.71 crore.

4. Discontinued businesses:

- a. In respect of discontinued Distribution Franchise business (Jalgaon), the Company and Maharashtra State Electricity Distribution Company Limited (MSEDCL) have entered into final settlement on 16th February, 2018. Based on the same, the Company has written off amount of ₹ 49.56 crore and ₹ 79.56 crore towards receivable from MSEDCL during the quarter and year ended 31st March, 2018 respectively, which is disclosed under *Discontinued Operations*. The balance of ₹ 74.80 crore is subject to receivable from MSEDCL as and when the MSEDCL receives the dues from the Customers.
- b. The Company accepted a binding offer of M/s WEG S.A., for acquisition of the Company's Power business in United States of America comprised in the Company's step down subsidiary, CG Power USA Inc. (PSUS), at an Enterprise Value of USD 37 million. Pursuant to that the Company executed a stock purchase agreement (SPA) on 20th June, 2017 with WEG Electric Corp, for sale of its 100% stake in PSUS.

The Company concluded the above sale transaction on 31st July, 2017. The CG Power USA Inc. ceased to be an overseas subsidiary of the Company and the rest of businesses, i.e Automation, trading and system, have been transferred into CG Holding Americas LLC, a wholly owned subsidiary of CG International B.V., Netherland.

- c. The Company has accepted a binding offer of M/s Ganz Villamossagi Zrt. and Alester Holdings Limited (Buyer) for sale of Assets and Shares of the Company's business in Hungary (excluding switchgear business) comprised in its overseas wholly owned step-down subsidiary, CG Electric Systems Hungary Zrt. (ESHU) for an Enterprise value of Euro 38 million. Pursuant to that, the Company executed a stock purchase agreement (SPA) and Business Transfer Agreement (BTA) on 12th February, 2018 for the said sale.

Both the parties have approved the amendment to the original SPA wherein it is agreed that the shares of ESHU to be held in escrow and will be handed over to the Buyer subject to fulfilment of the subsequent conditions. Consequent to this, ESHU ceases to be an overseas subsidiary of the Company.

The final financial impact of the said transaction is to be determined at the time of final settlement of the deal.



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- d. The Company continues to identify prospective buyer(s) for its overseas power T&D business at Ireland, France, Belgium and Middle East and its Indian subsidiaries namely CG Power Equipments Limited (*formerly Crompton Greaves Consumer Products Limited*) & CG Power Solutions Limited. Hence, the same will continue to be reflected as Discontinued Operations.
- e. Details of the discontinued businesses as on 30th June, 2018 included therein are given below in terms of the requirement of Indian Accounting Standard (Ind AS) 105:

(₹ crore)

Particulars	Quarter ended			Previous year ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
Revenue from operations	358.40	520.04	654.79	2097.98
Loss before tax	(89.62)	(210.37)	(43.59)	(799.10)
Loss after tax	(90.16)	(192.25)	(43.59)	(772.55)

Loss before and after tax include the loss / provision on account of disposal of subsidiaries.

5. Exceptional items for the quarter ended and year end 31st March 2018 includes litigation claims, a set of write offs in relation to inventories and other receivables where the management believed that the recoveries were uncertain.
6. The Company is liable to Goods and Services Tax (GST) with effect from 1st July, 2017. The Revenue for the quarter ended 30th June, 2018 and 31st March, 2018 is net of such GST. However the revenue for the comparative quarter ended 30th June, 2017, year-to-date revenues for the year ended 31st March, 2018 are inclusive of excise duty. The comparable figures for Revenue from operations (net of excise duty) are as under:

(₹ crore)

Particulars	Quarter ended			Previous year ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
Net revenue from operations	1490.14	1814.26	1339.01	6267.77

There is no impact of the above on the profit before tax and profit after tax.

7. Figures of the previous quarters / year have been regrouped, wherever necessary to correspond with the current quarter. Hence, the corresponding component figures are comparable with all respective quarter of the financial results.

For CG Power and Industrial Solutions Limited

K.N. Neelkant

CEO & Managing Director

DIN: 05122610

Place: New Delhi

Date: 10th August, 2018

