



Smart solutions.
Strong relationships.

FUTURE READY LEADING WITH PURPOSE

ANNUAL REPORT 2024-2025



CG POWER AND INDUSTRIAL SOLUTIONS LIMITED



Contents

1

Corporate Overview

Future Ready Leading with Purpose	01
○ Company Overview	02
○ Key Sectors We Serve	06
○ Purpose, Corporate Mission and CG Values	08
○ Chairman's Letter	10
○ Managing Director and CEO's Letter	12
○ Board of Directors	14
○ Corporate Information	17
○ Ten Years' Highlights	18

21

Statutory Reports

Management Discussion and Analysis	21
○ Directors' Report	55
○ Report on Corporate Governance	81
○ Business Responsibility and Sustainability Report	103

151

Financial Statements

Standalone Financials	151
○ Consolidated Financials	235

329

Additional Information

Products and Services	329
○ Establishments	335

FUTURE READY LEADING WITH PURPOSE

In a world of rapid transformation, CG Power and Industrial Solutions Limited stands committed to keeping pace and staying ahead - Future Ready, and Leading with Purpose. FY25 has been a defining year of bold decisions, strategic investments, and accelerated execution as we sharpen our focus on long-term value creation.

Being future ready means more than expanding capacity or advancing technologies, it is about anticipating tomorrow's needs and aligning today's actions with a clear sense of direction. Whether it is through our substantial expansion in capacity, or our continued focus on LEAN-driven operational efficiency, we are strengthening the foundations of agility, scalability, and reliability.

Our purpose is our compass. It drives our commitment to sustainability, visible in our tangible progress in reducing emissions, optimizing energy use, and deploying clean technologies across our operations. It guides our customer-centric innovation - from higher capacity, precision-engineered products to robust digitization initiatives across the organization.

As we grow our footprint across domestic and international markets, our focus remains on building responsibly, performing consistently, and delivering with integrity. With a resilient financial foundation, deep engineering expertise, and a values-driven culture, CG is poised for the next chapter of growth with meaningful impact.



Being future ready means more than expanding capacity or advancing technologies, it is about anticipating tomorrow's needs and aligning today's actions with a clear sense of direction.

We are not only preparing for the future.

We are shaping it - with purpose, clarity, and confidence.



Company Overview

CG Power and Industrial Solutions Limited, headquartered in Mumbai, India, is an 87-year-old engineering conglomerate and a leader in the Electrical Engineering Industry. Since November 2020, the Company has become a part of the renowned Murugappa Group.

CG has two business lines—Industrial Systems and Power Systems. It manufactures Traction Motors, Propulsion Systems, Signalling Relays etc., for the Indian Railways, and wide range of Induction Motors, Drives, Transformers, Switchgears, and other allied products for the Industrial and Power sectors. Recently, the Company also made a foray into the business of Consumer Appliances such as Fans, Pumps, and Water Heaters.

CG Power and Industrial Solutions Limited operates 18 world-class manufacturing units across 9 locations in India and Europe. Supporting its operations is a robust network comprising 5 regional offices, 14 branch offices across India, and 5 international offices. The Company's workforce stands at approximately 3,408 employees.

CG continues to constantly evolve and provide cutting-edge products and services which not only meets but also surpasses consumer expectations. The Company prioritizes the creation of shared value and is committed to creating enhanced value for all its stakeholders.



CG's Medium Voltage Motor's Manufacturing Unit in Bhopal, Madhya Pradesh



87

Year old
Legacy



3,408

Workforce
Strength



18

World-class
Manufacturing Units



05

Regional
Offices



14

Branch
Offices

Industrial Systems

Motors, Drives and Automation, Railways, and Fast Moving



CG Smoke Extraction Motor



CG's 6.0 MW 4P 6.6kV Motor for Primary Coolant Pump, used in Nuclear Power Radiation Zone



CG Composite Converter



CG AeroSwift Ceiling Fan



CG VSM-VSS Drives

Power Systems

Transformers, Switchgears and Other Allied Products



CG 3.3kV to 33kV Indoor VCB



CG 145kV GIS



CG 16MVA 132kV Green Transformer



CG 500MVA 765kV 1-Ph Auto Transformer

CG's Operating Subsidiaries are:

**CG Drives
and Automation,
Europe**

**CG Adhesive
Products
Limited, India**

**CG Semi
Private
Limited, India**

**Axiro Semiconductor
Private Limited
India**

**G.G. Tronics India
Private Limited,
India**

Core Competencies



MARKET LEADER

A leader in the Electrical Engineering Industry



DIVERSIFIED PRODUCTS

Comprehensive and contemporary range of products and services across its business lines



EXCELLENT OUTREACH

Outstanding market penetration facilitated by steadfast channel partners



MANUFACTURING EXCELLENCE

Cutting edge automated manufacturing facilities



CAPACITY EXPANSION

Announced expansion plans for Motors, Transformers, and Switchgears to capitalize on increased economies of scale



CUSTOMIZED SOLUTIONS

LEAN cost structure coupled with proven capabilities and credentials to provide customized solutions as per customer requirements

Key Sectors We Serve



Steel and Metals



Cement



Textiles



Fertilizers



Chemicals



Oil & Gas



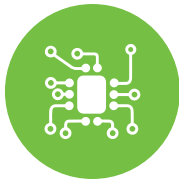
Sugar



Automobile



FMCG



Electronics



Port & Shipping



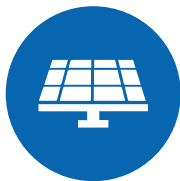
Defense



Paper



Pharmaceuticals



Renewables

(Solar, Floating Solar, Wind, and Hydro)



Metro Rail



Railways



Thermal Power



Nuclear Power



Mining



Data Centers



IT & Telecom



Green Hydrogen



Water & Irrigation



**Power Transmission
& Distribution**



(State and Central Utilities)



**Building and
Infrastructure**





Purpose

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



Corporate Mission

To create value by providing integrated solutions and superior knowledge-based products and services in the domain of generation, transmission, distribution and utilisation of electrical energy. To become the company of choice for utilities, industry and households in the global market, by leveraging technology and productivity through a highly empowered and engaged team.



Power

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



Industrial

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





CG Values



PERFORMANCE EXCELLENCE

Performance Excellence is about reviewing and raising the performance threshold, for Self and as Part of a Team, for competitive edge; setting and meeting stretch targets; accomplishing and exceeding performance commitments. It means discouraging mediocrity in others and ourselves and confronting status quo.



LEADING EDGE KNOWLEDGE

Leading Edge Knowledge is a necessary ingredient for competitiveness and growth; enhancing capabilities; actively pursuing and applying Best Practices; continuously upgrading and benchmarking with Best-in-Class. It is the key to working smart instead of only working hard; a continuous search for alternatives and new ways of doing things.



NURTURANCE

Nurturance is helping ourselves and others to grow in professional and personal life. It encourages an atmosphere of fairness with participation and a climate of trust as well as trustworthiness; a positive environment for CG to become a learning Organisation; for connection between CG and its Employees.



CUSTOMER ORIENTATION

Customer Orientation is sensitivity and responsiveness to the market and customer needs for high quality existing as well as new products and services, with deliveries and after-sales service as committed. It establishes positive long-term relationships with both internal and external customers.



INTELLECTUAL HONESTY

Intellectual Honesty is honesty to self; doing what we say; making and meeting meaningful commitments. It goes beyond simplistic integrity, financial honesty, telling the truth and includes openness and speaking up in situations when silence would yield an undesired result.



VELLAYAN SUBBIAH

— CHAIRMAN —



As we move into FY26, we do so with expanded capacity, enhanced capabilities and deepened market relationships. Our diversified portfolio provides resilience, while our focus on emerging technologies ensures relevance. We remain committed to growing responsibly, competing effectively, and delivering sustainable value for all our stakeholders.

Chairman's Letter

Dear Shareholders,

As I reflect on FY25, I am struck not just by what CG Power and Industrial Solutions Limited has achieved, but by how purposefully we have positioned the Company for the transformative decade ahead. This has been a year where disciplined execution has combined with strategic boldness to strengthen both our present performance and future readiness.

The Company's financial performance tells a compelling story, with the consolidated revenue growing by more than 23% to ₹ 9,909 crores, demonstrating the strength of our diversified portfolio and the increasing relevance of our solutions across critical infrastructure sectors. More importantly, this growth reflects our ability to capture opportunities across the entire power value chain, from motors and drives to transformers and railway systems, while maintaining operational discipline and quality standards.

This year, CG made decisive moves to expand its manufacturing capabilities, committing ₹ 712 crores toward a major greenfield transformer facility of 45,000 MVA to increase total capacity to 85,000 MVA by 2028. This investment recognises a fundamental shift occurring in India's power landscape i.e. the accelerating demand for grid modernisation, renewable energy integration and industrial electrification. The Company is not simply responding to current demand; it is anticipating the infrastructure needs of a rapidly industrialising nation.

Equally significant is our strategic entry into the field of semiconductor design through the establishment of Axiro Semiconductor Private Ltd through the acquisition of Renesas Electronics' Radio Frequency

Components business. This move aligns with India's ambitions of being a "Chip Maker rather than a Chip Taker" to build a robust semiconductor ecosystem while diversifying CG's technological capabilities into high-value domains.

The Company's acquisition of a 55.60% stake in G.G. Tronics India Private Limited strengthens its position in railway safety systems, particularly the indigenous 'KAVACH' automatic train protection system. As Indian Railways accelerates its modernisation and safety initiatives with substantial budget allocations, CG is uniquely positioned to contribute to this national priority while capturing significant value.

These strategic and diverse moves: semiconductor design, railway safety systems and expanded manufacturing capacity are sign of the Company's commitment to participating in the sectors that will define India's industrial future: digitalisation, transportation infrastructure and energy.

Beyond growth, CG has embedded operational discipline throughout the organisation. The focus on Industry 4.0 initiatives, digital transformation and lean manufacturing has not only improved efficiency but has also enhanced our responsiveness to customer needs. Our ESG journey has gained meaningful momentum, with multiple facilities achieving certifications for zero waste to landfill, single-use plastic elimination and zero liquid discharge. These achievements reflect an understanding that sustainable operations are both responsible business practices and essential for long-term competitiveness.

We are witnessing India's emergence as a preferred destination for global manufacturing, driven by supply chain diversification, infrastructure investments and policy support through initiatives like Make in India and the National Infrastructure Pipeline. Our comprehensive presence across power transmission, industrial automation and transportation systems positions us to benefit from multiple growth vectors simultaneously. The convergence of renewable energy expansion, grid modernisation and industrial automation creates unprecedented opportunities for

companies with the right capabilities and scale. These capabilities have been systematically built over the recent years and are now generating tangible results.

As we move into FY26, we do so with expanded capacity, enhanced capabilities and deepened market relationships. Our diversified portfolio provides resilience, while our focus on emerging technologies ensures relevance. The investments we have made in people, processes and infrastructure position us to capitalise on India's continued industrial expansion while contributing meaningfully to critical national objectives.

I want to express my appreciation to Mr. Amar Kaul and our entire leadership team for their strategic vision and flawless execution. The results achieved this year reflect their commitment to building enduring value through innovation, quality and customer-centricity.

To our shareholders, I offer my gratitude for your continued confidence in our journey. The foundation we have built, the momentum we have generated, and the opportunities ahead give me great optimism about our role in shaping India's industrial future.

We remain committed to growing responsibly, competing effectively, and delivering sustainable value for all our stakeholders.

Warm regards,

Vellayan Subbiah

Chairman





AMAR KAUL

— MANAGING DIRECTOR & CEO —



At the consolidated level, CG recorded revenue of ₹ 9,909 crore, with PBT at ₹ 1,348 crore. Order intake reached ₹ 14,684 crore, while the closing unexecuted order book stood at ₹ 10,631 crore, offering a strong foundation for future growth.

With a strong order book, enhanced capacity pipeline, robust execution model, and a committed team, CG is well-positioned to scale responsibly and competitively in the years ahead.

Managing Director and CEO's Message

Dear Shareholders,

FY25 was a year of steady progress, disciplined execution, and long-term thinking at CG Power and Industrial Solutions Limited. Amidst an ever-evolving global environment and changing industry dynamics, CG remained focused on building future-ready capabilities - enhancing productivity, scaling capacity, and embedding sustainability and digital transformation across its operations. Our progress this year reflects a clear aim: to lead with resilience while creating lasting value for all stakeholders.

Overall Financial Performance

CG delivered a strong financial performance in FY25. Standalone revenue grew to ₹ 9,329 crore, reflecting a 23% increase year-on-year. Profit Before Tax (PBT) stood at ₹ 1,342 crore, up 17% over the previous year. ROCE remained healthy at 33%, and the Company generated ₹ 727 crore in free cash flow. Order intake reached ₹ 13,526 crore, while the closing unexecuted order book stood at ₹ 9,909 crore.

At the consolidated level, CG recorded revenue of ₹ 9,909 crore, with PBT at ₹ 1,348 crore. Order intake reached ₹ 14,684 crore, while the closing unexecuted order book stood at ₹ 10,631 crore, offering a strong foundation for future growth.

Business-wise Performance

The Industrial Systems business, comprising Motors, Railways and Consumer Electrical Durables, maintained its market leadership and operational strength. Low Tension Motors continued to drive scale and market share gains, while the Railways segment continued its strong growth trajectory during the year, with significant order wins and expanded presence across geographies, reinforcing its leadership in both domestic and international markets. Aggregate revenue for the Industrial Systems business stood at ₹ 5,823 crore, with a healthy order backlog of ₹ 3,290 crore at year-end.

The Power Systems business witnessed growth across domestic, renewable, and export markets. Backed by a favourable product mix and disciplined execution, the business sustained its profitability momentum. Aggregate revenue for the year was ₹ 3,510 crore, with order intake and order backlog (₹ 6,619 at year-end) reflecting strong interest from utilities, EPCs, and international customers.

Expansion of Capacities

Recognising the rising demand for grid infrastructure and large-scale electrification, CG undertook significant capacity expansion in FY25. The brownfield expansion of transformer capacity from 25,000 MVA to 40,000 MVA is progressing on schedule. Additionally, the Board approved a greenfield project to add another 45,000 MVA, with a planned investment of ₹ 712 crore. Once completed, CG's total transformer capacity will reach 85,000 MVA by FY28 — positioning the Company as one of the key players in the segment globally.

Innovation and New Product Development

Product innovation remains central to CG's growth story. The Motors and Drives business introduced new high-efficiency products tailored to industrial automation and process applications. The Railways business continued to innovate across traction and auxiliary systems, while Power Systems and Switchgear expanded their offerings in high-voltage, compact footprint solutions for grid modernisation. These developments further strengthen CG's position as a technology-forward industrial partner.

Strengthening Digital Infrastructure

CG's commitment to digitization gathered further momentum this year. Industry 4.0 practices were deployed across multiple locations, improving throughput, traceability, and planning. AI and data analytics were embedded into quality systems, inventory management, and production scheduling. These digital interventions are enhancing agility and building a foundation for long-term operational excellence.

Environment and Sustainability

Sustainability continues to be deeply integrated into CG's operations. In FY25, the Power Transformers Division achieved a total reduction of over 736 tCO₂ in Scope 1 and 2 emissions, through a range of initiatives including solar adoption, improved thermal systems, and energy-efficient equipment upgrades. Several units were certified for Zero Liquid Discharge, Zero Waste to Landfill, and Single-Use Plastic Free operations. These actions underscore CG's commitment to responsible manufacturing and environmental stewardship.

People-Centric Initiatives

CG continued to invest in building a future-ready workforce. Learning and development programs focused on leadership, digital skills, and cross-functional collaboration were scaled across levels. A strong focus on health, safety, and wellbeing remained central to plant and office operations. Across locations, we reinforced a culture of ownership, inclusion, and continuous improvement.

The Year Ahead

As we step into FY26, CG stands at the intersection of opportunity and preparedness. Our businesses are strategically aligned with India's long-term infrastructure agenda and global supply chain shifts. With a strong order book, enhanced capacity pipeline, robust execution model, and a committed team, CG is well-positioned to scale responsibly and competitively in the years ahead.

On behalf of the leadership team, I thank our customers, employees, Board, partners, and shareholders for their continued trust and belief in CG. Together, we are not only preparing for the future - we are building it with conviction and purpose.

Warm regards,

Amar Kaul

Managing Director and CEO



Board of Directors



Mr. Vellayan Subbiah

**Chairman & Non - Executive
Non - Independent Director**

Mr. Vellayan Subbiah holds a Bachelor of Technology in Civil Engineering from IIT Madras and a Master in Business Administration from the University of Michigan. He has over 2 decades of work experience in varied fields i.e. consulting, technology, projects and financial services. He has worked with McKinsey and Company, 24/7 Customer Inc. and Sundram Fasteners Ltd. He is currently the Executive Vice Chairman of Tube Investments of India Limited and Chairman of Cholamandalam Investment and Finance Company Limited. He is also on the Board of SRF Ltd., Cholamandalam Financial Holdings Ltd, and Ambadi Investments Ltd. He was a recipient of the Extraordinary Entrepreneur of the Year - TIECON 2014 Award, and recently, has been recognized with the coveted 'EY Entrepreneur of the Year 2023 Award' at the 25th Anniversary of EY EOY India Awards for his excellent leadership and bold strategies in transforming businesses and seizing new opportunities through acquisitions and diversifications.



Mr. Amar Kaul

Managing Director & CEO

Mr. Amar Kaul has over 30 plus years of total work experience, having led global workforce across geographies and industry sectors. His expertise lies in strategy, global operations, product management and product development, and go to market strategy.

Before joining CG, Mr. Kaul was in the executive leadership position leading EMEA (Europe, the Middle East, India and Africa) region for compression systems & services in Ingersoll Rand. He also served as the Chairman and Managing Director of Ingersoll Rand (India) Limited, a listed Company in India. Prior to this, he held senior leadership positions in Bharat Forge Ltd. and Delphi Corporation.

Mr. Amar Kaul has proven ability to strategize, execute and manage high growth P&L and foster innovation across Engineering, Capital Goods sector, Automotive Industry sectors that are important to CG Power. Mr. Amar Kaul holds a B. Tech (Mechanical Engineering) from G.B. Pant University and MS Degree (Engineering Business Management) from Warwick University in U.K, Executive Leadership Program from Stanford University.



Mr. M A M Arunachalam

Non - Executive Non - Independent Director

Mr. M A M Arunachalam also known as Arun Murugappan holds a Master in Business Administration from the University of Chicago, USA. He is currently the Executive Chairman of Tube Investments of India Limited. He is also the Chairman of Cholamandalam Home Finance Limited. A senior member of the Murugappa family, he is an Industrialist and has over 25 years' experience in varied industrial activities.

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



Mr. P S Jayakumar

Non - Executive Independent Director

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

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

Currently, he is on the Board of Governor of Indian Institute of Corporate Affairs. He is also on the Board of listed companies such as Emcure Pharmaceuticals Limited, HT Media Limited, Adani Ports and Special Economic Zone Limited, Northern ARC Capital Limited and JM Financial Limited.



Mr. Sriram Sivaram

Non - Executive Independent Director

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

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



Mrs. Vijayalakshmi Rajaram Iyer
Non - Executive Independent Director

Mrs. Vijayalakshmi Rajaram Iyer holds a post-graduation degree from Sydenham College of Commerce, Mumbai. She is also a certified associate of the Indian Institute of Banking and Finance. She has nearly four decades of experience in the banking and finance sector in India. She has served as the Chairperson for a number of boards and committees in the financial sector in India including the Banking and Financial Institute Committee of the Federation of Indian Chambers of Commerce and Industry.

She retired as the Chairperson and Managing Director of Bank of India in May 2015 where she played an instrumental role in structuring it as an umbrella institution offering all kinds of banking and financial services. Under her leadership, Bank of India received the 'Best PSU Bank' award for overall growth in performance from Dun & Bradstreet and was recognized as the 'Second Most Trusted Brand among the PSU Banks' by the Economic Times. She also served as Member (Finance & Investment) at IRDAI from 2015 to 2017 where she played a significant role in the introduction and amendment of various regulations related to, inter alia, finance and accounts, corporate governance, mergers and acquisition, registration of new insurance companies and exposure of management.



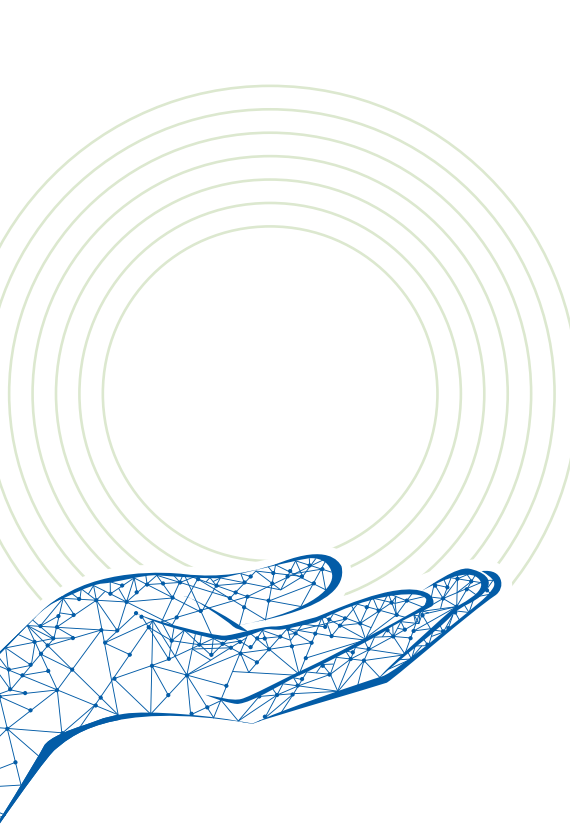
Mr. Mammen Chally
Non - Executive Independent Director

Mr. Mammen Chally holds a graduation degree from IIT Madras and an MBA degree from Northeastern University, Boston. He is a retired Partner and Portfolio Manager of Wellington Management Company, LLP with over thirty years of investing experience in public market equities in the US.

After graduating from IIT Madras in 1989, he spent three years at GAIL as an Engineer, primarily working on the construction of an LPG plant at Vijaipur, India. Thereafter in 1994, he joined Wellington Management Company, LLP as an Analyst and was quickly promoted to the role of a Portfolio Manager (PM) and was named a co-PM to the Hartford Core Equity Fund in 1998.

He took over as the Lead Manager and Team Leader in mid-2009 with \$3 B in client Assets Under Management. He grew client assets to over \$30 Billion through both; additions of clients and market returns. Since 1998, he has participated in hundreds of management team interviews of public companies (and some private) each year, to discuss results, understand strategy and evaluate future capital allocation plans. He has discussed the merits of acquisition plans, disposition plans, raising of growth and other capital myriad times. He also looked at business transformations, succession plans and governance.

Over the time, he was part of multiple projects to advise Wellington's CEO and Leadership Team on aspects of their products and strategy. He has also served on several committees that worked to improve the investment results that they generate for their clients.



Corporate Information

Chairman

Vellayan Subbiah

Non-Executive Directors

M A M Arunachalam

P S Jayakumar

Sriram Sivaram

Vijayalakshmi R Iyer

Mammen Chally (appointed w.e.f. 28 January, 2025)

Kalyan Kumar Paul (up to 10 September, 2024)

Sasikala Varadachari (up to 17 September, 2024)

Managing Director

Amar Kaul - Managing Director & CEO (w.e.f. 25 July, 2024)

Natarajan Srinivasan - Managing Director (up to 24 July, 2024)

Chief Financial Officer

Susheel Todi

Company Secretary

Sanjay Kumar Chowdhary

Auditors

S R B C & CO LLP

Bankers

State Bank of India

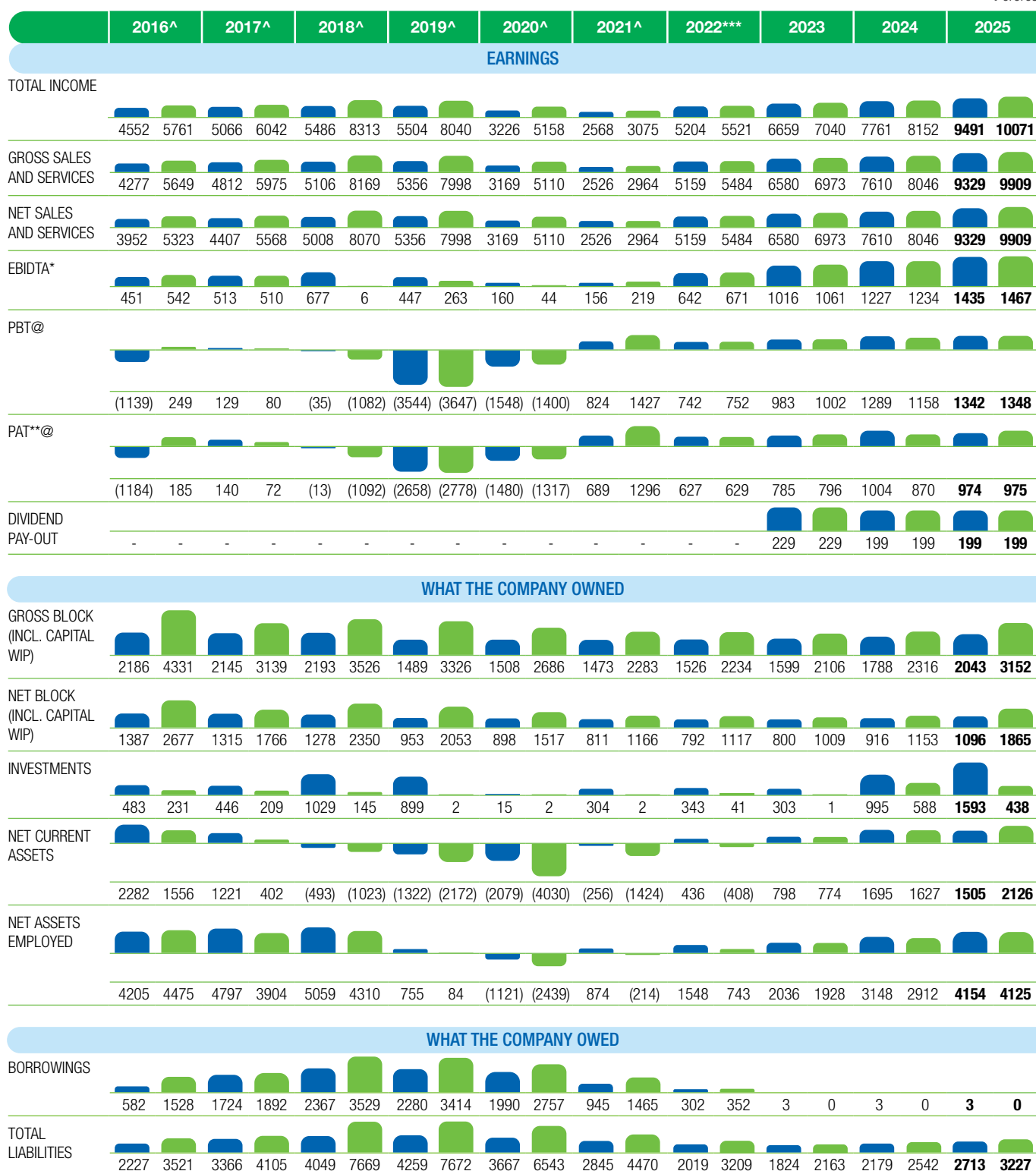
Registered Office

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

Ten Years' Highlights

● STANDALONE ● CONSOLIDATED

₹ crores



₹ crores



* EBITDA = Earnings before Interest, Depreciation, Amortisation, Tax, Exceptional Items including other income

** Profit for continuing business after Tax, Minority Interest and Share of Associate Companies for Consolidated Statement of Profit and Loss

*** Figures of FY2022 have been regrouped / restated, wherever necessary

® After exceptional items

On Total Operations

^ Revised / Recasted

Net Worth and Capital Employed are negative, therefore ratio is not calculated.



Vibration testing of CG Motor at Ahilyanagar manufacturing unit to ensure adherence to stringent vibration limits.

**MANAGEMENT
DISCUSSION AND
ANALYSIS**

Management Discussion and Analysis

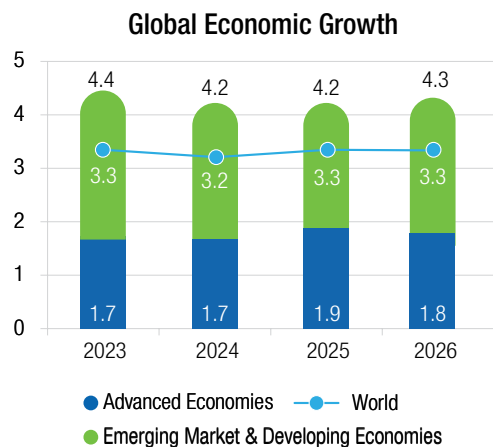
ECONOMIC OVERVIEW

GLOBAL 'SOCIO-ECONOMIC' LANDSCAPE

The global socio-economic landscape in 2024 was marked by a complex interplay of challenges and transformations. Economic uncertainty loomed as high inflation, rising interest rates, and geopolitical tensions disrupted markets and supply chains. The Russia-Ukraine conflict, significant trade frictions between major economies, and instability in key regions strained global trade and investment flows. Simultaneously, the rapid adoption of artificial intelligence (AI) and digital transformation reshaped industries, raising both opportunities and ethical concerns. Climate change and ESG (Environmental, Social, and Governance) pressures pushed businesses toward sustainable practices, while labor shortages and shifting workforce dynamics challenged traditional employment models. Yet, amidst these disruptions, global markets adapted, businesses innovated, and economies demonstrated remarkable agility. Despite this, the global economy remained resilient.

Global Economic Growth

The International Monetary Fund's latest (January 2025) World Economic Outlook ('WEO') has projected Global Growth at 3.3% both in 2025 and 2026, as against 3.2% achieved in 2024. Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies.



Source: World Economic Outlook Update, January 2025, IMF

SOCIO-ECONOMIC LANDSCAPE: INDIA

India's vision of Viksit Bharat 2047—a roadmap for a fully developed and self-reliant nation—gained strong momentum in 2024, driven by transformative policies and large-scale economic reforms. The government focused on modernizing infrastructure, boosting manufacturing, enhancing digital governance, and fostering sustainable development. Flagship initiatives like Make in India, Digital India, and the

Gati Shakti Mission accelerated economic growth, while investments in green energy, semiconductor manufacturing, and AI-driven innovation positioned India as a global technology hub. While global headwinds, inflationary pressures, and workforce skill gaps remained areas of concern, India's policy-driven economic approach and thriving entrepreneurial ecosystem continued to fuel its growth trajectory, reinforcing its position as a key driver of global economic progress.

GDP Growth: India

India stands as a beacon of growth and innovation, emerging as one of the world's fastest-growing economies. India is set to achieve a GDP growth of 6.6% in FY2024-25, propelled by financial stability and strategic policy measures. Its economic momentum is reinforced by strong FDI inflows, a growing export sector, and significant progress in infrastructure development and financial regulations, positioning the country to outpace major global economies. Currently ranked as the fifth-largest economy with a GDP of USD 3.7 trillion, India is on track to become the third-largest economy, reaching USD 5 trillion within the next three years and further expanding to USD 7 trillion by 2030.

INDUSTRY OVERVIEW - INDUSTRIAL SYSTEMS

India's Manufacturing Boom: A New Era

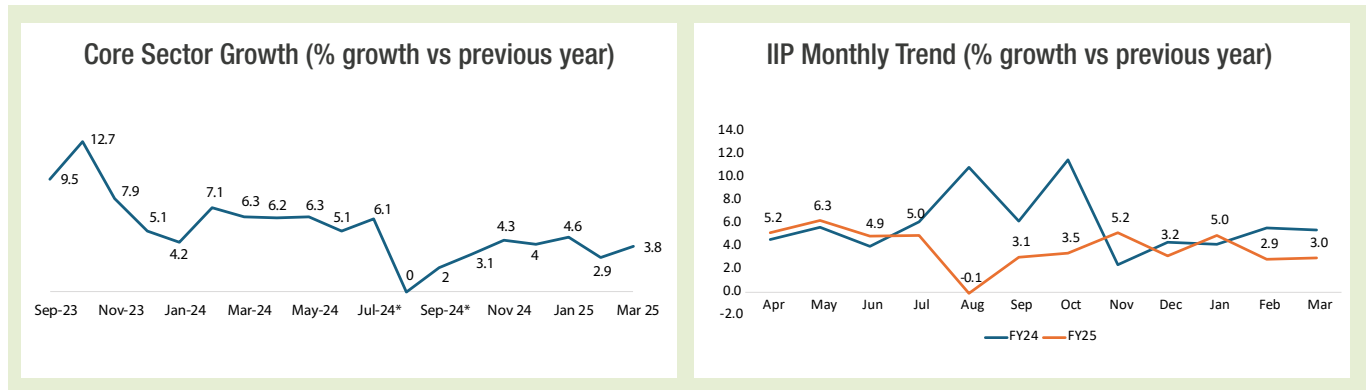
Fuelled by the rapid expansion of diverse industries - including engineering, automotive, chemicals, pharmaceuticals, and consumer durables - India's manufacturing sector is emerging as a powerful engine of economic growth. Positioned among the fastest-growing sectors, it has the capacity to achieve USD 1 trillion in exports by 2030. This evolution signifies India's transition from an import-reliant economy to a dominant force in global manufacturing.

With a current contribution of approximately 17% to GDP, India's manufacturing sector is backed by strong physical and digital infrastructure. Over the next 6-7 years, it is projected to expand further, reaching 21% and solidifying its role as a key driver of economic growth.

Over the past decade, India has placed a strong emphasis on expanding its manufacturing sector through strategic policy measures under the 'Make in India' initiative. Simultaneously, global economies are actively seeking alternatives to China for their supply chains, a shift driven by the disruptions caused by the COVID-19 pandemic and concerns over excessive dependence on a single manufacturing hub. This changing global landscape has created fresh opportunities for India to establish itself as a competitive manufacturing powerhouse.

Industrial Production as well as core sector growth is muted in the current year witnessed a growth of around 3.7% on an average basis, the sequential deacceleration is indicative of ongoing weakness on account of the third wave led disruptions and surging commodity prices.

Monthly Growth Rates (%) of Core Sector growth as well as Industrial Production as per use-based classification from April 2024 to March 2025.



Source: RBI, EIU, Oxford Economics

The Company is strategically positioned to seize growth opportunities across various industries.

The Cement industry, driven by economic expansion and infrastructure projects, requires a diverse range of motors for efficient production. Similarly, advancements in the Sugar sector and the rising demand for ethanol present new avenues for business expansion. The rapid growth of Data Centres, fuelled by the increasing digitization of the economy, further escalates the need for reliable motor solutions.

In Infrastructure, the National Infrastructure Pipeline (NIP) emphasizes substantial investments in Energy, Roads, Railways, and Urban Development, reinforced by higher allocations in the Interim Union Budget 2024-2025. Meanwhile, the Agriculture sector benefits from government-backed initiatives and infrastructure developments, fostering new growth opportunities. Lastly, the Oil and Gas industry, driven by India's expanding energy demands, continues to attract significant investments, offering promising prospects for the Company's Motors business.

MOTORS



Single Phase Aluminium Body Motor (Elite Series)

Between April – March 2025 FHP, LT and HT motors recorded a quantity growth of 55%, 4.2% and -1% respectively over last financial year, as per the latest IEEMA report issued in March 2025. In our own assessment, spurt in demand in FHP is seen especially in Air Handling Segment which will contribute to growth of the FHP motor segment. However, LT Motors market is on declining trend due to stagnancy in industrial growth and lack of new projects. The growth in the HT motor segment is primarily driven by demand from irrigation and water infrastructure projects, supported by substantial government investments through initiatives like the Jal Jeevan Mission and the National River Linking Project.

RAILWAYS

Indian Railways: Embracing Technological Transformation

Indian Railways is undergoing a significant technological transformation, focusing on automation, digitization, and smart systems to enhance efficiency, safety, and sustainability.

Key Advancements Include:

- **KAVACH:** An indigenous train protection system designed to improve rail safety.
- **AI-driven predictive maintenance:** Enhancing operational reliability while minimizing downtime.
- **Real-time monitoring and 5G connectivity:** Optimizing scheduling and improving passenger experience.
- **High-speed rail projects:** Including the Mumbai-Ahmedabad Bullet Train and Vande Bharat Express, revolutionizing passenger transport.
- **Dedicated Freight Corridors (DFCs):** Enhancing logistics efficiency and streamlining cargo movement.
- **100% electrification by 2030 & net-zero emissions:** Promoting sustainability through renewable energy, hydrogen-powered trains, and battery-operated locomotives.

Government Initiatives Driving Railway Growth

The Indian government has introduced several strategic initiatives to modernize and expand the railway sector:

- Bharatmala & Sagarmala: Strengthening rail connectivity for freight corridors.
- Dedicated Freight Corridors (DFCs): Boosting freight efficiency and easing congestion.
- 100% Electrification by 2030: Reducing carbon emissions and promoting green energy solutions.
- Mumbai-Ahmedabad Bullet Train (MAHSR) & Vande Bharat Express: Advancing high-speed rail development.
- Kavach Train Protection System: Enhancing railway safety standards.
- Public-Private Partnerships (PPP) & 100% FDI: Encouraging private investment to accelerate infrastructure growth.
- These initiatives are positioning Indian Railways as a global leader in modern, sustainable rail transport.

The Indian Railways Budget 2025-2026 has allocated ₹ 2,65,000 crores towards capital expenditure, emphasizing infrastructure expansion, modernization, and safety enhancements. Key investment areas include:

- ₹ 32,235 crores for new railway lines,
- ₹ 32,000 crores for doubling existing tracks, and
- ₹ 58,895 crores for rolling stock acquisition.
- Additionally, ₹ 8,601 crores is set aside for traffic facilities and yard remodelling



Self-Propelled Inspection Car (SPIC) fitted with indigenously developed CG Traction Electric

INDUSTRY OVERVIEW - POWER SYSTEMS

India's power sector is evolving rapidly through policy reforms, technological advancements, and a strong push for renewable energy. As one of the world's largest electricity markets, India aims

to source 50% of its power from non-fossil fuel sources by 2030, aligning with its 2070 net-zero commitment. The sector has seen significant investments, improved grid infrastructure, and initiatives like the Green Energy Corridor to support renewable integration, alongside targeted incentives for solar, wind, and hydropower. In fact, India successfully met an all-time maximum power demand of 250 GW during FY 2024-25. Besides, India reaffirmed its climate agenda at COP26 in 2021 and through its Long-Term Low Greenhouse Gas Emission Development Strategies (LT-LEDS) submitted to the UNFCCC in 2022. LT-LEDS outlines key transitions, including low-carbon energy, sustainable transport, industrial decarbonization, and financial frameworks for net-zero. Sustainability efforts focus on forest conservation, compensatory afforestation, and eco-restoration, while climate resilience is integrated into national programs like AMRUT, Smart Cities, and PMAY. The National Clean Air Programme (NCAP) drives air pollution mitigation, and coastal and marine ecosystems are protected through initiatives like MISHTI and Integrated Coastal Zone Management (ICZM), reinforced by regulatory measures such as the CRZ Notification. These initiatives reflect India's steadfast commitment to sustainability and climate action.

The Central Electricity Authority's National Electricity Plan (NEP) 2023, which lays out India's roadmap for a reliable, efficient, and sustainable power ecosystem through 2031-32, has projected a total installed capacity of over 669 GW by 2026-27, with significant additions from renewable energy sources complemented by battery energy storage systems (BESS) and flexible thermal capacity. It underscores the need for high-efficiency, grid-stabilizing generation assets and a robust transmission backbone to support seamless RE integration across regions. This directional shift toward cleaner energy, coupled with investments in advanced transmission infrastructure such as HVDC corridors and smart substations, aligns seamlessly with CG's product portfolio and strategic focus. With proven capabilities in power transformers, smart switchgears, automation systems, and energy-efficient motors, CG is well-positioned as a key enabler of India's ambitious energy transition journey.

Transmission and Distribution



CG's 245kV Current Transformers In ANDE ACARAY Substation, Paraguay

India's power sector has undergone significant transformation, with continuous improvements in transmission and distribution ensuring a more stable and efficient electricity supply. As of March 31, 2025, the country's total installed power capacity stood at 4,75,212 MW, marking a 6.99% growth in generation compared to the previous year. Strengthening the transmission network has been a key focus, with the system now extending over 4,81,326 ckm of transmission lines and a transformation capacity of 12,25,260 MVA as of January 31, 2024. During 2024, 10,273 ckm of transmission lines (of 220 kV & above), 71,197 MVA of transformation capacity (of 220 kV & above) and 2200 MW of Inter-regional Transfer Capacity have been added.

Significant policy reforms have been introduced to modernize and streamline transmission operations. The Electricity (Transmission Planning, Development, and Recovery of ISTS Transmission Charges) Rules, 2021, brought in a more structured framework for planning and cost recovery. A key institutional change was the separation of the Central Transmission Utility (CTU) from POWERGRID, resulting in the formation of Central Transmission Utility of India Ltd., which has been operating independently since April 2022. In addition, the government has encouraged greater private sector participation in transmission projects, fostering increased competition and efficiency in the sector.

This year, under the Revamped Distribution Sector Scheme (RDSS), efforts to improve the operational efficiency and financial sustainability of power distribution companies (DISCOMs) continued to make progress. A total of 19,79,24,902 prepaid smart meters, 52,52,692

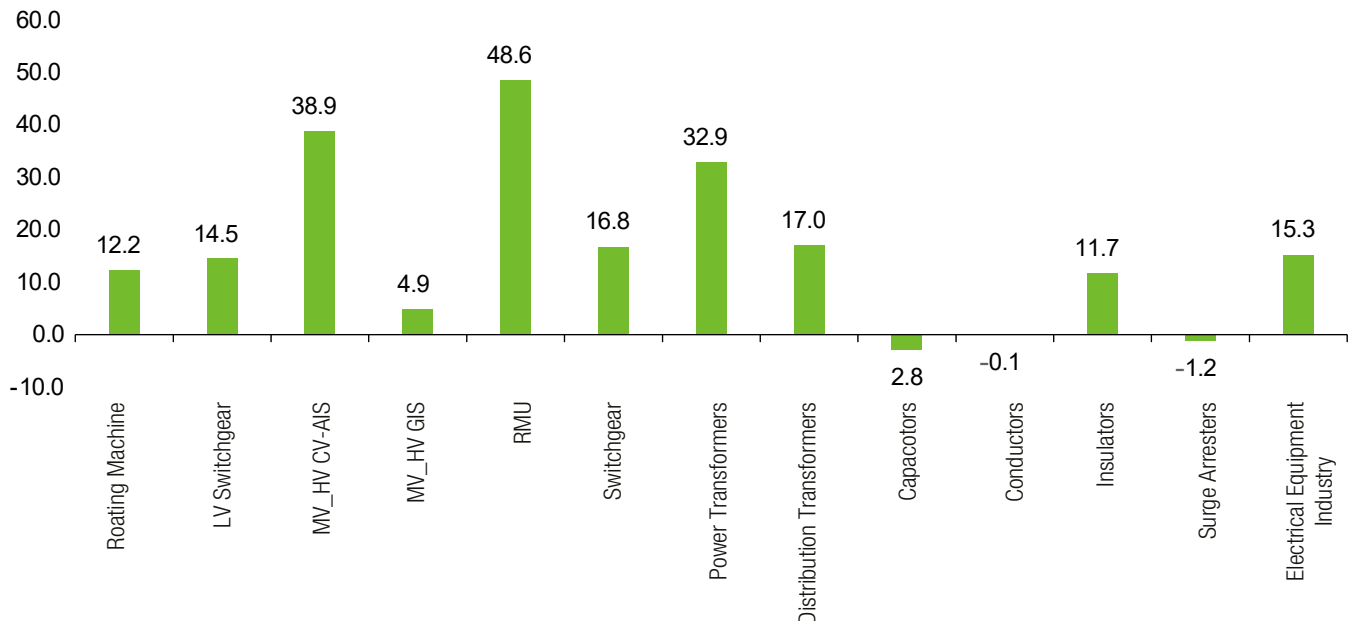
distribution transformer (DT) meters, and 2,10,704 feeder meters have been sanctioned at a cost of ₹ 1,30,670 crores. Additionally, loss reduction projects worth approximately ₹ 1,46,000 crores. have been approved, with ₹ 18,379 crores already released for implementation. As a result of these initiatives, AT&C losses have reduced to 15.37%, and the gap between the average cost of supply and revenue (ACS-ARR) has decreased to ₹ 0.45 per kWh in FY2023—signifying a step forward in building a more efficient and financially sound power distribution system.

Looking ahead, the demand for medium-voltage (MV) switchgear is projected to rise significantly, with estimated procurement worth ₹ 5,500 Crores over the next three years. This includes advancements in Air Insulated Switchgear (AIS), Gas Insulated Switchgear (GIS), and automated systems, supporting the continued modernization of India's power infrastructure.



CG's 72.5kV Dead Tank Braker at Union Substation, Trinidad & Tobago, West Indies

IEEMA Growth Indices (% GOLY Apr. – Dec. 2024)



BUSINESS SEGMENTS REVIEW

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

Industrial Systems	Power Systems
Motors (LT/HT/FHP) & Stamping, Drives & Automation, Railway Products, Fast Moving Electrical Goods (FMEG)	Transformers, Switchgears, and Turnkey Solutions

INDUSTRIAL SYSTEMS

One-stop-shop for Integrated Motion Automation Solutions

1) INDUSTRIAL MOTORS

As a pioneering force in India's motor manufacturing industry, CG delivers innovative and high-performance solutions tailored to a wide spectrum of customer needs. With decades of expertise, the company remains a trusted provider of cutting-edge products and services across various sectors.

The Company offers an extensive range of products and solutions including Low Voltage (LV) Motors of up to 710 k; Medium Voltage (MV) Motors of up to 20 MW; Fractional Horsepower Single-Phase Motors of up to 5.5 kW; AC Drives & Drive Panels, which are available in multiple configurations and standards; and Custom-Designed Solutions – Built to meet distinct industrial needs. Backed by decades of experience, CG has established itself as a leader in motor technology through relentless research, innovation, and a track record of delivering high-quality solutions. This dedication drives ongoing enhancements across its product range. CG holds the distinction of being the first company in India to design and manufacture a comprehensive range of high-efficiency motors, from IE2 to the cutting-edge IE5 Ultra-Premium Synchronous Reluctance Motors, setting new benchmarks in energy efficiency and innovation.

Additionally, the Company leads the way in domestically developed EV Motors and Controllers for various vehicles like 3-wheelers, LCVs, MCVs, HCVs, Trucks, and Buses. CG's 'Smart

Motor' Solution enables remote monitoring of motor operations and health, facilitating preventive maintenance.

CG is also at the forefront of indigenous EV motor and controller development, catering to a wide range of vehicles, including three-wheelers, LCVs, MCVs, HCVs, trucks, and buses. Additionally, its advanced 'Smart Motor' solution enables remote monitoring of motor performance and health, ensuring proactive maintenance and enhanced operational efficiency.

Business Performance

CG Motors Division has strengthened its market dominance in the motor segment, driven by robust order bookings and strong performance across diverse market verticals, driven by infrastructure growth, sustainability efforts, and increased industrial activity. The division's product lines ranging from LV and MV motors to generators and FHP motors, continued to support key national and sectoral priorities.

- Low Voltage (LV) Motors:** LV motors were supplied for critical infrastructure applications including cooling water pumps and desalination systems, contributing to large-scale public utility projects. Additionally, the division played a role in industrial sustainability through supplies to recycling plants, supporting circular-economy initiatives in tyre and metal processing.
- Medium Voltage (MV) Motors:** MV motors saw demand from irrigation, resource management, and heavy industry sectors. Deployed in high-load environments, these motors enhanced performance in material handling and water infrastructure projects, reinforcing CG's reliability in demanding industrial applications.
- Fractional Horsepower (FHP) Motors:** CG's FHP motors found applications in agriculture, specifically in chaff cutters used under rural development initiatives. This reflects CG's ongoing contribution to agri-mechanization and productivity enhancement in the farming sector.

Besides, in the renewable energy space (Generators and Windmill Applications), CG supported clean power generation through supplies of generators and components for windmill systems. These efforts aligned with global energy transition goals and further strengthened CG's position in the green energy ecosystem.

Exports Growth Strategy

The Division focused on strengthening its international presence and customer service capabilities. In the previous year, the division set up a regional office in Dubai to cater to the Middle East and Africa (MEA) region, supported by a dedicated service network. This strategic move enhances responsiveness, enables closer customer engagement, and positions CG to tap into emerging opportunities in global markets through localized support and faster turnaround.

Manufacturing and Testing Expertise

The Company's manufacturing facilities are equipped with cutting-edge technology, ensuring optimal efficiency, productivity, and quality.



CG's Class Leading Efficiency EV L5 Traction Motor

These state-of-the-art plants embody industrial innovation, integrating advanced machinery, automation, and sustainable practices. Committed to environmental responsibility, they reduce ecological impact while maintaining high standards of excellence. The Company operates world-class production units across nine locations in India and one in Sweden.

The Company's motor manufacturing facilities are located at three locations in India:

- LT Motors manufacturing units in Ahmednagar and Goa.
- HT Motors unit in Bhopal.
- Stampings' units in Ahmednagar and Goa.
- Single-Phase Motor manufacturing unit in Goa.
- CG Drives and Automation operates cutting-edge Engineering Centers in Germany and the Netherlands, along with two world-class manufacturing facilities featuring in-house design and manufacturing capabilities. One facility is located in India, and the other is in Sweden, serving the global market. Both these facilities are CE as well as UL certified and supply directly to customers across the globe.

Capacity Expansion

In FY25, CG continued to invest in strengthening its manufacturing capabilities to meet rising demand and enhance operational scalability. With the CAPEX of ₹ 332 crores planned in FY25, the Company undertook capacity expansion for LT Motors, LIM Motors and Stampings. The outlay was partly utilized to enhance capacity of 80–132 frame range from monthly output of 14,000 units to 40,000 units and another expansion of 160–250 frame range is expected to be completed in Q4 of FY 26. This expansion reflects CG's commitment to delivering high-quality motor solutions on scale while supporting the growing needs of core industries and infrastructure projects.

Industry 4.0 and Digital Transformation Initiatives

- **Commissioning of Jenda Mark Auto Line:** Successfully commissioned the Jenda Mark automated assembly line for Motors up to 132 Frame, enhancing production efficiency and consistency.
- **Digitisation of Torque Tools:** Implemented digital monitoring and control systems for torque tools, enabling real-time data capture, improved accuracy, and traceability in assembly processes.
- **Automation of Material Inward Process:** Completed automation of the material inward process, streamlining inventory management and reducing manual intervention, thereby increasing operational efficiency.

Operations Efficiency Initiatives – Large Industrial Motors

- Streamlined product platforms based on a mass customization approach to better align with customer-specific needs.
- Achieved notable improvement in First Pass Yield (FPY) through targeted quality initiatives on both product and process fronts.
- Formed dedicated Project Management and Application Engineering teams to enhance customer responsiveness and execution efficiency.
- Recorded a more than 50% reduction in CCRP (Customer Complaint Rate Percentage), reflecting improved quality and service delivery.
- Conducted 33 safety promotional activities and 31 EHS trainings to reinforce workplace safety culture.
- Achieved a 2-week improvement in average lead time (from Customer Purchase to Test OK) compared to the previous year.



CG's 8.0 MW 6P 11kV Slip Ring Motor (one of the largest single drive cement mill motor in India)

Sustainability Initiatives

As part of its long-term commitment to environmental responsibility, CG's Motors Business continued to implement impactful initiatives focused on reducing resource consumption, enhancing biodiversity, and achieving key sustainability certifications.

- **Certified SUP-Free Premises:** The FHP unit received the Single-Use Plastic (SUP) Free Certification for a period of three years.
- **Zero Waste & Water Management:** The LT Motors Unit 1 facility achieved the ZWTL "Aspiring" certification and is in the final stages of securing "Zero Liquid Discharge" certification.
- **Biodiversity Enhancement:** A Miyawaki forest, along with dedicated butterfly and herbal gardens, was developed at the Ahmednagar Unit 1 plant to enrich local biodiversity.
- **Resource Efficiency:** The LV Motors unit recorded a 16% reduction in per equivalent unit electricity consumption and a 7.25% reduction in water consumption compared to the previous year.

R&D and New Products' Development

The Company maintained a strong commitment to research and development (R&D) in the field of industrial motors, with a focus on driving innovation, improving efficiency, and addressing the evolving demands of modern industry. The Company actively explored opportunities in energy-efficiency, noise reduction, and predictive maintenance to deliver reliable and cost-effective solutions and remain future-ready for the growing demand.

New Products Developed During the Year:

1. Fluxtron – High-Efficiency MV Induction Motors



Fluxtron Motor

The Company introduced Fluxtron, a next-generation medium voltage induction motor designed to set new standards in energy efficiency and reliability. Engineered for rugged industrial environments, Fluxtron motors offer superior performance, low energy consumption, and minimal maintenance needs. With seamless VFD compatibility and optimized speed-torque control, they empower industries to enhance productivity while progressing toward sustainability and net-zero targets.

2. Axelera – LT Process Performance Motors

CG launched Axelera, an advanced range of low-tension Process Performance Motors tailored for demanding industrial



IE4 Motor (Axelera 4.0)

applications. Ranging from 0.37kW to 1000kW, Axelera motors feature robust cast-iron construction, Class F insulation, inverter compatibility, flexible speed configurations, and high load-bearing capacity. With a strong focus on durability, efficiency, and adaptability, Axelera exemplifies CG's commitment to indigenous innovation and delivering high-performance, future-ready motor solutions.

2) DRIVES AND AUTOMATION

Aiming to become a one-stop solution for the entire motor value chain, CG took a strategic step in 2011 by acquiring Emotron, a Sweden-based technology company, and establishing CG Drives and Automation (CG D&A). This move enabled the company to expand its portfolio with a comprehensive range of Drives and Automation solutions.

With manufacturing facilities in Sweden and Germany, the Sweden headquarters serve as the central hub for European operations, catering to four key markets: the Nordic region, Germany, the Netherlands, and the MEA region. Beyond these core markets, distribution is facilitated through an extensive network of distributors and partners worldwide.

Backed by a global partner network, the business has expanded into key markets such as the Middle East and South America. Additionally, new channels have been successfully established—either directly or through channel partners—in France and North America. Strengthened by authorized service partners, distributors, and a dedicated workforce of 148 employees across Europe, the business continues to grow its presence steadily.



CG Emotron Industrial Drives

Business Performance

During the year, the Company continued to expand its client base with notable orders from India and across the globe. Despite geopolitical impacts, CG Emotron managed to grow in orders and sales, in the marine, material handling, water and wastewater sectors. The Company further managed to grow

in the Green Solutions Energy Power solutions sector, through Battery Energy Storage Systems (Bess), Hydrogen and Solar products and solutions. Backed by a Global partner network the business expanded their markets in key areas like the Middle East and South America. Additional channels were successfully entered directly or through Channel partners in France and North America.

Operational Highlights

CG D&A embarked on the expansion of their India Production facility to meet the increase of demand in standard products, and project specific solutions in Sweden and Germany. The alignment with the CG Motor business unit further enables the Company to offer a more tailored and value-adding product to meet the overall need for energy efficiency and savings. In several key geographical areas, CG with the Drives & Automation business in conjunction with Motor offerings.

R&D and New Products' Development

By leveraging cutting-edge design tools and techniques, CG D&A accelerated product development while ensuring compliance with international standards. This forward-looking approach positions the Company's D&A offerings to remain competitive, sustainable, and aligned with the future of smart manufacturing.

New Products Developed during the Year:

1. Modular Converters for Green Energy

CG D&A Emotron unveiled its advanced range of modular converter solutions, designed to meet the rising global demand for flexible, efficient, and reliable green energy systems. These converters support a wide array of energy sources—including batteries, wind turbines, and fuel cells—ensuring seamless integration and grid feedback through Grid Code Ready AFG units. With features like overcurrent handling, minimal harmonics, and unique grid-support software (enabling FFR, FCR, reactive power, and black start), these converters are future-proof solutions for marine, onshore, and hybrid applications.



Modular Converters for Green Energy

2. Power Conversion Systems (PCS) for Energy Storage

Addressing the rapid growth in battery energy storage, CG Emotron launched its Power Conversion Systems (PCS) tailored

for peak shaving, load shifting, and bidirectional energy flow. The PCS range includes highly flexible, scalable AC-DC, DC-DC, and DC- AC solutions with grid-forming and anti-islanding capabilities. Engineered to maximize battery performance without requiring isolation transformers, these systems offer modularity and high efficiency—positioning CG Emotron as a key enabler in smart energy transition projects worldwide.

CG D&A Emotron is actively working on Product Innovations and R&D projects to enhance and grow their product portfolio to meet the needs of the different geographical regions in conjunction with CG Motor Division, and several new launches have been planned for 2025 to serve geographical expansion.



Power Conversion Systems (PCS)

Marketing and Business Development Initiatives: Motors and Drives and Automation

The marketing and business development initiatives of the industrial motors and drives businesses were designed to strengthen brand presence, expand market reach, and drive customer engagement across key industries. The Company is actively focused on channel partner expansion, seeking to build and strengthen relationships with key distributors and resellers to extend its reach and drive growth in new and existing markets. The Company also participated in numerous exhibitions during the year including the following:

Elecrama 2025, Noida

CG made a significant impact at ELECRAMA 2025 with the showcase of our cutting-edge smart solutions from the Motors, Drives and Automation, Switchgears, Transformers, and FMEG divisions. The participation saw a footfall of 2000+ current and prospective customers, channel partners and leaders from across sectors visiting our stall, reflecting our comprehensive connections and capabilities in smart energy and sustainable technology. ELECRAMA, organized by the Indian Electrical and Electronics Manufacturers' Association (IEEMA), is the world's largest standalone electrical exhibition, covering a complete spectrum of solutions for power, transmission, distribution, power electronics, and renewables.



CG Team at Elecrama 2025, Noida

India Bio Energy Expo 2024, Delhi

CG's Drives and Automation division took part in the India Bio Energy Expo 2024, presenting our innovative LT Motors, Drives, and Automation solutions, aimed at enhancing industrial efficiency and supporting the transition to sustainable energy. The response from visitors, including Shri Nitin Gadkari Ji, Hon'ble Minister of Road Transport and Highways, demonstrated the relevance of our offerings.

The India Bio Energy Expo brings together industry stakeholders, policymakers, and technology providers to discuss advancements in energy efficiency and bioenergy technologies.

Automation Expo 2024, Mumbai

CG's Drives and Automation division showcased the latest range of LT Motors, Drives, and Automation products at Automation Expo 2024, emphasizing CG's role in driving efficiency and productivity in industrial applications. Our exhibit attracted significant interest from industry experts, highlighting CG's role in the evolving industrial automation landscape. Automation Expo is Asia's leading trade show for automation technology, IoT, AI, and smart manufacturing. It serves as a hub for businesses to discover future-ready solutions and connect with technology innovators.

AGRI INTEX 2024, Coimbatore

At AGRI INTEX 2024, CG's Consumer Products division presented energy-efficient FHP motors and pumps, reinforcing our support for the agricultural sector through reliable and sustainable motor solutions.

AGRI INTEX, held at the CODISSIA Trade Fair Complex, is one of India's largest agricultural trade fairs, focusing on advancements in agriculture, dairy farming, horticulture, and food processing.

Green Energy Seminar 2024, Netherlands

As part of its global business development strategy, CG Drives & Automation hosted the Green Energy Seminar in the Netherlands, engaging key customers from the renewable energy sector. The event highlighted CG's innovations in drives, modular converters, and energy-efficient power conversion technologies for applications such as battery storage and hydrogen systems. Through technical sessions and live demonstrations, the seminar positioned CG as a forward-looking partner in sustainable energy solutions and strengthened its market presence in the green energy space.

SPS Fair 2024, Germany

CG Drives & Automation Germany made a significant mark at SPS – Smart Production Solutions 2024 by showcasing our state-of-the-art Emotron Modular Converter Solutions tailored for green energy applications. With a spotlight on our range of converters, motor inverters, and DC/DC converter units, our booth attracted leading players from renewable and sustainable industries.

SPS (Smart Production Solutions) is one of Europe's leading exhibitions for smart and digital automation, held annually in Nuremberg, Germany.



CG Team at SPS Fair, Germany

HANNOVER MESSE 2025, Germany

At HANNOVER MESSE 2025, CG Drives & Automation focused on pioneering solutions for the hydrogen industry. We presented our next-gen modular Switch Mode Power Supply converters, designed for hydrogen production and fuel cell applications, delivering unmatched efficiency, low grid harmonics, and adaptability for evolving energy systems.

HANNOVER MESSE is one of the world's largest and most influential industrial trade fairs, held in Germany that brings together key players driving industrial transformation.

Dutch Water Fair 2025, Netherlands

CG Drives & Automation participated in the Dutch Water Fair 2025, presenting a focused portfolio tailored for the Water and Wastewater sector. On display were our trusted FDU and VFX drives, widely adopted for water management applications, alongside our versatile range of Modular Converters designed for emerging green energy systems.

The Dutch Water Fair is a leading industry event in the Netherlands, bringing together utilities, municipalities, engineers, and technology providers from across the water sector to explore solutions in water treatment, wastewater management, sustainability, and infrastructure modernization.

Indumation Fair 2024, Belgium

CG Drives & Automation participated in the Indumation Fair 2024 in Belgium, showcasing its trusted FDU and VFX drives in the Motion Control & Drives section. The team engaged with a diverse audience of industry professionals, presenting CG's capabilities in drive technology and discussing how our solutions contribute to enhanced efficiency, reliability, and control in automation systems across sectors. Indumation is the largest trade fair for industrial automation in the Benelux region, attracting professionals from manufacturing, process industries, energy, logistics, aerospace, and beyond.

3) CONSUMER PRODUCTS

In 2019, CG strategically re-entered the Fast-Moving Electrical Goods (FMEG) market with the launch of Pumps and Industrial Exhausts. Building on this momentum, the Company expanded its portfolio with a diverse range of Ceiling, Table, Pedestal, and Wall Fans, as well as instant and storage Water Heaters. Most recently, CG introduced a new line of Air Coolers, further strengthening its presence in the segment. Designed with precision, these products are the result of extensive research and a deep understanding of evolving consumer needs and applications.

Business Performance

In FY2425, CG's Consumer Products Division delivered a robust performance and witnessed an increase in market share. The division launched over 50 new SKUs, and expanded its presence across e-commerce platforms, regional chain stores, and national modern retail formats. The Company bagged many breakthrough orders during the year from various eminent clients across locations. With a growing network of over 300 Authorized Service Centres and 85% TAT adherence, the business continued to prioritize after-sales service as a critical pillar for consumer satisfaction.

The division deepened its presence across Central and Western India in the pump segment, while continuing to expand in Northern and Eastern markets. In the ECD segment, CG strengthened its e-commerce footprint and appointed high-quality channel partners in the Southern region.

Industry 4.0 and Digital Transformation Initiatives

The Division advanced its Industry 4.0 journey by embracing digitization and process automation. The division launched the CG Vishwas app, a unified digital platform offering paperless warranty registration, and serving as a loyalty and engagement hub for retailers, plumbers, and consumers. This initiative streamlined post-sale operations and improved influencer engagement, while also contributing to more efficient inventory tracking and real-time customer service alignment.

Operational excellence was further supported by supply chain modernization efforts aimed at reducing fulfilment delays, improving stock availability, and enhancing distributor engagement in key regions.

R&D and New Products Development

The business aligned its R&D efforts with evolving market needs and sustainability goals. Key developments included:

Pumps

- CG SmartSense: Launched with an industry-first auto on/off functionality.
- MNRE-certified solar pumps: Approved by NABL, enabling eligibility for major government procurement schemes like KUSUM.

- V4 Domestic – Sand Fighter: Developed to combat wear and tear due to sandy groundwater.

Fans

- Introduction of BLDC fans including models like CG AeroSwift, AeroSwift Prime, and EliteAir Prime, delivering up to 60% energy savings with superior aesthetics and durability.
- Launch of TulipAir Deco, HyperAir Neo, and VivaAir, meeting consumer demand for stylish, energy-efficient options.

Air Coolers

- 8 new models across Desert, Personal, Tower, and Window formats using JetChill™ technology for enhanced airflow and cooling.



Portfolio of CG Consumer Products

A robust pipeline of appliances including irons, room heaters, induction cooktops, mixers, and kettles, aimed at building a well-rounded domestic appliance portfolio.

Marketing and Business Development Initiatives

The business undertook various high-impact marketing and brand-building activities to boost visibility and deepen stakeholder engagement. Key initiatives included:

- **Channel Partners' Conference in Hanoi, Vietnam:** A landmark event that brought together 100 top distributors, unveiled the "Always On" CG CPD positioning for consumer segment, and showcased new product launches.
- **Festive Campaigns** during Diwali and New Year that blended consumer promotions with channel partner appreciation.
- **CG Vishwas Program**, which successfully engaged over 5,000 influencers (plumbers and borers) within four months, driving loyalty and brand preference through personalized reward programs.
- Additionally, CG amplified its presence through Tamil Nadu's largest consumer expo, engaging with over 4,000 end-consumers and securing prominent coverage on regional television.



Channel partners' conference in Hanoi, Vietnam

PRODUCT PORTFOLIO

Motors

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

Drives & Automation

Product	Range	Industry Application
Industrial AC Drives (LV&MV)	0.75kW to 4000kW	Used for all industrial segments such as Cement, Water, Metals, Oil & Gas, Marine, Sugar, etc.
Active Front End AC Drives (AFE)	11kW to 4000kW	Used for Low harmonics and regenerative applications
Soft Starters	5.5kW-1000kW	Industrial applications such as Pumps and Fans
Power Conversion Systems	Up to 3000kW	Marine and Industrial hybrid electric drive systems, renewable energy, energy storage, hydrogen electrolysis.
Industrial Panels	Up to 4000kW	Customized Panel Solutions for all type of Industrial users
Customized products	11kW-250kW	Completely customized and branded products for diverse applications such as compressors, battery energy storage, pumps, servo drives.
Test Benches	Up to 10MW	Routine type, back-to-back regenerative test setups
Shaft power Monitor	Up to 999Amp	Patented technology to protect motors from dry runs, over / under load conditions
Solar Drives	0.75kW to 110kW	Used for Renewable energy applications and Solar water pumping for Agriculture
PLC & HMI	Automation	Automation the Industrial application like packaging, printing, special purpose machines, etc.

Consumer Products

Product	Range	Industry Application
Pumps, Fans, Air Coolers and Water Heaters	Domestic, Agricultural, and Industrial Usage	Domestic and Commercial

Pumps

Product	Range	Industry Application
Domestic Pumps	Mini series / Shallow-well jet/ Openwell	Normal water supply through Municipal Pipeline – filling storage / overhead tanks
Domestic Pumps	Submersibles	Getting ground water through borewells to overhead tanks
Agricultural Pumps	Monobloc	Getting water through rivers / ponds and borewells
Agricultural Pumps	Submersibles	Ground water lifting for Agriculture use (farm irrigation) and Dripwater / Sprinklers applications
Industrial Pumps	V6 submersible / Monobloc	Building segment (Water supply)
Industrial Pumps	Fire-Fighting system	Fire-Fighting installations
Industrial Pumps	Pressure Booster	Pressure Pumps
Industrial Pumps	Monobloc/Openwell	Fountains
Industrial Pumps	Monobloc/Openwell	Cooling towers
Industrial Pumps	Sewage Pumps	Sewage treatment in Households /Hospitals / Hotels / Treatment Plants & Construction sites

RAILWAYS

Business Performance

The railways business performed exceptionally well during the year, marked by numerous order wins and significant market expansion across geographies. The company successfully secured a range of high-profile contracts, underscoring its strong reputation for providing reliable and innovative solutions within the railway sector. This growth was complemented by an expanded market presence in both existing and new regions, as the company tapped into emerging opportunities and strengthened its foothold in key markets. The combination of strategic partnerships, operational excellence, and a customer-centric approach enabled the company to achieve remarkable growth and position itself for continued success in the railways sector.



CG's TCN (Train Communication Network) based VCU (Vehicle Control Unit)

Exports Growth Strategy

As part of CG's export growth strategy in the railways segment, the company developed a 380V AC Trailable Point Machine for Malaysian Railways, marking a significant step in strengthening its footprint in Southeast Asia. Simultaneously, CG initiated the development of an Isolation Amplifier for the U.S. railway market, expanding its presence in North America and aligning with its vision to diversify offerings and deepen engagement in advanced global rail systems.

With a strong heritage in the Railways sector, CG boasts the most comprehensive portfolio of railway products, categorized into three main product lines. These include:

Traction Machines & System (TMS)

CG Traction Machines & Systems (TMS) provides an extensive portfolio of AC & DC Traction Motors, Traction Alternators, and tailored solutions for self-propelled railway vehicles. With a strong reputation in the Railways sector, CG collaborates with original equipment manufacturers (OEMs) in India and international markets, delivering high-efficiency, cost-effective locomotive traction motors and alternators through advanced engineering and optimized production processes.

The Company specializes in rewinding and vacuum-pressure impregnation (VPI) of both epoxy and silicone resins. Its AC motor test rig is designed for dynamic evaluation of AC and DC traction motor

performance across all specifications. To ensure the highest quality, CG utilizes rotor bar crack detection, automated TIG welding, and precise undercutting equipment. Additionally, all traction coils are produced and rigorously tested in-house, maintaining strict quality control and seamless supply chain management.

CG supports customers through every stage of the product lifecycle, from conceptualization and design to installation, commissioning, and in-field performance optimization. By leveraging advanced diagnostic tools, the Company offers predictive maintenance and data-driven trend analysis. Its service offerings include flexible maintenance contracts, real-time equipment monitoring, and expert troubleshooting to maximize system reliability.

With a strong commitment to quality and continuous improvement, CG operates certified Management Systems in compliance with IRIS, ISO 9001, ISO 14001, and OHSAS 18001 standards, ensuring consistent innovation and operational excellence.

Rail Transportation Traction Electronics (RTTE)

CG is at the forefront of traction electrification, offering state-of-the-art IGBT-based Propulsion Systems and Loco Panels. Its Rail Transportation Traction Electronics (RTTE) solutions harness cutting-edge power conversion technology to deliver superior efficiency, safety, and reliability. Built with a modular and scalable design, these solutions streamline railway infrastructure, lowering complexity, environmental footprint, and long-term costs.

Backed by deep expertise in design, engineering, and manufacturing, CG provides high-performance Rail Propulsion Systems for a range of transportation modes, including RRTS, Metrorail, Metrolite, Metro Neo, Monorail, and High-Speed Rail. The Company delivers holistic support across all aspects of system development, from traction and auxiliary converters to high-voltage and battery-powered systems. Its rigorous testing ensures every product meets stringent industry standards.

CG adheres to EN 50657 and EN 50128 software standards, with its Propulsion Systems integrating Traction Converter-Inverters, Auxiliary Converter-Inverters, and TCMS for seamless and optimized performance.

Designed for efficiency and future readiness, CG's Traction Converters for Electric Locomotives feature advanced voltage regulation, safety mechanisms, and microprocessor-driven switching. With MVB/Ethernet-based communication and remote diagnostics, they offer adaptability to evolving railway needs.

Railway Signalling (RS)

This segment includes critical railway signalling components such as signalling relays, point machines, and data loggers, ensuring the reliability and safety of signalling systems. CG is a leading provider of Railway Signalling Systems and Technology solutions in India, leveraging its deep industry expertise and technological leadership.

CG also manufactures a diverse range of railway products, including Coach panels, Carriage fans, and key trackside and locomotive components such as trackside transformers, traction motor stampings, auxiliary motors, circuit breakers, surge arrestors, and instrument transformers. These solutions contribute to the seamless functioning and efficiency of railway networks.

Further, during the year, CG acquired 55.60% stake in G.G.Trionics India Private Limited, a company specializing in Electronic Safety Embedded Signalling Systems including 'KAVACH,' for the Railway Transportation Segment. This acquisition was in line with CG's strategic intent to expand its Railway product portfolio by diversifying into closely related or adjacent areas poised for growth. The integration has been leveraging synergies between the companies. CG's extensive expertise in manufacturing, engineering, and project management, complemented by GGT's specialized knowledge in Railway Transport Safety, particularly in the Train Collision Avoidance System 'KAVACH,' and embedded systems has been enabling CG to actively pursue 'KAVACH' and other Rail Safety projects, in the areas of Electronic Signalling Sector through this vehicle.

As a comprehensive solutions provider for Electric Locomotives, CG is a trusted partner in the technological transformation of Indian Railways, supporting advancements in efficiency, safety, and performance across the railway sector.

PRODUCT PORTFOLIO

Traction Machines & System (TMS)

Product	Specifics
AC Traction Motors	Electric Loco, Diesel Loco, Trainset/ Metro/EMU/MEMU and DEMU
DC Traction Motors	Electric Loco, Diesel Loco, DEMU, DETC SPIC / Other Self-propelled Vehicle
Traction Alternators	Diesel Electric Loco, DEMU, DETC SPIC / Other Self-propelled Vehicle
Complete Electrics	Including integrated power pack with traction alternator, Traction motors, Control equipment, Rectifier, Auxiliary alternator for Diesel Electrics Tower Car (DETC) with on board and underslung electrics, Self-Propelled Inspection car (SPIC) & Diesel Electric Multiple Units (DEMU)

Rail Transportation Traction Electronics (RTTE)

Product	Specifics
IGBT Based Traction and Auxiliary Converters	For Electric Locomotive.
IGBT Based Composite Converter / Hotel load converter	For 3 phase Electric Locomotive.
Vehicle Control Unit (VCU) and Control Panels	For Locomotive.
Propulsion System and electrics	For EMU/MEMU/ Trainset
Auxiliary converters	For Diesel / Electric Locomotives, DEMUs & EMUs.

Train Control and Management System (TCMS).

Propulsion system 9000 HP for Electric Locomotive.

Railway Signalling (RS)

Product	Specifics
Q-Type Signalling Relays	
Electric Point Machines	Operating Voltage – 110 V DC & 380 V AC - Non-trailable – 143 mm / 220 mm throw - Trailable – 175 mm / 220 mm throw - Non Trailable – Dual Gauge Point Machine (143mm / 220 mm throw)
DC Series Motor	For Electric Point Machines
DC Series Motors IP67	160 V & 400 V ACI for Electric Point machines
Back Drive	Secondary Drive with 220mm Throw Point Machine

Rail Traction SCADA & Power Management System BLDC Industrial fans

Coach Applications

Product	Specifics
BLDC Carriage Fans	AC, DC
Universal Carriage Fan	AC, DC

Control Panels for Locomotives and Coaches

Product	Specifics
Switch Board Panels	For Locomotives – SB1, SB2, HB1, HB2, Cubicle F
Filter Cubical Panels	For Locomotive
Panels, EDTS 355	For LHB EOG Non-AC Coaches
Switch Board Cabinet	For LHB EOG/HOG AC COACHES- SBC 184, SBC 192, SBC 200

Manufacturing and Testing Expertise

The Company operates advanced manufacturing facilities for its Railways business in Mandideep and Pithampur, Madhya Pradesh, India. Additionally, CG has a dedicated in-house testing facility that complies with both Indian and international standards.

In its unwavering pursuit of excellence, the Company has significantly expanded capacity to enhance production efficiency and meet rising market demand. The Rail Transportation Traction Electronics facility now spans 1,260 sq. meters, with load capacity increased by 500 KW through a new HT substation that enables a second test bed for IGBT Propulsion Equipment. Further, a New Electronic Lab dedicated to electronic product development, testing, and assembly, ensuring adherence to high-quality standards was also set up.

Industry 4.0 and Digital Transformation Initiatives

Under its LEAN initiative, the Traction Machines & Systems (TMS) business introduced multiple cost reduction strategies that delivered

significant annual savings, allowing the company to sustain its market leadership even as Product UPR decreased. With 179 Kaizens implemented, improvements have been realized in cost efficiency, productivity, safety, and other essential business metrics.

The Rail Transportation and Traction Electronics segment also implemented numerous cost optimization measures and lean methodologies to enhance efficiency across procurement and logistics operations. 180 Kaizens were implemented impacting cost, productivity, safety and other key business aspects.

Market-aimed technological initiatives that help remain in line or ahead of the technology curve: The Company has strategically evolved its product development approach in alignment with Indian Railways' transition towards procuring complete electrical propulsion packages and turnkey solutions. To meet these changing demands, it has embarked on pioneering projects such as:

- **Vande Bharat Express:** Development of key propulsion components, control systems, and power converters.
- **9000 HP Locomotive Upgrade:** Engineering high-efficiency traction motors and drive systems.
- **Main Line Electric Multiple Units (MEMU):** Innovating TCMS, traction converters, and advanced control panels.
- **Green Mobility Initiatives:** Advancing smart locomotives with predictive maintenance capabilities and pioneering electric propulsion systems for hydrogen fuel cell trains.

R&D and New Products Development

The Company's R&D efforts for the railways sector focus on developing innovative solutions to enhance safety, efficiency, and sustainability. By leveraging advanced technologies, the company aims to improve railway infrastructure, rolling stock, and signaling systems, with an emphasis on energy efficiency, reduced maintenance costs, and enhanced performance. Ongoing research is also directed towards the integration of automation and smart technologies to support the evolving demands of modern rail transport. These R&D initiatives ensure that the company remains at the forefront of railway innovation, delivering cutting-edge products that meet the highest industry standards.

The business undertook focused R&D initiatives to drive innovation, enhance product offerings, and maintain a competitive edge in the market

- Developed high-performance traction motors and alternators tailored for the U.S. market, including 658kW and 500kW variants, as well as multiple models of companion and axle cap alternators.
- Strengthened presence in the African market with advanced axle cap traction motors designed for regional operational needs.

- Successfully tested and installed next-generation traction motors, including models for MEMU and 9000HP locomotives, meeting stringent IEC-60349-2 standards under RDSO and CLW oversight.
- Advanced development of traction motors for flagship trains like Vande Bharat, progressing towards full-scale manufacturing and deployment.

Trailable – 380V AC Point Machine (220 mm throw)

Designed for high-speed (Meter Gauge) turnouts (UIC 54 kg Thick Web Tongue Rail), this machine enables precise locking and detection of individual switch housings. It has been developed to meet the specific requirements of Malaysian Railways, marking CG's entry into global railway infrastructure solutions.

Switch Board Cabinet (SBC) for LHB Coaches

Used in LHB-type coaches of Indian Railways, these cabinets efficiently control and distribute electricity to various onboard systems, including coach lighting, passenger addressing systems, mobile charging, compressors, boilers, and RMPUs (Roof Mounted Package Units).

BLDC Industrial Fans

CG's heavy-duty BLDC Oscillation Air Circulators are designed for various industrial applications, offering superior energy efficiency with BLDC motor technology.

Product Range Includes:

- 18-Inch / 24-Inch Sweep Energy-Efficient Wall Mounted Fan
- 18-Inch / 24-Inch Sweep Energy-Efficient Pedestal Fan
- SCADA System for 25kV & 2x25kV Single Phase 50Hz AC Traction Power Supply

Advanced SCADA (Supervisory Control and Data Acquisition) systems for Indian Railways to monitor and control traction power distribution.

- SCADA systems ensure real-time monitoring, efficiency, and safety. They comply with RDSO Specification TI_SPC_RCC_SCADA_0134, and adhere to Cybersecurity standards (IEC 62443), enhancing protection against cyber threats.

ACD Panel (Automatic Control Device Panel)

A key component of the IGBT-based propulsion system in modern locomotives, the ACD panel ensures seamless communication between the locomotive operator and control systems, allowing efficient monitoring and control of locomotive functions for enhanced safety and operational efficiency.

Marketing and Business Development Initiatives

The marketing and business development initiatives for the Railways business focus on expanding the Company's presence in key markets and strengthening relationships with major industry players.

AAIM-EX Industrial Expo 2025, Bhopal : CG Railways participated in the AAIM-EX Industrial Expo held at Mandideep, Bhopal (Madhya Pradesh), showcasing its latest smart solutions and product capabilities. The event served as a key industry platform for connecting with OEMs, partners, and stakeholders from the regional industrial and railway ecosystem.

POWER SYSTEMS

CG's Power Systems business specializes in Power Transmission and Distribution and the development of integrated power systems with associated service offerings. As a leader in electrical energy management, the Company manufactures a broad range of switchgear and transformer equipment. Additionally, the business delivers turnkey solutions for Transmission and Distribution (T&D) through substation projects and provides comprehensive Engineering, Procurement, and Construction (EPC) services, along with full-spectrum solutions across the value chain.

Key Levers Driving Growth

- The Company has an integrated presence throughout the entire Power Transmission & Distribution (T&D) value chain.
- It provides a broad suite of products and solutions that adhere to rigorous national and international standards.
- It operates state-of-the-art manufacturing facilities with a well-established record of excellence.
- It leverages deep domain expertise and is recognized as a pioneer in technological innovation.
- It employs industry-leading engineering practices.
- CG consistently ensures punctual delivery and on-time project completion.
- The Company delivers prompt and efficient after-sales support.

Transformer Business

CG offers a comprehensive portfolio of Power and Distribution Transformers, ranging from 160kVA to 1500MVA and 12kV to 765kV, along with Reactors from 3MVar to 125MVar (single and three-phase up to 765kV). All products adhere to IEC, ANSI, IS, BS, and other international standards. Serving a broad spectrum of customers—including Power Utilities, Process Industries, Railways, Mines, Electricity Boards, and Industrial users—CG's transformers are engineered for durability across diverse climates and challenging environments. These include sub-zero temperatures, extreme heat, high seismic zones, heavily polluted areas, humid regions, offshore conditions, and noise-sensitive localities.



CG's 143MVA 500kV/34.5kV/13.9kV Power Transformer supplied for Enbridge - New Creek Wind Farm, West Virginia, USA

PRODUCT PORTFOLIO

Product	Range	Application
Power Transformers	• Auto Transformer upto 500 MVA, 1200kV; • Generator Transformer upto 765kV; • Shunt & Series Reactor upto 110MVar (765kV) and upto 125MVar (400 kV); • Variable Shunt Reactor(VSR) upto 400kV; • STATCOM application Transformer upto 400kV; • Traction, V-connected and Scott connected Transformer upto 220kV; • Green Transformer upto 400kV	Generation, Transmission, Distribution, Railways
Distribution Transformers	315 kVA to 4 MVA (3.3kV to 33kV Class)	Industry, Distribution
Cast Resin Transformers	Up to 33kV, 10MVA	Industry, Infrastructure
Locomotive Transformers	Up to 7775 kVA (25 kV)	Railways
Inverter Duty Transformer	Up to 12.5 MVA, 33 kV	Solar Power

Switchgear Business

The Company offers a comprehensive range of switchgear products. Its Extra High Voltage (EHV) portfolio includes SF6 Circuit Breakers (available in live and dead tank configurations), Gas Insulated Switchgears (GIS), Oil Filled Current Transformers (CT), Inductive Voltage Transformers (IVT), Capacitive Voltage Transformers (CVT), Surge Arresters, Off Load Disconnectors, and Condenser Bushings (RIP and OIP). Additionally, the Company provides Medium Voltage (MV) Switchgears, such as Indoor and Outdoor AIS, MV GIS, Ring Main Units, Vacuum Interrupters, Compact Substations, Numerical Protection Relays, Auto-Reclosers, Vacuum Contactors, Lightning Arresters, and Isolators. A full range of Instrument Transformers and Bushings is also available.



CG's 170kV Polymeric Current Transformers supplied for Caserta Substation, Marzanello, Italy

Products Portfolio

Product	Range	Industry Application
MV Switchgear	- Indoor Air Insulated Switchgears ("AIS") VCB panels 3.3kV to 40.5kV - Outdoor Breakers up to 36kV - Line up Roof Brushing Kiosk up to 36kV - Gas Insulated Switchgear (GIS) up to 36kV - Indoor/Outdoor Ring Main Units ("RMU") up to 36 kV Class	Utilities, Industries, Power plants, Railways, Infrastructure, Projects, Renewables, Smart city Projects, Data Centres
Relay and Automation	- CG Series Current and Voltage Numerical Protection Relay - Self-Powered Relay for Ring Main Unit ("RMU") - Aegis Series Feeder, Transformer and Motor Protection Relays Auto- reclose Relay - Feeder Remote Terminal Unit ("FRTU") for RMU automation	Utilities, Industries, Power plants, Railways, Infrastructure, Projects, Renewables, Smart city Projects Data Centres
EHV Switchgears	- Current Transformers - 33kV to 800 kV, up to 63kA - Oil Impregnated Paper Transformer Bushings 33kV to 800 kV, 63 kA - Resin Impregnated Paper Transformer Bushings 33kV to 170 kV, Up to 63 kA - Inductive Voltage Transformers 33kV to 550 kV - Capacitor Voltage Transformers 66kV to 1200kV - Grading Capacitors up to 800kV - Surge Arrestors up to 1200kV Class 5 - SF6 Circuit Breakers 36kV to 800kV - Gas Insulated Switchgear 66kV to 245kV (EHV GIS) - Hybrid GIS 245 KV - Dead Tank Breaker 72KV - Surge Arrester for Gas Insulated Switchgear Application 66kV to 245kV.	Utilities, Industries, Power plants, Railways, Infrastructure, Projects, Renewables, Smart city Projects Data Centres
Vacuum Interrupters up to 72.5kV,	- Vacuum Interrupters 690V to 72.5kV - Vacuum Contractors and Capacitor Switches up to 36kV - Auto-Recloser and Sectionalizers up to 36kV - Power Voltage Transformer 72.5 to 145kV, up to 100KVA	MV Switchgear manufacturers, Power transformer Manufacturers, T&D Utilities, Industries, Renewable Sector & Railways Track side Substation
Power Quality Solutions	- Automatic PowerFactor Correction System - Fixed Capacitor Banks up to 36kV - Static VAR Compensator (STATCOM) up to 440V - Passive harmonic filter up to 33kV - MV Electrical Soft Starter up to 12kV, 20 MW	Transmission and Distribution Utilities, Water Supply Schemes, Steel, Cement, process Industries, Railways and Refineries
Railways Loco Head and Trackside Products	25kV Primary Voltage Transformer (PVT) 35kV High Voltage Bushing 27.5kV Vacuum Interrupters for Loco head and Trackside VCBs	Railways Loco Head & Trackside S/Stns.

TRANSFORMER BUSINESS

Business Performance

Over the past year, the business continued its upward trajectory, winning several high-value orders from key clients from across various segments including utilities, transmission players, renewable players, data centres, railways, oil & gas as well as electronics and IT players. Product Type Testing was completed for the following products:

- Successfully completed the highest rated short circuit testing of 50MVA 132/33kV power Transformer for NTPC
- Successfully completed the short circuit testing of 2.5MVA 11/0.433kV EEL-1 Distribution Transformer as per IS1180
- Successfully completed the short circuit testing of 2.5MVA 6.6/0.433kV Dry Type Transformer as per ECBC

Exports Growth Strategy

A renewed strategic focus was placed on expanding CG's exports footprint and re-establishing its legacy in global markets. Channel partnerships and business alliances were strengthened to widen customer reach across key regions. Efforts continue to be directed towards enhancing presence in Africa, Southeast Asia, North America, Latin America, and the Indian subcontinent. These initiatives have already started to translate into business wins from countries like Africa, Nepal, and the UAE, paving the way for sustained international growth.

Manufacturing and Testing Expertise

The Company's transformer manufacturing facilities are strategically located in Malanpur, Madhya Pradesh, specializing in distribution, small power, dry-type, and locomotive transformers, while its Bhopal unit focuses on power transformers. These facilities are certified to globally recognized standards, including ISO 9001, ISO 14001, ISO 18001, and OHSAS 18001, ensuring excellence in quality, safety, and environmental management.



CG's 1-Phase Reactor, Mandideep Testing Lab, Madhya Pradesh, India

To uphold the highest industry standards, the Company operates advanced, fully automated Transformer Testing Facilities accredited by NABL (National Accreditation Board for Testing and Calibration Laboratories). These cutting-edge facilities are designed to meet stringent Indian and international standards, supported by a team of skilled experts. Leveraging sophisticated software and testing technologies, they guarantee precision, reliability, and comprehensive performance validation of transformers.

Further, during the year, the Company undertook significant capacity expansion to meet rising demand in both domestic and international markets.

Following the previously approved brownfield expansion from 25,000 MVA to 35,000 MVA, an additional 5,000 MVA capacity was approved in October 2024, taking the total installed capacity to 40,000 MVA.

To further strengthen market leadership, a greenfield expansion of 45,000 MVA at an investment of ₹ 712 Crores (net of taxes) was also planned targeting a total manufacturing capacity of 85,000 MVA by FY 2028. This will enhance the Company's ability to cater to increasing transformer demand, including exports.

The Business undertook the following initiatives towards transitioning to Industry 4.0:

- Implemented SHWAAS (Shopfloor Work Automated Assignment System), which has optimized workforce efficiency, resulting in an annual saving of 497 man-shifts.
- Deployed a Laser Curtain (Auto Cut-Off) System to enhance safety in critical shop floor activities and key workstations.
- An AI-powered Vision Solution is also being introduced to ensure safe crane operations on the shop floor, with a targeted completion date of April 2025.
- A Paperless Shop Floor initiative is being implemented in collaboration with IBM to enhance operational efficiency and sustainability.

Driving Innovation, Efficiency, and Sustainability

- Deployed state-of-the-art simulation tools for design validation to ensure reliability in critical design aspects.
- Implemented a knowledge dispersion program to develop competence in the young workforce.
- Facilitated skill diversification through inter-departmental transfers and on-the-job experience.
- Developed sustainable solutions, including transformers for renewable energy plants like solar and wind.
- Established an Automation and Productivity Cell to reduce cycle times and enhance quality.
- Standardized products and components to improve operational effectiveness.
- Developed Ester Oil Filled and Biodegradable Oil Filled Transformers.
- Implemented cycle reduction initiatives to enhance efficiency.

Operational Highlights

Focused lean manufacturing initiatives in FY25 led to notable gains in lead time reduction, capacity enhancement, and overall productivity across key transformer categories.

- Lead time reduced for 500 MVA / 400 kV, 63 MVA / 132–220 kV Vee-connected, and 16.5 MVA / 55 kV Auto Transformers through process improvements.
- Enhanced monthly output of 500 MVA / 400 kV units through capacity optimization.
- Improved shop floor efficiency by 17% by shifting to vertical storage systems.
- Achieved over 20% increase in production volumes through lean-driven execution.

Cost Saving Initiatives

Through focused sustainability initiatives, the Transformers division achieved a carbon emission reduction of 736 tCO₂ annually, generated 6.5 lakh units of renewable energy, and delivered substantial cost savings across operations. These results were driven by a combination of process improvements, clean energy adoption, and energy-efficient upgrades, like:

- Improving thermal efficiency by insulating aging systems such as the vapor phase drying plant, autoclave, oil tanks, and chilled water pipelines—significantly reducing heat loss and energy consumption.
- Commissioning a 500 kW rooftop solar plant, generating 6.5 lakh units of clean energy annually.
- Replacing diesel forklifts with battery-operated alternatives, lowering on-site emissions and maintenance requirements.
- Upgrading conventional ACs and fans with energy-efficient models across plant and office areas.
- Installing motion sensors and smart lighting systems to minimize idle energy consumption.
- Improving power factor and reduced energy losses through capacitor banks and motor efficiency enhancements.
- Introducing smart solar street lighting across the plant campus.

Major Alliances and Partnerships during FY25

- Lazarev Laboratories, Estonia who are globally recognized for their expertise/specialization in Performance Evaluation have been engaged
- Consulting services from Softeam Group are being sought for critical designs and new product developments
- Collaborated with Aetos Design & Engineering, India as FEA software supplier
- Collaborated with Softeam Group, Ukraine as FEA software associate
- Collaborated with ANSYS, India as FEA software associate

R&D and New Products' Development

The R&D efforts for the Transformers business were focused on enhancing energy efficiency and improving the reliability of transformer designs. Through dedicated and advanced R&D efforts, the Company aims to deliver high-performance transformers that meet the growing demands of power distribution and industrial applications.

New Products Developed during the Year

- 38/53/63 MVA 132/2*27 kV Trackside V-Connected Transformer
- 38/53/63 MVA 220/2*27 kV Trackside V-Connected Transformer
- Trackside Transformer 50MVA, 110/27.5 kV for Metro Project
- Trackside Transformer 40MVA, 66/27.5 kV for Metro Project
- 3.6MVA, 33/0.95 kV Transformer for wind application
- Highest rated transformer in LPT range 60MVA, 33/11.3kV Transformer
- Developed 315 MVA 400 kV Dual LV Power Transformer for Solar Application
- Product upgrade concluded for Low noise shunt reactors for Indian and export market

Application Segment Expansion or Upgrades

- Development of Environment Friendly Ester Oil Filled Power Transformers
- 765 kV 1-Ph Reactors design upgrade for performance reliability
- 500 MVA 765 kV autotransformer design upgrade for performance reliability

SWITCHGEAR BUSINESS

Business Performance

The Switchgear division maintained strong operational efficiency, with highest capacity utilization reaching peak levels. Continuous improvement through LEAN initiatives and the addition of advanced equipment, such as the Helium Leak Detection Machine for SF6 gas systems, have enhanced manufacturing capabilities. Notably, new product lines such as RMUs and MV GIS gained significant traction in the market, resulting in growing sales which was also supported by the Company's strong dealer network.

Technological progress remained a key driver, with several new products developed, type tested and approved. CG continues to hold a leading position as the only Indian manufacturer offering 800kV bushings compliant with seismic Zone V requirements. The indigenous development of RIP bushings up to 145kV was successfully achieved, and a new facility in Nashik is being established for 245kV to 420kV RIP bushing production.

Key Highlights

- First-time execution of 420kV polymeric GCB for the European market
- Entry into the Mexican market and continued market penetration in the Middle East with supply of 170kV GCB
- Execution of a large GCB order for GETCO and vendor approval from POWERGRID for GIS
- Vendor approval from POWERGRID for GIS
- Introduction and export of Circuit Breaker Watcher to Europe
- Major type tests completed for key products including:
 - o 27.5kV, 20kA, 2000A Vacuum Interrupter
 - o 36kV, 16kA, 800A Automatic Circuit Recloser
 - o 35kV Loco Head Bushing
 - o 72kV, 5000A Condenser Bushing
 - o 145kV Cast Tank CTs and VTs

Notable Order Executions

- Auto Reclosers (12kV & 36kV) in Odisha
- APFC Panels (1.2 & 2.4 MVAR) in Sangli
- 145kV CTs and VTs in Andhra Pradesh
- 36kV CTs and VTs, and 145kV CTs in Nigeria
- Primary Voltage Transformer in Patiala

Exports Growth Strategy

The business strengthened its global footprint with successful entry into markets such as the Middle East, Northern Europe, Brazil, Israel, and Tunisia. Key milestones included orders for RIP bushings, 400kV instrument transformers, and surge arresters, along with GIS product approvals. The Company also entered Europe's TSO grid and expanded its presence through a system house for HV switchgear. Additionally, new products like the 33kV auto recloser, manual load break switch, and 15kV vacuum contactor were developed for international markets, with a focus on the Middle East.

Manufacturing and Testing Expertise

The Company operates world-class switchgear manufacturing facilities for Switchgears at two locations in India - Nashik and Aurangabad, Maharashtra. These units are accredited with prestigious certifications, including ISO 9001, ISO 14001, ISO 18001, and Integrated Management OSHAS 18001.

The Company boasts state-of-the-art, fully automated, NABL-accredited in-house switchgear testing facilities that adhere to both Indian and international standards. These facilities are backed by highly qualified, experienced, and dedicated teams and are equipped with advanced software and cutting-edge programs.

Additionally, as part of its strategic capital expenditure plan, the Company approved the expansion of facilities for 245kV and 420kV RIP Bushings and capacity enhancement for 800kV OIP Bushings. Construction work is being accelerated to ensure timely completion. Expansion of MV Switchgear facility for GIS and RMUs is nearing completion.

During the year, the division undertook several automation and modernization initiatives, including:

- Automating the design process for manufacturing instructions.
- Implementing automated testing for numerical protection relays.
- Upgrading PDM & Autodesk Inventor software to the 2023 version for optimized design data management.
- Establishing an in-house capacitor testing facility to enhance reliability.
- Introducing digital displays for assembly training sessions tailored for blue-collar workers and review meetings on the shop floor.

Some of the initiatives undertaken towards augmenting manufacturing expertise include

Several initiatives were undertaken to strengthen manufacturing expertise. New capacity expansion projects included setting up winding machines for 800kV Instrument Transformers and Bushings, an external flooding station for 245kV CTs, and approved capacity enhancements for RMUs and MV GIS. Additionally, a new facility was initiated for 800kV Circuit Breaker manufacturing.



Surge Arrester under testing at CG's Nashik Testing Lab, Maharashtra, India

Partnerships and Alliances that solidify our tech offerings to the market:

1. Strategic collaborations were formed for the manufacture of composite insulators used in Instrument Transformers, Surge Arresters, and RIP Bushings.
2. Contract manufacturing was initiated for Instrument Transformer sub-assemblies, along with development partnerships for casting components and hollow composite insulators.

3. In the sustainability space, development of a 36kV GIS using an eco-friendly alternative to SF₆ is underway through alliances with specialized gas manufacturers.
4. Additionally, production and testing of Dead Tank Breakers commenced for the North American market.

Operational highlights

Operational efficiency was strengthened through the integration of a helium leak detection system for SF₆ gas testing, enhancing in-house manufacturing capabilities. A significant boost in 420kV and 800kV substation packages - especially for renewable-focused transmission projects. This drove increased supply of EHV Instrument Transformers.

Cost Saving Initiatives

Cost efficiencies were achieved through design optimizations, alternate sourcing strategies, and import substitutions - leading to reduced lead times, FOREX savings, and enhanced order inflow. Product-level cost reductions were driven across RMUs, AIS panels, GIS units, protection relays, and PCVCBs. Additional initiatives such as recycling and supplier re-negotiations contributed to waste elimination and improved procurement effectiveness.

R&D and New Products' Development

The business continued to advance its technology leadership with a strong focus on new product development across MV, HV, and EHV segments, reinforcing CG's commitment to reliable, future-ready power systems.

New Products Developed during the year:

MV Business:

- 12kV 40kA 3150A 1 sec IAC AFLR
- 12kV 21kA 630A Switch E3 class Vertical RMU
- 650mm wide 12kV 26.3kA 2000A Indoor AIS S1 Class E2 C2
- 12kV 26.3kA 2000A 0.1 sec IAC AFLR
- 600mm wide 36kV 31.5kA GIS S1 Class E2 C2 M2. 31.5kA GIS 1 sec IAC AFLR.

EHV Business: In the Extra High Voltage segment, CG developed 800kV and 420kV SF₆ Gas Circuit Breakers with enhanced creepage distance and composite insulators. These products are positioned for both domestic and international markets, including India and Europe. Recent developments include:

- 420kV OIP condenser bushings with polymer insulators, compliant with seismic zone V standards
- High-current transformers bushings (245kV, 2500A and 4000A) meeting the latest utility specifications
- 420kV air-to-air type bushings for high voltage laboratories
- Moulded Polymeric lightning arresters up to 245kV based on WRAP/CAGE design
- 624kV porcelain lightning arresters designed for UHV grid applications in India for 800kV system.

35kV Loco Head Bushing: A 35kV loco head bushing was successfully developed for railway applications in India, enabling high-voltage connections to locomotive transformers through loco grounded walls. The bushing meets stringent Indian railway technical specifications and completed type tests as per CLW specifications in line with requirement given in IEC standard 61869 and EN 61373.



Resin Impregnated Paper Bushings

High Current OIP Bushing: To support India's growing renewable energy integration and reactive power needs, CG has developed high current condenser bushing for the transformers used in reactive power compensation system like STATCOM coupling transformer. Condenser bushings are vital components of the power transformers to carry the rated current safely in circuit.

Industry 4.0 and Digital Transformation Initiatives

- Enhanced VCB breaker assembly process through LEAN automation, improving operational efficiency
- Introduced QR-based product manuals, promoting easy access and eco-friendly practices
- Streamlined manufacturing instructions via automated design processes for better workflow
- Boosted relay testing accuracy and efficiency through automation
- Improved leak detection reliability with Helium Leak Test system for RMU and GIS
- Strengthened design data management with upgraded engineering software tools
- Enabled a paperless work environment through complete digitalization of shop floor and office operations
- Advanced quality control with digital tools like motorized pull testers, torque screwdrivers, 3D scanners, and precision measurement instruments
- Established an in-house NABL-accredited lab for transformer temperature rise testing, enhancing self-reliance and reducing external dependencies

Marketing and Business Development Initiatives (Transformers and Switchgears)

Alongside regular participation in key industry exhibitions, focused seminars and training sessions were conducted for utilities and EPC contractors to support spec-in and technical sales. CG also contributed to technical conferences by presenting articles on critical product

performance and reliability. A notable highlight was CG's participation in the 'One Day Workshop on New Trends/Technologies in EHV Substations' organized by MSETCL, Mumbai where the development journey of RIP Bushings was showcased.

Exhibition participations include:

IET-K K Wagh EXPO 2025, Nashik

CG's Switchgear division, took part in the IET-K K Wagh EXPO 2025 where the Company engaged with aspiring engineers, inspiring them to innovate and engineer a better tomorrow. This emphasized CG's commitment to nurturing young talent and promoting forward-thinking solutions. The event, organized by the K K Wagh Institute of Engineering Education and Research, serves as a dynamic platform for aspiring engineers to explore advancements in technology and innovation. It aims to bridge the gap between academia and industry by fostering interactions between students and professionals.

GRIDCON 2025, New Delhi

CG's Power division, showcased our advanced Switchgear and Transformer solutions, focusing on unmatched reliability, efficiency, and sustainability at GRIDCON 2025. Our presence demonstrated CG's leadership in power transmission and distribution solutions and our role in driving innovation in the power sector. Organized by Power Grid Corporation of India Limited (PGCIL) in association with CIGRE-India, GRIDCON is a premier international conference and exhibition focused on power transmission and grid innovations. The event brings together global experts, decision-makers, and industry leaders to discuss the latest advancements in power grids and network infrastructure.

Elecrama 2025, Noida

CG made a significant impact at ELECRAMA 2025 with the showcase of our cutting-edge smart solutions from the Motors, Drives and Automation, Switchgears, Transformers, and FMEG divisions. The participation saw a footfall of 2000+ current and prospective customers, channel partners and leaders from across sectors visiting our stall, reflecting our comprehensive connections and capabilities in smart energy and sustainable technology.

ELECRAMA, organized by the Indian Electrical and Electronics Manufacturers' Association (IEEMA), is the world's largest standalone electrical exhibition, covering a complete spectrum of solutions for power, transmission, distribution, power electronics, and renewables.

Nepal Electric, Power and Lights International Expo 2024, Nepal

CG's Power division showcased our advanced Power Systems portfolio, including Power and Distribution Transformers, Switchgears, RMUs, GIS, relays, auto-reclosures, sectionalizers, vacuum interrupters, and vacuum contactors. Our participation emphasized CG's dedication to supporting Nepal's evolving power infrastructure. This prestigious expo focuses on innovations in electronics, lighting, power, and energy, offering a platform for manufacturers and buyers to connect and explore new technologies.

DRIVING CHANGE THROUGH CG'S ESG JOURNEY



FY 2022-23

- Conducted Materiality Assessment to identify key ESG topics to focus on
- Published ESG Policies
- Published its first Business Responsibility and Sustainability Report (BRSR) and Sustainability Report
- Conducted GHG Accounting of its Scope 1 and Scope 2 emissions



FY 2023-24

- Published BRSR with leadership indicators (voluntarily)
- Conducted first ever assurance of its BRSR including Leadership indicators
- Conducted GHG Accounting of its Scope 3 emission
- Created ESG Roadmap for setting up vision for short term future



FY 2024-25

- Conducted Climate Risk Assessment and published its first ever TCFD report
- Conducted Net Zero readiness assessment
- Roll out of Supplier ESG Assessment for Critical Suppliers
- Participated in first ever CDP assessment and obtained rating "C" in Climate Actions and Water Management
- Participated in first ever S&P Global's Corporate Sustainability Assessment (CSA) and obtained rating '34' (above Global Industry Average)

ESG FOCUS ACCREDITATIONS RECEIVED

Motors

- Motor's Large Industrial Machine Division, Mandideep facility received Certification for Zero Waste to Landfill (ZWTL) by Bureau Veritas Group
- Motor's Large Industrial Machine Division, Mandideep facility received Certification for SuP Free Certification by Confederation of Indian Industry (CII)
- Motor's Low Tension Motor Division, Ahmednagar received Certification for 'Aspiring towards ZERO Waste to Landfill Facility by The Confederation of Indian Industry (CII)



Switchgears

- Switchgear's Nashik Facility received certifications for 'Zero Discharge of Treated Process and Domestic Liquid to Outside Factory Premises by Bureau Veritas
- Switchgear's Aurangabad facility received certification for Zero discharge for treated industrial and domestic effluent within factory premises by TUV India Pvt. Ltd.



Transformers

- Transformer's Distribution Transformer Division, Malanpur facility received the SuP Free Certification, eliminating single-use plastics and embracing eco-friendly alternatives by Confederation of Indian Industry (CII)
- Transformer's Power Transformer Division, Madideep facility received SuP Free Certification from CII and Certification for Zero Liquid Discharge



Railways

Railway's Traction Machines and System Unit, Mandideep received certification for Single Use Plastic free premises by Prosure

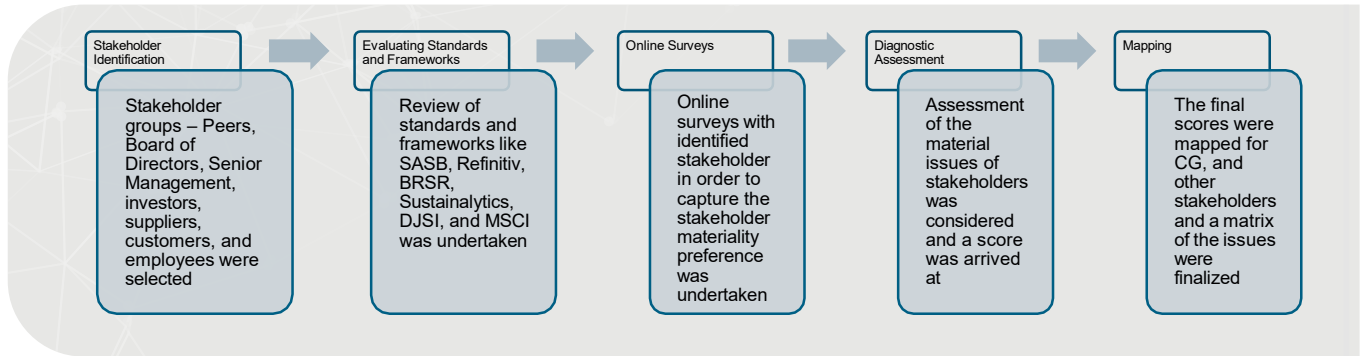
In the upcoming financial years, the Company is looking forward to publicly report on our ESG Targets along with its Net Zero Journey. It will also be on its Supplier Assessment results.



Materiality

The variety of issues that could be classified under ESG can make it daunting for any company to address and manage all of them. Hence, a materiality assessment helped CG to identify and prioritize issues that are most "material" to its business and most relevant to stakeholders.

The material topics were identified using a 5-step methodology.



Materiality Assessment

Materiality Topic	SDG Linkage	Priority	Focus Areas
● Climate Actions	 	Very High	• Scope 1, 2 and 3 emissions and GHG intensity • Use of renewable energy • Energy efficiency measures • Energy intensity
● Corporate Governance	 	Very High	• Incorporate risk mitigation and governance processes • Upholding Shareholder Rights and Relations • Brand Management • Maintaining Transparency and Disclosure
● Human Capital Development	   	Very High	• Measures for employee wellbeing, health, safety and motivation • Reduction in incident rate • Diversity and inclusion, Talent retention • Employee engagement and appreciation programs • Training and skills development • Performance appraisal and incentives, fair compensation
● Product Stewardship	 	High	• Quality and standard of products as per regulations and industry benchmarks • Grievance redressal mechanism • Resource Efficiency
● Innovation Management		High	• Innovations considering Sustainability parameters • Recording of patent held, applied, received for each Financial Year
● Responsible Supply chain		High	• Sustainable and responsible sourcing • Proximity, Preferential procurement • Risk identification & mitigation • Supplier ESG assessment, trainings and ESG sensitization
● Responsible Investment Practices	 	Moderate	• Investment in research on new products and related risks • Investments in sustainable financing
● Human Rights		Moderate	• Human rights impact assessment • Training of internal and external stakeholders on human rights issues
● Customer Relationship Management	  	Moderate	• Customer satisfaction surveys and studies • Consumer grievance redressal mechanism • Upgradation of products basis the survey result

Materiality Topic	SDG Linkage	Priority	Focus Areas
● Community Relations		Moderate	• CSR projects and spends • CSR impact assessment • Partnerships for achieving CSR goals • Community relations and redressal mechanism

● Environment
 ● Social
 ● Governance

MAJOR AWARDS AND RECOGNITIONS RECEIVED



World Record for Industrial Safety Awareness (LT Motors – Ahilyanagar, Maharashtra):

CG made it to the London Book of World Records for contribution to the Largest Industrial Safety Awareness Event, held in collaboration with MARG (Mutual Aid Response Group). With participation of 22,250 individuals, three of our LT Motors units in Ahilyanagar played a role in promoting

workplace safety and fostering a culture of well-being. This global recognition underscores our unwavering commitment to health, safety, and responsible industrial practices.

Dun & Bradstreet Business Excellence Award:

CG was honored with a prestigious recognition by Dun & Bradstreet India, acknowledging our outstanding value creation, innovation-led growth, and positive industry impact. This accolade reflects our dedication to delivering transformative solutions that contribute meaningfully to customers and communities alike.



Mr. Mukesh Jain, Senior Director - Dun & Bradstreet India presenting the award to Mr. Amar Kaul, Managing Director & CEO

Supplier Performance Excellence Award – Gilbarco Veeder-Root India (FHP Motors):



CG received the Supplier Performance Excellence Award for FY 2024 from Gilbarco Veeder- Root India, recognizing our excellence in quality, reliability, and on-time delivery of FHP motors. This achievement reflects our zero-tolerance approach to non-conformity and our continued pursuit of operational excellence and customer satisfaction.

Runners-up in CII organized competition (Distribution Transformers (T2)):

CG's T2 team secured the 2nd position out of 30 teams from various industries in a competition organised by CII on 'LEAN Practices,' held at Chennai. The team presented a Kaizen case study on 'Lean Principles deployed at the Company's Distribution Transformer manufacturing facility.' The team achieved significant improvement in productivity of Distribution Transformers by deploying the LEAN principles and by adopting Kaizens.



CG's Distribution Transformer (T2) team receiving the award

Winners at MP State-Level KAIZEN Competition (Railway Signalling):

CG RS Team emerged victorious at the prestigious out of 38 participants from across industries and various states at the 13th Edition of 'KAIZEN Competition – Madhya Pradesh State Level' organised by CII Indore. The topic for Presentation was on 'Implementation of Single Piece Flow

Production Line for Point Machine Shop'. This accomplishment underscores CG's dedication to continuous improvement and also showcases the transformative power of collaborative innovation.



CG's Railway Signalling Division team receiving the award

Recognized by GE Vernova (Switchgears):

CG's Switchgear Division received notable industry recognition during the year. GE Vernova honoured CG at its "Global Supplier Partner Conference 2024" in Vadodara for successfully developing 800 kV Condenser Bushings and delivering exceptional value to customers. Additionally, Southern States LLC acknowledged CG for over two decades of consistent support, commitment to quality, and contribution to sustainable business practices.



GE Vernova Recognition

STRATEGIC SOURCING INITIATIVES ACROSS BUSINESSES

CG continued to strengthen its strategic sourcing framework to support its diversified business portfolio, encompassing motors and drives, transformers, switchgears, railway and consumer products. Recognizing the critical role of procurement in ensuring operational efficiency and product excellence, the Company implemented several initiatives to enhance its sourcing capabilities.

- **Optimizing Supply Chain Resilience:** Amid global supply chain disruptions affecting the availability of critical components, CG proactively diversified its supplier base to mitigate risks associated with single-source dependencies.

The Company consolidated its supply chain across different units to leverage on the increased volume and improved cost efficiency for critical commodities. Strategic sourcing team continues to work on:

- o Digitizing the procurement ecosystem to bring improved spend visibility and control,
- o Transparency in the supplier base,
- o Improving compliance, and
- o Creating easier to implement quality, ESG, and risk management standards.
- **Sustainable and Ethical Sourcing Practices:** Aligning with global sustainability goals and the company's commitment to responsible business practices, CG emphasized sourcing materials from environmentally conscious and ethically compliant suppliers. In the reporting year, all of our Critical Suppliers were assessed for their performance related to Environment, Health and Safety (EHS) and working conditions by CG. Going forward, CG will improvise its Supplier ESG assessment methodology and will educate to suppliers on various topics such as ESG matters, adherence to environmental regulations and labour standard, and to explore opportunities for working towards CG's and their Sustainability Goals.
- **Strategic Partnerships and Collaborations:** To foster innovation and access cutting-edge technologies, CG entered into strategic partnerships with key suppliers and industry leaders. These collaborations facilitated knowledge exchange, joint development of advanced components, and ensured priority access to high-quality materials, thereby enhancing the company's competitive edge.
- **Support in Capacity Expansion and Localization:** Strategic sourcing played a pivotal role in this expansion by securing critical equipment and materials in a timely and cost-effective manner. Additionally, CG focused on localizing its supply chain to reduce dependency on imports, shorten lead times, and support local suppliers.

FOCUS ON GO-TO-MARKET STRATEGY AND KEY ACCOUNT MANAGEMENT

This year, CG initiated a sharper, more structured approach to its Go-To-Market (GTM) strategy, placing strong emphasis on Key Account Management (KAM) and Strategic Account Management (SAM). With the goal of deepening customer relationships and driving long-term value, the Company has focused its efforts on key sectors such as steel, infrastructure, power, and renewables—anchoring strategic engagements with marquee clients. This focused approach is designed to deliver tailored solutions, enhance service responsiveness, and unlock cross-selling opportunities, thereby aligning the Company's offerings more closely with the evolving needs of its most critical customers.

OTHER KEY HIGHLIGHTS

CG Forayed into Semiconductor Design as a Part of its Strategic Diversification.

CG signed a definitive agreement with Japan-based Renesas Electronics and initiated the acquisition of its Radio Frequency Components (RFC) business for \$36 million. October 2024 marked CG's entry into the semiconductor design space. And a new subsidiary was formed - Axiro Semiconductor Private Limited. The transaction involved the transfer of IP, assets, and key personnel, aligning with CG's strategy to diversify technologically and contribute to India's goal of building a robust semiconductor ecosystem, subject to regulatory approvals.

CG Acquired G.G. Tronics India Pvt Ltd. (GGT)

CG acquired a 55.60% stake in G.G. Tronics India Private Limited for ₹ 319.38 Crores, strengthening its footprint in the railway signalling segment. GGT, a Bengaluru-based company, specializes in electronic safety systems and is actively involved in the development of 'Kavach'—India's indigenous Automatic Train Protection (ATP) system. The acquisition is expected to accelerate CG's role in advancing rail safety solutions, with full integration targeted within 9–10 months.

Development of the Company's Property 'CG House' Situated at Dr. Annie Besant Road, Worli, Mumbai

The Company on 4 July, 2024 entered into a 'Development Agreement' with Skybound Realty Private Limited ("Developer"), a M/s K Raheja Corp. Group Company, for the joint development of the Company's property 'CG House' situated at Dr. Annie Besant Road, Worli, Mumbai, built on leasehold land (leasehold land).

The Company and the Developer entered into a Development Agreement ("Agreement") whereby the Company has granted development rights in respect of leasehold land admeasuring 4,262.34 square meters situate on and being a part of Plot No.11 of the land bearing Cadastral Survey No. Final Plot No. 1079 of Town Planning Scheme IV of Mahim Division and Cadastral Survey No. 1/1030 of Lower Parel Division together with the structures thereon, to the Developer for the purpose of construction and development of a new building/s on the land ("New Building") in the manner set out in the Agreement.

The Developer has to complete the entire construction and development of the New Building, in the manner set out in the Agreement, and the Company and the Developer shall be entitled to an equal share, i.e., 50% (fifty percent) in the New Building.

The Company's share in the New Building shall be the consideration for the Company granting development rights and assignment of the Developer's UDI, i.e., assignment of undivided leasehold share, right, title and interest in the leasehold land in favour of the Developer.

The approval cost payable to the Government Authorities shall be borne by the Company the Developer equally.

INFORMATION TECHNOLOGY AND DIGITAL TRANSFORMATION INITIATIVES

This year, CG accelerated its digital transformation journey by implementing key initiatives to enhance operational efficiency, decision-making, and customer engagement.

SD-WAN Implementation: CG rolled out Software Defined-Wide Area Network (SD-WAN) across 20 locations, including factories and offices. This has led to faster and more secure connectivity, reduced hardware costs, and simplified network management—supporting agile IT deployments and better application performance.

Digital Approval Note System: The Company moved away from manual approvals to a fully digital office note system. This has significantly improved workflow speed, reduced paperwork, operational efforts, courier costs, increased transparency, and supported our sustainability goals by cutting down on printing and courier use.

SAP Group Reporting Migration: CG also transitioned from SAP BPC to Group Reporting in S/4HANA, enabling real-time financial consolidation and insights. This shift reduced system complexity, improved accuracy, and empowered faster, data-driven decisions across business units.

Customer Service Portal Enhancement: This has enhanced its Post-Sales Service Ticketing Tool with several new features to improve business operations and customer experience for CG. The portal now offers improved tracking, faster issue resolution, and better organization of service requests. A WhatsApp chatbot was also added as an additional feature to handle repetitive queries, provide real-time updates, and engage customers more efficiently, further improving satisfaction and support quality.

Ongoing Digital Projects

1. **IoT for Manufacturing:** Implementation of IoT is underway to boost efficiency and reduce downtime through real-time monitoring and predictive maintenance.
2. **GenAI Use Cases:** We're integrating GenAI across areas like supply chain, shopfloor operations, and customer support to enhance productivity and decision-making.
3. **Power BI Dashboards:** New 360° dashboards offer real-time insights, helping teams track KPIs and improve business performance.
4. **SAP S/4HANA at GGTronics:** A full-scale SAP rollout is in progress at GGTronics, set to go live in April 2025, replacing legacy systems and integrating with CG's core operations.
5. **CRM Implementation:** A centralized CRM system is being deployed across all divisions to streamline sales, marketing, and support functions—improving collaboration and enhancing customer experience.

FINANCIAL PERFORMANCE

STANDALONE			CONSOLIDATED	
2024-25	2023-24		2024-25	2023-24
9329	7610	Revenue from operations	9909	8046
6609	5330	Cost of materials consumed and components consumed and construction material	6926	5552
480	406	Employee benefits expense	613	508
967	798	Other expenses	1065	858
1273	1076	EBIDTA Excluding Other Income (OI)	1305	1128
162	151	Other Income (OI)	162	106
1435	1227	EBIDTA Including OI	1467	1234
6	3	Finance cost	7	3
87	78	Depreciation and Amortization	112	95
1342	1146	Profit before share of profit / (loss) of associate, exceptional items and tax	1348	1136
-	-	Share of profit / (loss) of associate	-	-
1342	1146	Profit before exceptional items and tax	1348	1136
-	143	Exceptional items	-	22
1342	1289	Profit before tax	1348	1158
		Less: Tax Expenses		
174	1	Current Tax	185	7
194	284	Deferred Tax (Net)	190	280
974	1004	PAT for the year from continuing operations	973	871
-	-	Minority Interest	(2)	1
974	1004	PAT after Minority Interest	975	870
-	-	Profit from discontinued operation before tax	-	556
-	-	Tax expenses on discontinued operations	-	(1)
-	-	Profit from discontinued operation	-	557
974	1004	Net profit for the year	975	1427
1231	1170	Cash profit for the year	1240	1245

KEY RATIOS (STANDALONE)

RATIOS	2024-25	2023-24	REMARKS
Profitability Ratios			
EBIDTA Margin (Excluding OI)	13.6%	14.1%	EBITDA margin has decreased due to increase in cost
Operating Profit Margin (Excluding OI)	12.7%	13.1%	Operating profit margin has decreased due to increase in cost
Net Profit Margin (before exceptional items)	10.4%	11.3%	Net profit margin has decreased due to increase in cost
RONW on total operations	24.0%	30.9%	Return on net worth has declined during the current year due to recognition of current and deferred tax expense.
ROCE (excluding exceptional item) (terminal) on continuing operations	33.3%	35.9%	Return on net worth has declined during the current year due to increase in cost
Per share Ratios			
EPS (Basic) on the basis of total profits from continuing operations (In ₹ per share)	6.38	6.58	Basic EPS has decreased on account of decrease in profit.

KEY RATIOS (STANDALONE) (Contd.)

RATIOS	2024-25	2023-24	REMARKS
EPS (Diluted) on the basis of total profits from continuing operations (In ₹ per share)	6.37	6.57	Diluted EPS has decreased on account of decrease in profit.
Leverage Ratio			
Debt Equity Ratio	0.00	0.00	-
Interest Coverage Ratio for continuing operations	89.7	145.3	Ratio has decreased on account of increase in interest cost and reduction in earnings.
Assets Efficiency Ratios			
Net Sales to gross working capital of continuing operation (Times)	2.3	2.0	Increase is mainly on account of marginal increase in net revenue as compared to increased in gross working capital resulted increase in ratio
Net Sales to net working capital of continuing operation (Times)	6.2	4.5	Increase is mainly on account of marginal increase in net revenue as compared to increased in net working capital resulted increase in ratio
Other Ratios			
Average Debtors Turnover (no of days)	65	65	-
Average Inventory Turnover (no of days)	48	40	Increase in average inventory turnover days due to increase in average inventory
Current ratio	1.57	1.80	Decrease in current ratio due to increase in inventories, increase in trade payables and increase in other current liabilities

ENVIRONMENT, HEALTH & SAFETY (EHS)

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

CORPORATE SOCIAL RESPONSIBILITY

A detailed report of CSR activities of the Company during the year 2024-25 has been mentioned in the CSR Report, which is appended with the Directors’ Report.

HUMAN RESOURCE

CG Power and Industrial Solutions Limited places people at the centre of its growth journey. The Company’s Human Resource strategy is rooted in inclusion, fairness, meritocracy, and continuous development, all aimed at building a strong and future-ready workforce.

Inclusive and Respectful Workplace

CG is committed to creating a workplace that is inclusive, respectful, and free from discrimination. It promotes diversity, fosters harmony, and ensures equal opportunities for all. The Company actively discourages personal bias and values merit as the foundation for growth and recognition. Every individual at CG is treated with dignity and respect.

The Company upholds the highest standards of human rights and integrates these principles across its operations and value chain, ensuring responsible conduct and ethical business practices.

Talent Acquisition and Workforce Strength

In pursuit of excellence, CG continues to attract skilled and passionate talent to support business expansion. During FY 2024–25, the Company recruited **685 professionals** across various functions.

As of March 31, 2025, CG’s total workforce stood at **7,591**, of which **4,183** were engaged on a temporary, contractual, or casual basis.

Performance Management and Talent Development

CG follows a structured Performance Management Framework, **PRIDE** (Personal Responsibility in Delivering Excellence), which aligns rewards with outcomes and reinforces a merit-driven culture. The framework encourages individual accountability, recognizes performance, and supports professional growth.

Learning and development remain a core focus area. CG continues to invest in programs that enhance employee capabilities and support long-term career progression.

Learning and Development

During the year, CG implemented a wide range of development initiatives aimed at building future-ready skills and leadership capabilities. These included sessions on:

- Performance feedback and leadership effectiveness
- Emotional intelligence and collaboration
- Influencing skills and digital readiness, including Generative AI and ChatGPT
- Finance for Non-Finance Professionals
- A specialized **Supply Chain Excellence Program** to strengthen functional expertise

Technical and industry-focused programs such as Six Sigma Green Belt, Quality Management, and Industry 4.0 were also conducted to align with evolving operational and market standards.

These initiatives underscore CG's commitment to continuous learning and excellence across all levels of the organization.



CG's Switchgear team at EHS and IMS training, Nashik

Employee Engagement and Well-being

CG remains focused on creating a positive, connected, and engaging work environment. During the year, an **Employee Engagement Survey** was conducted to gather actionable insights and identify areas for enhancement.

The Company launched several initiatives to strengthen employee well-being and morale, including sports tournaments at various locations, festival celebrations, and observances like International Women's Day. Townhalls and leadership connect sessions ensured open dialogue and alignment across the organization.



Teams in action at the CG Cricket Champions League, Mumbai

Diversity and Inclusion

Gender diversity and equal opportunity continue to be key priorities. During FY 2024–25, **9.3% of fresh recruits were women**, reflecting CG's commitment to building a balanced workforce. The Company also welcomed **specially-abled candidates** as part of its inclusive hiring practices.

Talent induction & Succession planning

In FY25, CG strengthened its approach to talent acquisition, and leadership development to support future growth. Focused initiatives were launched to attract, retain, and develop high-quality talent while building a strong leadership pipeline.

Key initiatives:

- Introduced a five-day working policy to enhance employee work-life balance.
- Started social media job postings and bi-monthly employer branding campaigns to attract external talent.
- Planned a Talent Acquisition Centre of Excellence (COE) for focused and streamlined hiring.
- Developed new recruitment policies including employee referrals and internal job transfer frameworks.
- Rolled out a Rewards and Recognition (R&R) program, with expanded initiatives lined up for next year.
- Achieved 6% (yet to come) internal promotions during the year and initiated leadership bench planning through a comprehensive Talent Guide.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Internal Audit

To maintain its objectivity and independence, Internal Audit is carried out by the independent specialist Internal Audit Firm appointed by the Audit Committee. The Audit Committee has re-appointed PricewaterhouseCoopers ("PwC") Services LLP as the Internal Auditors for the financial year 2024-25.

To further strengthen the control environment, the Company has also established an in-house Internal Audit function during the year. This role of the function is to provide additional assurance by enhanced coverage and to facilitate implementation of the agreed action plans.

The Audit committee approves the Audit plan for the year. The annual plan comprises verticals, business processes, locations and the coverage timelines. The scope and objectives of the internal audit reviews extend beyond the transactional risks to cover business process aspects and emerging risk areas such as regulatory changes, technology risks, etc.

The internal auditor focuses on processes and system audits to assess adequacy and operating effectiveness of internal controls, compliance to the Company's policies, procedures and recommend areas of improvement to strengthen the control environment and to improve the business processes. The company is realizing the benefits from the professional approach and practices implemented by the internal auditors.

Significant internal audit observations, along with the agreed action plan, are discussed with the Audit Committee on a quarterly basis. The Audit Committee evaluates the adequacy and effectiveness of controls and recommends areas for improvement to strengthen the control environment. This ongoing evaluation process by the Audit Committee contributes to the organization's resilience and ability to adapt to changing risk landscapes and, thereby, ensuring a robust and sustainable internal control environment.

Internal Financial Controls

The key internal financial controls within the Company are documented and are commensurate with the size, scale and complexity of its operations. This robust framework includes entity-level policies, process controls, IT general controls, Standard Operating Procedures (SOPs), and Delegation of Authority (DOA).

Entity-level policies include anti-fraud measures, such as the code of conduct, conflict of interest guidelines, insider trading policy, confidentiality agreements, and a whistleblower policy. Additionally, the framework integrates governance policies covering human resources, corporate communication, IT security protocols, risk management, business continuity and disaster recovery plans, along with the establishment of governance committees to evaluate business risk, strategies and performance.

The Company has defined Risk and Control matrices for key business processes, including procure-to-pay, order-to-cash, hire-to-retain, treasury, finance and accounts, fixed assets, inventory management, and IT general controls, covering both entity and business vertical levels.

These internal financial controls are reviewed by Independent Internal and Statutory Auditors every year who evaluate the effectiveness of these controls.

ENHANCED FOCUS ON OPERATIONAL EXCELLENCE

CG embarked on a focused journey towards operational excellence, recognizing it as a critical lever to unlock the next phase of sustainable growth. With enhanced emphasis on optimizing processes, improving agility, and driving efficiency, the Company is strengthening its foundation for scalable and future-ready operations and continues its commitment to streamline operations, reduce turnaround time, and enhance customer satisfaction across all business functions.

One of the initiations of this commitment was the optimized design of the KAVACH installation process during the year. Initially requiring 9 days, the installation time was designed to just 18 hours through strategic resource planning and execution. This breakthrough not only accelerated implementation timelines but also established a standardized operational framework. The redesigned process helped define the organizational structure, inventory policy, and skill repository necessary to support KAVACH deployment at multiple Railway loco sheds across India, starting June 2025. This achievement exemplifies CG's ability to translate operational strategy into measurable, customer-focused outcomes.

RISK MANAGEMENT

CG Power and Industrial Solutions Limited operates in a landscape rife with diverse internal and external risks spanning financial, operational, sectoral, technological, ESG-specific, cybersecurity, and geopolitical domains. Given the breadth of its business portfolio and the geographical spread of its operations, the Company has instituted a Board-approved **Risk Management Charter & Policy** to implement a structured and comprehensive enterprise risk management system. This charter aims to establish a shared understanding, terminology, and approach for identifying, assessing, responding to, monitoring, and reporting risks. Its primary objective is to assure management that key risks are identified and managed effectively across the Company.

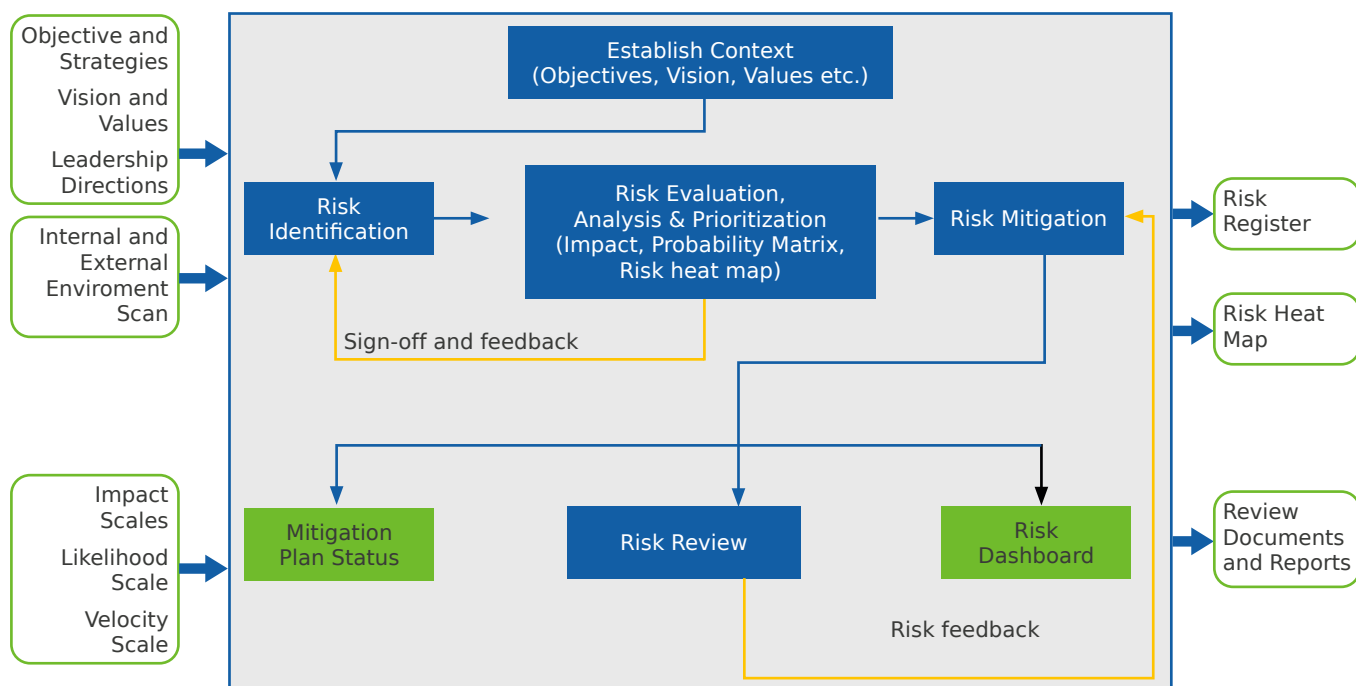
The **Enterprise Risk Management (ERM)** initiative endeavors to cultivate a 'risk intelligent' organization, enhancing resilience to significant risk exposures while fostering agility and competitive advantage to uphold and elevate long-term stakeholder value.

To oversee this process, the Company has instituted a robust governance structure, led by the **Risk Management Committee of the Board (RMC)**. The RMC meets thrice a year to deliberate on internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly risks related to ESG and BRSR reporting), information, and cybersecurity risks, or any other high-risk areas as may be determined by the Committee.

At the operational level, a dedicated ERM team centrally coordinates the deployment of the ERM framework, ensuring consistent application throughout CG. While final accountability for implementing risk response strategies lies with senior executives or designated risk owners within functional units and businesses, the ERM framework draws on insights gleaned from leading industry practices and international standards such as **ISO 31000**.

At the business unit level, **Unit Risk Management Committees** conduct risk reviews every month. At the business level, **Business Risk Management Committees** conduct risk reviews every two months.

The ERM framework has proven instrumental in identifying and analyzing unforeseen risks, empowering management to make informed decisions. The ERM team fosters process efficacy through extensive engagement with a broad array of internal stakeholders via a bottom-up approach, as depicted in the diagram below, with senior management providing active oversight, review, and guidance at every stage.



BUSINESS OUTLOOK

As CG looks ahead, it does so from a position of momentum and preparedness. The Company has steadily reinforced its ability to adapt to changing industry dynamics through timely investments, resilient focus on operational excellence, and a strong commitment to quality and delivery. With a diversified portfolio and a customer-centric approach, CG is well-aligned to cater to critical sectors in India and abroad.

The Company's strategic priorities - scaling capacity, advancing technology, and deepening operational agility are well-timed against the backdrop of India's expanding industrial base. Increasing demand across transmission infrastructure, energy-efficient solutions, electrified mobility, and automation is expected to sustain sectoral growth over the medium to long term. CG's focus on execution discipline and product differentiation positions it strongly to capture this momentum.

At the global level, the realignment of sourcing strategies, accelerating energy transitions, and the increasing preference for localised, trusted manufacturing partners create a favourable environment for CG's continued evolution. With the right capabilities in place, the Company

remains optimistic about the opportunities that lie ahead and is committed to navigating the future with clarity and purpose.

Forward looking statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations of projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified that information independently.



CG Drives' quality testing and final packaging for dispatch at the Sweden manufacturing facility

**DIRECTOR'S
REPORT**

Directors' Report

TO THE MEMBERS

Your Directors are pleased to present their Eighty-Eighth Annual Report on the business and operations of your Company along with the audited financial statements, both standalone and consolidated, for the financial year ended 31 March, 2025.

Your Company's financial performance for the year ended 31 March, 2025 as compared to the previous year is given in the Table below.

COMPANY FINANCIAL HIGHLIGHTS

(in ₹ crores)

	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from operations	9,329	7,610	9,909	8,046
EBITDA	1,435	1,227	1,467	1,234
Less: Finance cost	6	3	7	3
Less: Depreciation and amortisation expenses	87	78	112	95
Profit before share of profit / (loss) of associate, exceptional items and tax	1,342	1,146	1,348	1,136
Share of profit / (loss) of associate	-	-	-	-
Profit before exceptional items and tax	1,342	1,146	1,348	1,136
Exceptional items (net)	-	143	-	22
Profit before tax	1,342	1,289	1,348	1,158
Less: Tax Expense	368	285	375	287
Profit from continuing operations	974	1,004	973	871
Less: Minority Interest	NA	NA	(2)	1
Add: Profit from discontinued operations	-	-	-	557
Profit for the year	974	1,004	975	1,427

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

Systems stood at ₹ 668 crores as compared to ₹ 410 crores during the previous year.

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

BUSINESS SEGMENTS

a) Industrial Systems:

The Industrial Systems recorded revenue of ₹ 6,376 crores in year 2024-25 as compared to ₹ 5,429 crores of year 2023-24, registering a growth of approx. 17% as compared to previous year. The operating profit before interest and tax of Industrial Systems stood at ₹ 743 crores as compared to ₹ 790 crores during the previous year.

b) Power Systems:

The Power Systems recorded revenue of ₹ 3,510 crores in year 2024-25 as compared to ₹ 2,598 crores of year 2023-24, registering a growth of approx. 35% as compared to previous year. The operating profit before interest and tax of Power

COMPANY PERFORMANCE

Your Company's standalone revenue from operations was ₹ 9,329 crores during the year under review, compared to ₹ 7,610 crores in the previous year, representing a YoY growth of 23%, and the consolidated revenue from operations was ₹ 9,909 crores compared to ₹ 8,046 crores in the previous year, representing a YoY growth of 23% over the previous year.

EXPANSION

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

A. During FY 2023-24, the Board had approved the expansion of manufacturing capacity of Power Transformers (T3 unit) of the Company situated at Mandideep, Bhopal at an investment of ₹ 31 Crores. The said expansion was for increasing the capacity from 25,000 MVA to 35,000 MVA.

Further to the above, approval has been provided during the year for an additional capacity expansion of Power Transformers (T3 unit) at an additional investment of ₹ 26.64 Crores. The said expansion would increase the capacity for Power Transformer from 35,000 MVA to 40,000 MVA.

B. Considering the long-term demand in market along with Company's scope of increasing its sales in domestic market

and penetrate export markets in selected geography, approval of the Board has been granted for establishing the Green Field Transformer manufacturing facility of 45000 MVA capacity in Western India at an estimated cost of ₹712 Crores (net of taxes). The project will be primarily funded through internal accruals, equity or debt or a combination of it and is expected to be completed in FY 2027-28.

ACQUISITIONS

1) G.G. Tronics India Private Limited

During the year under review, the Company has acquired 55.60% stake in M/s. G.G. Tronics India Private Limited ("GGT") through a combination of purchase of equity shares from the Promoters of GGT and by way of subscription to Compulsorily Convertible Preference Shares (CCPS), which were subsequently converted into equity shares on 29 March, 2025, for an aggregate consideration of ₹ 319.38 Crores.

The said acquisition is in line with the Company's strategic intent to expand its Railway product portfolio by diversifying into closely related or adjacent areas poised for growth. The integration is anticipated to leverage synergies between the companies. The Company's extensive expertise in manufacturing, engineering and project management, complemented by GGT's specialized knowledge in Railway Transport Safety, particularly in the Train Collision Avoidance System 'KAVACH,' and embedded systems would enable the Company to actively pursue 'KAVACH' and other Rail Safety projects, in the areas of Electronic Signalling Sector through GGT.

2) Radio Frequency ("RF") Components business

During the year under review, the Company had entered into an Asset Purchase Agreement with Renesas Electronics America Inc. and other affiliate entities of Renesas Electronics Corporation ("Renesas") for acquisition of Radio Frequency ("RF") Components business, through one or more subsidiaries to be incorporated by the Company. The proposed acquisition of RF Components business was for a consideration of about USD Thirty-Six Million, subject to customary adjustments and applicable taxes.

In this regard, the Company has incorporated "Axiro Semiconductor Private Limited" (Axiro) as a Wholly Owned Subsidiary Company and further the following Wholly Owned Subsidiary Companies were incorporated under Axiro viz., Axiro Semiconductor Inc. in the State of Delaware, USA, Axiro Semiconductor Turkey Araştırma ve Geliştirme A.Ş. in Istanbul, Turkey and Axiro Semiconductor (Shenzhen) Co., Ltd. in Shenzhen, China as Step-down Subsidiary Companies.

The acquisition of the RF Components business from Renesas has been completed on 3 April, 2025.

SCHEME OF ARRANGEMENT

The Board of Directors of the Company, at its Meeting held on 19 October, 2022 had approved a Scheme of Arrangement ("**Scheme**") under Section 230 and other applicable provisions of the Companies Act, 2013 ("**Act**"). The Scheme *inter-alia* provides for capital reorganization of the Company, whereby it is proposed to transfer ₹400 Crores from the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date i.e. the effective date of the scheme mentioned in the Scheme. The Scheme is subject to receipt of regulatory approvals/ clearances from the Hon'ble National Company Law Tribunal, Mumbai Bench ("**NCLT**"), Securities and Exchange Board of India ("**SEBI**"), BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") and such other approval/clearances, as may be applicable. BSE is appointed as the Designated Stock Exchange by the Company to obtain the No Objection Certificate ("**NOC**") from SEBI under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. BSE had intimated the Company that it can re-submit the Scheme with revised rationale. After evaluation, the Company has decided not to proceed with the scheme.

QUALIFIED INSTITUTIONS PLACEMENT

During the year under review, the Board has approved the proposal of raising funds by way of issuance of such number of equity shares having face value ₹ 2/- each of the Company ("Equity Shares") and/ or other eligible securities or any combination thereof (hereinafter referred to as "Securities"), in one or more tranches, in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time and other applicable laws, for a maximum amount upto ₹ 3,500 Crores (Rupees Three Thousand Five Hundred Crores Only), by way of Qualified Institutions Placement ("QIP") in accordance with the applicable laws, subject to receipt of such regulatory/ statutory approvals as may be required. The said proposal was approved by Shareholders through Postal Ballot on 18 December, 2024.

GENERAL

- During the year under review, the Company's Credit Rating of 'IND AA+' from India Ratings & Research, remained unchanged.
- The Company has entered into a 'Development Agreement' with Skyboard Realty Private Limited, a M/s. K Raheja Corp. Group Company on 4 July, 2024 for the joint development of the Company's Property 'CG House' situated at Dr. Annie Besant Road, Worli, Mumbai, built on leasehold land. The project is expected to be completed over 5 years from the date of execution of the said Development Agreement, subject to the receipt of necessary approvals.

AWARDS AND RECOGNITIONS

Mr. Vellayan Subbiah, Chairman

Mr. Vellayan Subbiah, Chairman has been awarded the 'Ernst & Young World Entrepreneur of the Year 2024 Award' (WEYO) at an award

ceremony held in Monaco's Salle des Etoiles in June 2024. He was selected from among nearly 5,000 program participants that included 51 winners across 47 countries and jurisdictions competing for the global title. He is the fourth winner from India in the award's 24-year history.

The EY organization hosts the annual World Entrepreneur of the Year event to celebrate the accomplishments of visionary leaders who are transforming industries, growing the economy and answering the call to address global challenges.

The EY World Entrepreneur of the Year 2024 was chosen by an independent panel of judges against four criteria: entrepreneurial spirit, purpose, growth and impact.

RE-CLASSIFICATION AS PER REGULATION 31A OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

The Board at their Meeting held on 23 January, 2024 had subject to approval of the Stock Exchanges, considered and approved the request of the following Outgoing Promoters for re-classification from the 'Promoter and Promoter Group' category to 'Public shareholder' category, as per Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sr. No.	Name of Promoter/ Promoter group	Category	No. of paid-up equity shares held	Percentage of shareholding
1.	Ms. Valli Arunachalam	Promoter Group	0	0.00%
2.	Ms. Vellachi Murugappan	Promoter Group	0	0.00%
3.	M V Murugappan HUF (Karta - Ms. Valli Arunachalam)	Promoter Group	0	0.00%
	Cumulative holding		0	0.00%

Subsequent thereto, the Company had on 21 February, 2024 made applications to the Stock Exchanges for their approval for the aforementioned reclassification. The said applications were approved by the Stock Exchanges on 24 October, 2024.

DIVIDEND

The Board of Directors at their Meeting held on 18 March, 2025, declared an interim dividend of ₹ 1.30 (Rupees One and Paise Thirty only) (65%) per equity share of ₹ 2/- (Rupees Two only) each. The interim dividend was paid to the Shareholders on 29 March, 2025. The total outflow on account of said dividend was ₹ 198.75 Crores. Your Board of Directors does not recommend any further dividend for the financial year 2024-25.

The dividend declared is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company's website at - https://www.cgglobal.com/assets/pdf_files/Dividend_Distribution_Policy.pdf

TRANSFER TO RESERVES

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

SUBSIDIARIES AND ASSOCIATES

Details of subsidiaries as on 31 March, 2025: There are 5 Indian and 19 foreign subsidiaries (including 2 subsidiaries in Belgium along with their subsidiaries declared as bankrupt; 3 subsidiaries under voluntary liquidation and 1 subsidiary declared insolvent). During the year under review, your Company has incorporated "Axiro Semiconductor Private Limited" (Axiro) as a Wholly Owned Subsidiary Company and further the following Wholly Owned Subsidiary Companies were incorporated under Axiro viz., Axiro Semiconductor Inc. in the State of Delaware, USA, Axiro Semiconductor Turkey Araştırma ve Geliştirme A.Ş. in Istanbul, Turkey and Axiro Semiconductor (Shenzhen) Co., Ltd. in Shenzhen, China as Step-down Subsidiary Companies for acquisition of RF components business from Renesas Electronics America Inc. and other affiliate entities of Renesas Electronics Corporation ("Renesas"). The Company has also acquired 55.60% shareholding in G.G. Tronics India Private Limited during the year under review and thus making it a Subsidiary of the Company. Apart from this, your Company has not incorporated or acquired any company.

During the period under review, your Company has alongwith Cholamandalam Investment and Finance Company Limited and Tube Investments of India Limited entered into a Trust Deed dated 11 December, 2024 under the Indian Trusts Act, 1882, and formed Chola Foundation. Accordingly, Chola Foundation is an Associate of the Company.

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

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

1. CG Adhesive Products Limited:

CG Adhesive Products Limited ("CGAPL") is the Company's Subsidiary in Goa. Your Company holds 83.59% of CGAPL's equity share capital. CGAPL manufactures and deals in specialty adhesive tapes and labels.

During the year under review, CGAPL recorded revenue of ₹ 41.33 crores (previous year: ₹ 30.27 crores) and registered profit before tax of ₹ 7.63 crores (previous year: ₹ 4.87 crores).

2. CG Drives & Automation Sweden AB:

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

During the year under review, CG Drives & Automation Sweden AB recorded revenue of SEK 365.53 Mn i.e. equivalent to ₹ 302.57 crores (previous year: SEK 334.17 Mn i.e. equivalent to ₹ 265.33 crores) and registered profit before tax of SEK 21.12 Mn i.e. equivalent to ₹ 17.49 crores. (previous year: SEK 36.31 Mn i.e. equivalent to ₹ 28.83 crores).

3. CG Drives & Automation Germany GmbH:

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

During the year under review, CG Drives & Automation Germany GmbH recorded revenue of € 21.99 Mn i.e. equivalent to ₹ 201.19 crores (previous year: € 21.19 Mn i.e. equivalent to ₹ 191.12 crores). It registered profit before tax of € 1.66 Mn i.e. equivalent to ₹ 15.17 crores (previous year: € 0.60 Mn i.e. equivalent to ₹ 5.40 crores).

4. CG Drives & Automation Netherlands BV:

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

During the year under review, CG Drives & Automation Netherlands BV recorded revenue of € 9.63 Mn i.e. equivalent to ₹ 88.14 crores (previous year: € 9.94 Mn i.e. equivalent to ₹ 89.68 crores) and registered profit before tax of € 0.45 Mn i.e. equivalent to ₹ 4.09 crores (previous year: € 0.55 Mn i.e. equivalent to ₹ 4.93 crores).

5. G.G. Tronics India Private Limited:

G.G. Tronics India Private Limited ("GGT") is Company's Subsidiary in Bengaluru. The Company has acquired 55.60% shares in the said Company during FY 2024-25. It operates in the field of design, manufacturing, supply and installation of electronic safety embedded signaling systems for the railway transportation sector.

During the year under review (from the date of acquisition till year-end), GGT recorded revenue of ₹ 91.35 crores and registered profit before tax of ₹ 3.75 crores.

6. CG Semi Private Limited:

CG Semi Private Limited is Company's Subsidiary. Your Company holds 92.34% equity share capital of CG Semi. It is currently developing Outsourced Semiconductor Assembly and Test ('OSAT') facility. During the year under review, CG Semi recorded a loss before tax of ₹ 16.12 crores.

7. Axiro Semiconductor Private Limited

Axiro Semiconductor Private Limited ("Axiro") is Company's Wholly Owned Subsidiary formed for acquiring Radio Frequency business of Renesas Electronics America Inc. and other affiliate entities of Renesas Electronics Corporation. During the year under review, Axiro recorded a loss before tax of ₹ 5.98 crores.

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

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

MATERIAL ORDERS OF REGULATORS / COURTS / TRIBUNALS

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

UPDATE ON INVESTIGATIONS INITIATED IN THE PREVIOUS YEARS

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

AUDITORS AND AUDIT REPORTS

STATUTORY AUDITORS

M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration Number 324982E/ E300003) were re-appointed as Statutory Auditor of the Company at the 86th Annual General Meeting ("AGM") held on 27 July, 2023, to hold office for a second term of five consecutive

years from the conclusion of the 86th AGM till the conclusion of the 91st AGM to be held in the year 2028.

The Auditor's Report on the financial statements of the Company for the year ended 31 March, 2025, which forms part of the Annual Report of the Company, does not contain any qualification, reservation or adverse remark.

COST AUDITOR

As per the requirement of Section 148(1) of the Act read with Rules made thereunder, your Company is required to maintain cost accounts and records. Accordingly, your Company has maintained cost accounts and records for financial year 2024-25 as applicable for its product range.

During the year under review, the Company filed the Cost Audit Report for the Financial Year 2023-24 with the Registrar of Companies, Mumbai, within the prescribed statutory timelines.

Upon recommendation of the Audit Committee, the Board has re-appointed M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration Number 000010) as Cost Auditor of your Company for Financial Year 2025-26 at a remuneration of ₹ 8,30,000/- (Rupees Eight Lakh Thirty Thousand only) per annum plus out-of-pocket expenses and taxes, as applicable. The Act mandates that the remuneration payable to the Cost Auditor is ratified by the Shareholders. Accordingly, a Resolution seeking Shareholders' ratification of the remuneration payable to the Cost Auditors for the Financial Year 2025-26 is included in the Notice convening the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

Your Company had appointed M/s. Parikh & Associates, Practicing Company Secretaries, Mumbai (Firm Registration Number: P1988MH009800), to undertake the Secretarial Audit of the Company for Financial Year 2024-25.

Your Company has generally complied with the Secretarial Standards and the Secretarial Audit Report is annexed in Form MR-3 for Financial Year 2024-25 as **Annexure 4** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, as per Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, the Board of Directors of the Company, at its Meeting held on 6 May, 2025, has proposed to the Shareholders of the Company for their approval at the ensuing AGM, the appointment of M/s. Parikh & Associates, Practicing Company Secretaries (Firm Registration Number: P1988MH009800), as Secretarial Auditors of the Company for term of five consecutive years effective from

1 April, 2025. The Notice convening the 88th AGM to be held on 24 July, 2025 sets out the details in this regard.

M/s. Parikh & Associates have confirmed their eligibility as prescribed under the Listing Regulations for appointment as Secretarial Auditors and they have further confirmed that they are not disqualified to act as Secretarial Auditors and they hold a valid certificate issued by the Peer Review Board of the Institute of Company Secretaries of India.

INTERNAL FINANCIAL CONTROLS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP")

BOARD OF DIRECTORS

Composition

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

Mr. Vellayan Subbiah, Non-Executive Director, is the Chairman of your Board. Mr. P S Jayakumar, Mr. Sriram Sivaram, Mrs. Vijayalakshmi R Iyer and Mr. Mammen Chally are Independent Directors in terms of Regulation 16 of the SEBI LODR and Section 149 of the Act. Mr. M A M Arunachalam is Non-Executive Non-Independent Director on your Board. Mr. Amar Kaul is the Managing Director & CEO on your Board.

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

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

Appointment/ Cessation/ Retirement of Directors during the year

During the year under review, based on the recommendations of the Nomination and Remuneration Committee, your Board had appointed:

- Mr. Amar Kaul as Managing Director & CEO of the Company for a period of five years with effect from 25 July, 2024 upto

24 July, 2029 and the said appointment was approved by the Members through Postal Ballot on 29 August, 2024.

- Mr. Mammen Chally as an Additional Director in the capacity of Non-Executive Independent Director of the Company with effect from 28 January, 2025. His appointment was approved by the Members through Postal Ballot on 15 March, 2025.

Mr. Natarajan Srinivasan retired as Managing Director of the Company with effect from close of business hours on 24 July, 2024. The Board places on record its appreciation for the services rendered by him and his significant contributions to the Company during his tenure as Managing Director of the Company.

Mr. Kalyan Kumar Paul resigned as Director of the Company with effect from close of business hours on 10 September, 2024. The Board places on record its appreciation of the contribution made by Mr. Kalyan Kumar Paul during his tenure as a Non-Executive Non-Independent Director of the Company.

Ms. Sasikala Varadachari completed her tenure as an Independent Director of the Company and ceased to be a Director on 17 September, 2024. The Board places on record its appreciation of the contribution made by Ms. Sasikala Varadachari during her tenure as an Independent Director of the Company.

Retirement by rotation

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

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

INDEPENDENT DIRECTORS' DECLARATION

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

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

BOARD MEETINGS

During the financial year 2024-25, your Board of Directors met 7 times, in accordance with the provisions of the Act, SEBI LODR and other statutory provisions.

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

COMMITTEES OF THE BOARD

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

Details of composition of the statutory Committees, number of Meetings held and attendance of Committee Members thereof during the Financial Year, are given in the Section titled "Report on Corporate Governance" forming part of this Annual Report.

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

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

KEY MANAGERIAL PERSONNEL ("KMP")

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

- Mr. Amar Kaul, Managing Director & CEO (w.e.f. 25 July, 2024)
- Mr. Susheel Todi, Chief Financial Officer
- Mr. Sanjay Kumar Chowdhary, Company Secretary

During the year under review, Mr. Natarajan Srinivasan retired as Managing Director of the Company at the close of business hours on 24 July, 2024.

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

Your Company has formulated a Remuneration Policy governing the appointment and remuneration of Directors, KMP, Senior Management and other employees. The Remuneration Policy of the Company provides a performance driven and market-oriented framework to ensure that the Company attracts, retains and motivates high quality executives who can achieve the Company's goals, while aligning

the interests of employees, shareholders and all stakeholders in accordance with the Murugappa Group's values and beliefs. The terms of reference of the Nomination and Remuneration Committee includes formulation of criteria for determining qualifications, positive attributes and independence of Directors.

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

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

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

In line with the requirements of the Act and the SEBI LODR, an annual evaluation of performance of the Board, its Committees and individual Directors was carried out during the year under review. Pursuant to the provisions of Schedule IV of the Act and Regulation 25 of the SEBI LODR, the Independent Directors of your Company, at their Meeting held on 11 March, 2025, evaluated the performance of Non-Independent Directors, the Board as a whole, performance of the Chairman; and also assessed the quality, quantity and timeliness of flow of information between the Management and the Board.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

RELATED PARTY TRANSACTIONS

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

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

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to the provisions of Section 186 of the Act and Schedule V of the SEBI LODR, particulars of loans, guarantees given and investments made by your Company during financial year 2024-25 are given in the notes to the Financial Statements.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In accordance with Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) forms part of this Annual Report describing the initiatives undertaken by the Company from an environmental, social and governance perspective for the Financial Year ended 31 March, 2025.

ENTERPRISE RISK MANAGEMENT ("ERM") FRAMEWORK

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

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

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

RESEARCH AND DEVELOPMENT ("R&D")

During the year under review, your Company's R&D activities continued to focus on development of indigenous and energy efficient products. Additionally, the Vacuum Interrupter and Instrument Transformer Division at Aurangabad focused on developing Indian railway rolling stock products, specifically the 35kV Loco Head Bushing and high current OIP bushing for transformers used in reactive power compensation systems like STATCOM coupling transformers.

Power Systems

Transformers

During the year, Power Transformer division's (T3) R&D wing continued to support the business through its effort to drive innovation, enhance product offerings and improve operational efficiencies. This focus resulted in development of several new products, upgradation/ extension on existing products and strengthening of presence in renewable energy segment.

1. PRODUCT AND TECHNOLOGY DEVELOPMENT:

- a. Developed 38/53/63 MVA, 132 kV and 38/53/63 MVA, 220 kV V-Connected Transformers for Indian Railways, with complete dynamic short-circuit testing.

- b. Developed 315 MVA, 400kV Dual LV Transformer for Solar applications. This is the highest rating transformer, successfully short-circuit tested for this utility.
- c. Developed 50-100MVA, 330 kV Variable Shunt Reactor, making us one of the pioneers in India to fully develop this advanced technology indigenously.
- d. T3 division got successful short-circuit tests done on its products.
- e. Developed next generation 765 kV shunt reactors with exceptionally low noise levels of 70 dBA.

2. Process reliability and effectiveness:

- a. Deployed sophisticated FEM tools to assure reliability and acquire highly calibrated knowledge and know-how.
- b. Formed partnerships with globally renowned experts for continuous reinforcement and calibration of technological capabilities.
- c. Organized Knowledge dispersion program for fast-track development of young engineers.
- d. Continuous improvement and problem solving through automation and quality tools for LEAN.
- e. Standardization at product and component level for efficient operations.

These initiatives have contributed towards entering new markets and securing good orders for the coming years, improvement in product quality and operational excellence.

The R&D wing of Power Transformer division continues to remain focused on developing new products, improve further reliability and performance to support and enhance the business.

Switchgear Business

EHV Switchgear

- Developed 800kV Higher Creepage Gas Circuit Breaker designed for Ultra High Voltage Bulk Power Transmission Application and it provides improved insulation capabilities to handle extreme environmental conditions. This breaker is designed to meet the growing demand for more reliable and efficient electrical transmission in regions with high humidity, pollution, or harsh weather, where traditional designs may fall short.
- Developed 72kV & 145kV Dead Tank Breaker for increased market presence and product basket.
- **35kV Loco Head Bushing:** Developed 35kV Loco head bushing for Indian Railways. Application of 35kV bushing is to provide catenary high voltage connection facility to loco transformer

through loco grounded walls. Company has successfully developed bushing complying to stringent Indian railway technical specifications and completed type tests as per CLW (Chittaranjan Locomotive Works) specifications in line with the requirement given in IEC Standard 61869 and EN 61373.

- **High Current OIP Bushing:** Developed 72.5kV, 5000Amp high current OIP condenser bushing for the transformers used in reactive power compensation system like STATCOM coupling transformer. Condenser bushings are considered as one of the vital components of the power transformers. The main function of bushing is to carry the rated current safely in circuit. Successfully completed all type tests as per Standard IEC 60137.
- **Indigenous Development of Resin Impregnated Paper (RIP) Condenser Bushings:** Successfully designed, developed and type-tested RIP Condenser Bushings for voltage levels ranging from 36kV to 145kV with current ratings of 800A, 1250A, 2000A and 3150A, in full compliance with the Central Electricity Authority (CEA) guidelines, first Indian Company to achieve indigenous development of RIP bushings, advancing India's capabilities in power equipment manufacturing.
- **420kV, 2500A Oil Impregnated Paper (OIP) Bushing with Polymer Insulator:** Developed to meet Seismic Zone-V requirements, this product is fully compliant with the technical specifications of Power Grid Corporation of India Limited (PGCIL), ensuring robust performance in the most demanding seismic conditions.
- **Special Application Bushings for Wall Mounting:** Designed and developed 145kV 2000A and 420kV 1000A bushings for wall-mounting applications. These bushings are widely used in high-voltage testing laboratories and facilitate the connection between GIS equipment and air-insulated systems, enabling efficient power transfer through substation walls.
- **245 kV, 2500A, and 4000A Current Transformers ("CT"):** These CTs, featuring high-creepage of 31 mm/kV polymer insulator, were developed to meet the latest specifications set by PGCIL and other Indian utilities, ensuring exceptional performance in high-voltage applications.
- **Polymeric Moulded Lightning Arrester Family:** Introduced a new line of polymeric moulded arresters for voltage ratings up to 245 kV, expanding the product range to cater to both domestic and international markets.
- **800 kV Porcelain Lightning Arrester:** CG became the first Company in India to successfully test the longest porcelain arrester unit for a 63kA short-circuit current at KEMA, Netherlands. This achievement underscores the Company's leadership in high-voltage arrester technology.

- **Polymeric Lightning Arresters for Vande Bharat Express:** Designed and developed 40kV primary and 42 kV secondary polymeric arresters for the Vande Bharat Express, manufactured by the Integrated Coach Factory, Chennai. This makes CG the first Indian manufacturer to receive approval for this category.
- **1000V CT Arrester for Railway Locomotives:** Developed specifically for the protection of traction converter systems in railway locomotives.

MV Switchgear

- Designed, developed and successfully type tested internal arc compliant panel for 12 kV, 40 kA, 3150 A VCB with classification AFLR 40kA for 1 second as per IEC 62271 - 200. This is specially developed for power plant and premium industrial market segment.
- Designed, developed and successfully type tested 12 kV, 26.3 kA, 2000 A indoor AIS VCB with extended electrical and mechanical endurance class E2, C2, M2 suitable for earthed and unearthed neutral system. This is specially developed for sub transmission and distribution network to increase our product offering.
- Designed, developed and successfully type tested 36 kV, 26.3kA, 2000 A indoor AIS VCB with extended electrical and mechanical endurance class E2, C2, M2 suitable for earthed and unearthed neutral system. This is specially developed for sub transmission and distribution network to increase our product offering.
- Designed, developed and successfully type tested 36 KV, 26.3KA, 2000 A outdoor porcelain clad VCB with extended electrical and mechanical endurance class E2, C2, M2 suitable for earthed and unearthed neutral system. This is specially developed for sub transmission and distribution network to increase our product offering.
- Designed, developed and successfully type tested 33kV, 31.5kA, 1250A, GIS in 600 mm wide panel with busbar in gas and with solid insulation busbar system with extended electrical and mechanical endurance class E2, C2, M2 as per IEC 62271 - 100 suitable for earthed and unearthed neutral system. Also successfully type tested the internal arc test on its panel for 31.5kA for 1 Sec. - classification AFLR as per IEC 62271-200. This product is designed and developed especially for Metro rail business a/c Chennai Metro Rail Ltd.
- Designed developed and successfully type tested 11kV RMU with load break switch suited for extended electrical endurance class E3 for main switch and E2 class for earth switch and M2 class for VCB which is the highest endurance class for RMU. This will help the Company to explore opportunities to export its products.
- Designed and developed product technology for 11kV RMU with dry air, which has got zero GWP and successfully completed the basic testing.

- **36kV Autorecloser:** Developed 36kV, 800A, 16kA Autorecloser. The 36kV Recloser is a smart product following Industry 4.0 norms of communication and remote operation. The Product is fully type tested with complete short circuit electrical duties and other mandatory type tests. 36kV Autorecloser confirms to IEC 62271-111 standard. The Autorecloser in cooperation with sectionaliser enhances the reliability of electrical power in distribution grid.

Industrial Systems

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

- Development of New AXELERA Process performances IE4 motors from 80 Frame to 132 Frame with higher efficiency, better cooling, higher service factor.
- Development of New Compressor series efficient with higher Power to weight ration, better service factor, Low bearing temperature for adverse conditions from 30kW to 315 kW.
- Development of Cost effective IE3 Std. Motors from 11kW to 55 kW with less material content.
- Development of 250 Frame Steel Frame alternators with higher power to weight ration.
- Development of next gen DC motor 280 frame Motors with better serviceability and better cooling.
- Implementation of various latest design tools to analyse the parameters of designed products and achieve cost savings on raw materials.
- Development of Gang - slotting tool from conventional single notching tool. Resulted in significant increase in productivity and reduction in process cost.
- Development of programmable double slot notching tools, resulted in significant increase in productivity and reduction in process cost.
- Deployment of Servo feeders on all High-speed machines, resulted in significant increase in productivity, improvement in quality parameters.
- Development of double row auto stich, auto skew carbide tools resulted in significant increase in productivity, improvement in quality parameters as well as raw material savings to the tune of 7% as compared to traditional single row tools.
- New notching machine with Servo control system installed, resulted in reduction in setting time, power consumption and increase in productivity.
- Upgraded existing Transformer to Higher energy efficiency level - resulted in reduction of power losses.



- Installed PLC based Power factor control system with micro controller to accommodate minor load changes resulted in improvement in power factor.
- Development of Transformer Cooling Fans to support high demand in Power sector.
- Development of BLDC Hub motor for E-Cycle as an import substitute.
- Filed Patent on Efficient Wireless Power transmission in Magnet Less Synchronous motors.
- Development of New Fluxtron Series - a range of Premium MV motors meeting IE3/IE4 energy efficiency standards, better cooling and performance parameters with Optimized material.
 - 400 Frame from 250 KW to 900 KW & from 4-8 Pole.
 - 450 Frame from 450 KW to 1450 KW & from 4-8 Pole.
 - 500 Frame from 750 KW to 2200 KW & from 4-8 Pole.
- Developed an 8.3MW motor equipped with carbon brush length monitoring, antifriction bearings, carbon dust filtration and online slipping temperature monitoring system thru IR sensor. This motor is being used to drive one of the largest single-drive cement mills in India.
- Range Extension with development of 4.1MW/8P/VTPC1700 in water segment.
- Range Extension with development of 4MW/6P/TPC710 for cement segment.

Railways

- Developed a fully suspension Traction Motor with High Speed for Metro Applications.
- Developed Traction Converter and Train Control and Management Software (TCMS) for MEMU on Board.
- Designed Gear Drive Assembly, Auxiliary Power Converter and Axle Hung Nose Suspension Traction Motor for MEMU on Board Applications.
- Designed Coach Control and Monitoring Panels (End Wall Panels), Driver Desk and Rear Wall Control Panel for MEMU on Board.
- Designed, developed and supplied 9000 HP Electrics.
- Designed, developed and supplied Composite Converter for Amrit Bharat Express.
- Designed and developed Hotel load converter for the Shatabdi and Rajdhani trains.
- Designed and developed, tested and supplied Traction Motor type C1040 for US Export Markets.
- Designed and developed, tested and supplied Traction Motor type C1043 for US Export Markets.

- Designed and developed, tested and supplied C6049A1 Companion Alternator for US Export Markets.
- Designed and developed, tested and supplied C5035B2 Axle Cap Traction Motors for African Export Markets.

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

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

ENVIRONMENT, HEALTH AND SAFETY

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

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

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

CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended (“CSR Rules”), your Company has during the year 2024-25 spent ₹ 17.57 Crores vis-à-vis the statutory requirement of ₹ 17.36 Crores, being two percent of the average net profits of your Company during the three preceding financial years, in accordance with the CSR Policy of the Company.

Annual Report on CSR activities as required under the CSR Rules is annexed as **Annexure 2** and forms an integral part of this Report.

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

REGISTRAR AND SHARE TRANSFER AGENT

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

PARTICULARS OF EMPLOYEES

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

EMPLOYEE STOCK OPTION PLAN 2021

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

The Company has so far granted 65,38,590 Options to employees. 18,34,100 Options were granted in the year 2021-22, 4,53,140 Options were granted during the year 2022-23, 20,56,350 Options were granted during the year 2023-24 and 21,95,000 Options were granted during the year 2024-25. Out of the total options granted till 31 March, 2025, 9,63,200 options were cancelled/lapsed.

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

COMPLAINTS RELATING TO SEXUAL HARASSMENT

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

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

VIGIL MECHANISM

Your Company has set up a vigil mechanism, viz. a Whistle Blower Policy, as per the provisions of Section 177 of the Act and Regulation

22 of the SEBI LODR to enable its stakeholders to report violations, genuine concerns, unethical behaviour and irregularities, if any, which could adversely affect the Company's operations. No person has been denied access to the Chairman of the Audit Committee of the Board.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from public or its Members under Chapter V of the Act and no deposits were outstanding as on 31 March, 2025.

SHARE CAPITAL

During the year under review, your Company has allotted 15,36,230 equity shares of ₹ 2 each, under the ESOP Scheme 2021, to the option grantees who had exercised their options. The detailed are provided below:

No. of Shares Allotted	Date of allotment
40,600	13 May, 2024
25,000	9 June, 2024
4,73,140	21 June, 2024
10,000	3 July, 2024
4,53,140	10 July, 2024
5,000	18 July, 2024
30,000	26 July, 2024
41,000	1 August, 2024
20,000	9 August, 2024
38,000	17 August, 2024
19,000	29 August, 2024
40,000	19 November, 2024
25,000	5 December, 2024
11,640	23 December, 2024
1,79,710	26 December, 2024
12,500	30 December, 2024
67,500	16 January, 2025
45,000	10 February, 2025

As at 31 March, 2025, the share capital of the Company is as follows:

- The authorized share capital of your Company is ₹ 407,60,00,000/- (Rupees Four Hundred Seven Crore and Sixty Lakh) divided into 203,80,00,000 equity shares of ₹ 2/- (Rupees Two) each.
- The subscribed and paid-up share capital of your Company stood at ₹ 305,77,38,888/- (Rupees Three Hundred Five Crores Seventy-Seven Lakhs Thirty-Eight Thousand Eight Hundred Eighty-Eight only) consisting of 152,88,69,444 equity shares of ₹ 2/- (Rupees Two) each.

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

ANNUAL RETURN

Pursuant to Sub-Section 3(a) of Section 134 and Sub-Section (3) of Section 92 of the Act, a copy of the Annual Return of the Company as on 31 March, 2025 is placed on the website of the Company and the same is available on the following link: https://www.cgglobal.com/financials#annual_report

REPORTING OF FRAUDS BY AUDITORS

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

OTHER DISCLOSURES / REPORTING

a) Issue of equity shares with differential rights

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

b) Insolvency and Bankruptcy Code ("IBC")

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

c) One-time settlement with any bank or financial Institution

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) the annual Financial Statements for the year ended 31 March, 2025 have been prepared in conformity with the applicable accounting standards along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2025 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Annual Financial Statements have been prepared on a going concern basis;
- e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively;
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

Vellayan Subbiah
Chairman

(DIN: 01138759)

Mumbai, 6 May, 2025

Annexures to Directors' Report

ANNEXURE 1

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

A. CONSERVATION OF ENERGY

1. ENERGY CONSERVATION MEASURES TAKEN

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

MEASURES TAKEN TOWARDS ENERGY CONSERVATION AT VARIOUS UNITS:

Industrial

- Dedicated energy meter installed for Stamping Goa plant machinery to identify and manage energy consumption in efficient way.
- APFC panel installed at Unit 2, helps in PF improvement.
- Motor replaced for reciprocating compressor at Unit 2 from IE2 to IE4 (2 Nos.) - 60 kW.
- Improved practice for shutting off machine, machine accessories as well as compressor during lunch/ shift end time in all the plants.
- 2 Nos. Dry type paint booth over wet type, reduced water consumption at Unit 1.
- For improved treated water quality, Unit 2 installed Compact sewage treatment plant of capacity 20CMD.
- HVLS fan installed at A3 Plant in Unit 1, improved ventilation with low energy consumption.
- Online water quality monitoring system installed at Unit 1 STP plant, this helps in continue monitoring of quality and take necessary actions, if required.
- Optimum utilization of Induction Furnace at FHP plant, Timer installed for machine power pack total 15 Nos. (75 kwh per day) to reduce energy consumption.
- BLDC Fans installed in place of old fans - 25 Nos. (120 kwh per day) at FHP.
- Water network improved at FHP plant, fresh as well as waste helps in 9% improvement over previous year.
- Improvements done at Unit 1 helps in energy conservation as, Compress air leakage rectification (48000 kwh), motion sensor installed at all paint booth (29790 kwh), Power press auto shut off during lunch/ tea/ shift break (35692

kwh) and floor office and canteen with motion sensor (67900 kwh).

- At LIM, test bed 2 MG set blower 15 HP motor replaced with energy efficient.
- Stamping Unit, Ahmednagar - existing fan replaced with BLDC fan 12 Nos.

Railway

All the business units within the Railway business line have sustained their commitment to energy conservation and the optimal use of resources by continuously enhancing operational efficiencies, reducing the consumption of natural resources and water, and simultaneously maximizing the production output.

These efforts have led to a significant and measurable impact, as reflected in the marked reduction of both emissions and energy consumption per unit of production. In FY25, the entire Railway business achieved approximately a 60% reduction in energy consumption (measured in GJ) per unit produced and an impressive 66% reduction in emissions (measured in tCO₂) per unit compared to FY24 for the same period (April to February).

Many improvement initiatives have been implemented towards the decarbonization objective. Some of the notable initiatives are as follows:

- **Transition to Battery-operated Forklifts:** TMS has replaced diesel-powered forklifts with battery-operated alternatives, resulting in an annual reduction of 12.6 tCO₂ in emissions.
- **Enhancement of Solar Power Capacity:** The solar generation capacity at TMS was increased from 475 kW to 500 kW, contributing to an annual emissions reduction of 7.38 tCO₂.
- **Energy Efficiency through VFD Installation:** Variable Frequency Drives (VFDs) were installed in cranes and ovens at TMS, leading to an annual reduction of 5.3 tCO₂ in emissions.
- **Single-Use Plastic (SUP) Free Certification:** All Railway business units have eliminated single-use plastics. An external audit confirmed SUP-free status, and certifications have been awarded to both TMS and RTTE. The audit for RSD is completed, and certification is currently awaited.
- **Zero Waste to Landfill and Zero Liquid Discharge:** All Railway units have achieved Zero Waste to Landfill and Zero Liquid Discharge status. These achievements have been verified and certified through independent external audits.

Power

Transformers

Distribution Transformer Plant (T2), Malanpur

- Replacement of 22 Nos. 150 Watt Metal halide light fixtures with 80 Watt led light fixture. (Total New light purchased 40 Nos.)
- Replacement of 5 Nos. 250 Watt Metal halide light fixtures with 90 Watt led light fixture. (Total New light purchased 8 Nos.). Total annual savings of 1129 KW.
- Optimizing the usage of air compressors in LPT plant has led to substantial energy savings. Maximizing the use of the 37 KWP air compressor in place 75 KWP during off-peak times (Sundays, Holidays, and Night shifts) was minimizing the use of power. Power saved 15041 KW.
- 2TR Conventional R22 refrigerant gas based AC replaced with 2-star rating R32 Eco-friendly AC. Total 4 Nos. AC replaced. Power saved 3840 KW.
- Replacement of water cooled Thermic fluid circulation pumps with Air cooled pumps. Directly saving 2 KW per hour. Power saved 20000 KW.
- Installation of 345KVAR capacitor on DT and LPT main panel. Power factor improved from 0.95 to 0.99. Power saved 30340 KW.
- Total 81.58 tCO₂ reduced with all the above energy saving projects.
- **Total Saving in KW - 70350 per year**
- **Total Saving in ₹ - 6.33 Lakhs per Year.**

Power Transformer plant (T3), Bhopal

- Insulation of Oil storage tank to improve performance of oil filtration system and reduce heat loss. Power saved 90000KWH.
- 2Tr Conventional R22 refrigerant gas based AC replaced with 5-star rating R32 Eco-friendly AC. Total 20 Nos. AC replaced. Power saved 60000KWH.
- Reduced the temperature loss by insulating the process chilled water pipe lines. This shall save electricity by reducing frequent operation of chiller. Power saved 37000KWH.
- Replacement of water cooled Thermic fluid circulation pumps with Air cooled pumps. Direct saving of 3.7 KW per hour. Power saved 37000KWH.
- Replacement of 29 No. single phase induction motor 250 watt fans with BLDC motor 160 watt fans for energy saving. Power saved 11000 KWH.
- Installation of 4KVAR capacitor on 100 TR Chiller water pump motor 18.5kw. Power factor improved from 0.89 to 0.97. Power saved 11000KWH.

- Installation of motion sensor at Stairs office waiting hall 18 watt 30 No. and 20 No. lights 20 watt lights installed in washrooms. Power saving 28000 KWH.
- 10 Nos. 80 watt smart solar street lights installed across the plant. Power saving 1500 KWH.
- **Total 744 tCO₂ reduced with all the above energy saving projects.**
- **Total Saving in KWH - 275500 per year.**
- **Total Saving in ₹ - 27.55 Lakhs per Year.**

Switchgears

Conservation of Natural Resources in Switchgear Division:

- Water - 8864 m³ through replacement of underground suspected water lines, installation of auto water faucets in wash basins and implementation of waterless urinal pots in all washrooms of EHV & MV Switchgear Division.
- Light Diesel Oil (LDO) - 7.135 KL through condition monitoring of thermopacs, servicing of thermic fluid circulation pumps, replacement of old hot rockwool insulation of Autoclaves and conversion from LDO to PNG (Piped Natural Gas) for Autoclaves heating.
- High Speed Diesel - 2.712 KL through replacement of diesel forklifts by battery operated forklifts (2 Nos.) in MV Switchgear, calibration of fuel pumps of forklifts and condition monitoring of DG sets and forklifts in EHV Switchgear Division.
- Mineral Oil - 8 KL through development of new 245KV U10 compact CVT (Capacitive Voltage Transformer).
- Craft Paper - 20 MT through usage of winding offcut paper (recycling) to prepare 100-micron paper set for Current Transformer head insulation and conservation of A4 size regular paper through usage of waste craft paper.

Energy Conservation in Switchgear Division:

- Upgradation of Air Handling Unit of EHV Pole Unit Area to Evaporative Cooling Unit (Air Washer Unit), thereby replacing 40 HP Motor with 10 HP Motor with VFD.
- Installation of Centralized UPS for Desktops and Workstations of EHV and MV Switchgear Offices to reduce the Connected Load from 60KW to 24KW (Installed total 6 UPS Systems of 10KVA each).
- Installation of 10HP VFD (AC Drive) for OKTA-2000 Vacuum Pump of External Flooding Station No. 2 of EHV Switchgear.
- Installation of VFD (AC Drive) for HAC (Hot Air Circulation) Fan of A15 Autoclave of EHV Switchgear.
- Upgradation of Assembly Area Oven of EHV Switchgear to reduce Heat Losses.
- Conversion of High Wattage Conventional Lighting to Energy Efficient LED Lighting at 750KV, 800KV EHV Labs and 1600KV UHVRC offices of EHV Switchgear.

- Lighting Energy Conservation through installation of Photocells, Timers, Motion Sensors and Human Centric Lighting at various locations (Smart Intelligent Lighting Solutions).
- Conservation of Energy and Natural Resources (Thermal) through Repairs/ Replacement of Hot and Cold Insulation of Autoclaves, Furnaces, Ovens and Chilling Plants, Refrigeration and AC Plants in MV and EHV Switchgear Divisions.
- Condition Monitoring of A3 and A5 Autoclaves to achieve 0.06mbar vacuum within 24 hours during fine vacuum stage in EHV Switchgear.
- Compressor Energy conservation through Optim Air Approach in MV and EHV Switchgear Divisions.
- Replacement of Ceiling Fans with BLDC Fans in Canteen.

Thus, Energy Conservation for FY 2024-25 for complete Nashik Switchgear Plant was 1.98 Lakhs kWh; Cost saving of ₹ 22.73 Lakhs and reduction in GHG Emissions by 302 tCO₂e.

2. ALTERNATE SOURCES OF ENERGY

- Industrial Division units (excluding Unit 3 and Stamping Goa location) are harnessing around 14.96% of electricity requirement through the use of energy generated from roof top solar panels. During the year, roof top solar plant was installed for Stamping Unit, Ahilyanagar Location with capacity of 400 kW.
- **Growth in Renewable Energy Utilization:** In FY25, the utilization of renewable energy across the Railway business line increased by 6.9% compared to the same period in the previous year, reflecting a strong commitment to sustainable energy practices.
- **Maximizing Renewable Energy Potential:** One of the business units has already achieved 100% utilization of its potential renewable energy capacity. A comprehensive five-year roadmap has been developed to enable other units to reach their maximum renewable energy potential, reinforcing the business line's long-term sustainability goals.
- Under the 'Solar as a Service' Model, execution of roof top solar panels (992 kWp) for EHV and MV Switchgear Nashik plant with minimal capital investment and the energy charges per unit basis less by ₹ 6.51/- than that of MSEDCL power company and have achieved energy conservation of 11.76 Lakh units and cost savings of ₹ 76.59 Lakhs. Renewable Energy is 27.30% of the Total Energy usage of EHV and MV Switchgear Unit.

Distribution Transformer Plant (T2), Malanpur

- Under Power Purchase Agreement, T2 carried out execution of solar generation plant with capacity of 348 KW at Distribution Transformer plant based at Malanpur.

- Distribution Transformer Plant, Malanpur: For FY25, 4.20 Lakhs solar units were generated from solar plant and saving of ₹ 18.78 Lakhs was achieved.

Power Transformer Plant (T3), Mandideep

- Under Power Purchase Agreement, T3 carried out execution of solar generation plant with capacity of 500 KW at Power Transformer plant based at Bhopal.
- Power Transformer Plant, Bhopal: For FY25, 6.33 Lakhs solar units were generated from solar plant and saving of ₹ 32.00 Lakhs was achieved.

3. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

Industrial

- Capital investment done on water conservation part. Dry type paint booth.
- HVLS fan for improved ventilation with lesser power consumption.

Railway

Major capital investments on energy conservation equipment are as follows:

- **Energy Efficiency through BLDC Fan Implementation:** The replacement of conventional fans with energy-efficient BLDC (Brushless Direct Current) fans has resulted in a 45% to 50% reduction in power consumption attributed to fan usage, significantly contributing to overall energy savings.
- **Transition to Battery-Operated Forklifts:** TMS has replaced diesel-powered forklifts with battery-operated alternatives, resulting in an annual reduction of 12.6 tCO₂ in emissions.

Power

Capital Investment of ₹ 6.1 Lakhs was made in financial year 2024-25 by Distribution Transformer Plant - Malanpur.

Capital Investment of ₹ 21 Lakhs was made in financial year 2024-25 by Power Transformer Plant - Mandideep.

EHV and MV Switchgear division based at Nashik plant has done investment of ₹ 59.69 Lakh on Energy Conservation Equipments in FY 24-25.

B. TECHNOLOGY ABSORPTION

1. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

Railway

- Indigenously designed and developed Auxiliary Power Converter and Traction Motor for on Board MEMU (Mainline Electric Multiple Unit).
- Indigenously designed and developed Traction Motor, Traction Converter, Bogie, Traction Rod Assembly developed

and with collaboration traction converter developed for 9000HP Loco.

- Indigenously designed, developed, tested and supplied composite converter (which is combination of Traction Converter and Hotel Load Converter) for Amrit Bharat Express.
- Indigenously designed, developed Hotel Load Converter for Shatabdi and Rajdhani type trains.
- Indigenously designed, developed, tested and supplied Traction Motor type C1040 for US Export Markets.
- Indigenously designed, developed, tested and supplied Traction Motor type C1043 for US Export Markets, Spare rotors have been shipped to customers.
- Indigenously designed, developed, tested and supplied C6049A1 Companion Alternator for US Export Markets.
- Indigenously designed, developed, tested and supplied C5035B2 Axle Cap Traction Motors for African Export Markets.
- Indigenously designed, developed, type tested and supplied Traction Motor for Metro application.

Power

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

- Developed a HV lab for testing of track side transformer.
- Refurbishment of Vacuum Phase drying plant with advance technology for better preformation and Quality product.
- Development of special transformers for Railway application.
- Knowledge and skill upgradation in application of simulation software for product validation.
- Widened spectrum of FEA simulation tools to cover unexplored product aspects.
- Engagement with international experts to improve know-how.

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

- For Solar Application, Inverter duty Transformer of 12.5 MVA 33/0.630*4 kV, 5 Winding with Aluminum Foil wound. Successful completion of Short Circuit Test.
- Introduction of new technology Cladded Copper Aluminum Conductor: CCAC Bus Bar in place of Solid Bus Bar.
- Implementation of temperature measurement, arrangement in cable boxes and self-communicating type monitoring devices in Power transformers.

- Implementation of 3D software for structural designing.
- New design practice introduced for direct flow of oil resulting in higher cooling efficiency. Lead time reduction in HV Winding Manufacturing Process using Contra shield winding. Change in shunt arrangement resulting in process time reduction.

Switchgears

- Development of 72kV and 145kV Dead Tank Breaker.
- Designed and developed product technology for 11kV RMU with dry air, which has got zero GWP and successfully completed the basic testing.

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

Industrial

- Use of alternate grade of electric steel for cost optimization.
- Lamination design optimization to improve utilization factor of steel sheet.
- Development of Transformer Cooling Fans to support high demand in Power Sector.
- Development of BLDC Hub Motor for E-Cycle as an import substitute.
- Filed Patent on Efficient Wireless Power transmission in Magnet Less Synchronous Motors.
- LT Motors has completed its new process performance Motors IE4 development upto 132 Frame.
- New Compressor series efficient with higher power to weight ration, better service factor, low bearing temperature for adverse conditions from 30kW to 315 KW.
- Development of Cost effective IE3 Std. Motors from 11kW to 55 kW with Less Alternative low cost material grade.
- 250 Frame Steel Frame alternators in place of AL material with higher Power to weight ration with optimisation.
- Development for New Fluxtron Series - a range of Premium MV motors meeting IE3/IE4 energy efficiency standards, better cooling and performance parameters with Optimized material.
 - 400 Frame from 250 KW to 900 KW & from 4-8 Pole.
 - 450 Frame from 450 KW to 1450 KW & from 4-8 Pole.
 - 500 Frame from 750 KW to 2200 KW & from 4-8 Pole.
- Range Extension with Development of 4.1MW/8P/ VTPC1700 in water segment.
- Range Extension with Development of 4MW/6P/TPC710 for cement segment.

Railway

The benefits derived from these efforts are:

- Achieved entry into growing Metro Market.
- Achieved presence in growing export Traction Motor Market (USA).
- Initiated and implemented import substitution of Electronic Components for Traction Converters that resulted in Material Cost Savings by 5%.
- 5% Material Cost Savings achieved by Strategic Sourcing Initiatives, Long Term Contracts with Suppliers, Enhancing In-house manufacturing of key components.

Power

The benefits derived from these efforts are:

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

3. IMPORTED TECHNOLOGY

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

01 IMPORTED TECHNOLOGY

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

4. EXPENDITURE ON R&D

The Company's expenditure on Research & Development on standalone basis for the year ended 31 March, 2025 is given in **Table 2**.

02 EXPENDITURE ON R&D

(in ₹ crores)

Particulars	Amount
A. Capital	27.84
B. Revenue	35.78
C. Total (A+B)	63.62
Total R&D Expenditure	
As a percentage of turnover (continuing operations)	0.68%
As a percentage of profit before tax (continuing operations)	4.74%

5. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

03 FOREIGN EXCHANGE EARNINGS & OUTGO

(in ₹ crores)

Particulars	Amount
Total Foreign Exchange Earned	502.90
Total Foreign Exchange Used	734.18

On behalf of the Board of Directors

Vellayan Subbiah
Chairman
(DIN: 01138759)

Mumbai, 6 May, 2025

Annexure 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES FOR FINANCIAL YEAR 2024-25

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

CSR POLICY

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

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

We are committed to identifying and supporting programmes aimed at:

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

2. COMPOSITION OF CSR COMMITTEE

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

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

Note: Ms. Sasikala Varadachari, Non-Executive Independent Director ceased to be the Member of CSR Committee w.e.f. 17 September, 2024 on completion of her tenure as a Director of the Company.

* Mr. Amar Kaul, Managing Director & CEO was inducted as a Member of CSR Committee w.e.f. 18 September, 2024.

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

https://www.cgglobal.com/about_csr

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

Not applicable.

5. (a) Average Net Profit of the Company as per Section 135(5): ₹ 867.86 crores.
- (b) Two percent of average net profit of the Company as per Section 135(5): ₹ 17.36 crores.
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: - Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)] - ₹ 17.36 crores
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - ₹ 17.57 crores
- (b) Amount spent in Administrative Overheads - Nil
- (c) Amount spent on Impact Assessment, if applicable - Not Applicable
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ 17.57 crores
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (in ₹ Crs)	Amount Unspent (in ₹ Crs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (6) of Section 135.		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
17.57	-	-	-	-	-

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

Sl. No.	Particulars	Amount (in ₹ Crs)
(1)	(2)	(3)
(i)	Two percent of average Net Profit of the Company as per Section 135(5)	17.36
(ii)	Total amount spent for the Financial Year	17.57
(iii)	Excess amount spent for the Financial Year [(ii) - (i)]	0.21
(iv)	Surplus arising out of the CSR Projects or Programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii) - (iv)]	0.21

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

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

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

If Yes, enter the number of Capital assets created/ acquired - Refer the below Table

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

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹ Crores)	Details of Entity/ Authority/ Beneficiary of the Registered Owner		
					CSR Registration Number, if applicable	Name	Registered Address
1	NMC School No. 25	422007	28 March, 2025	0.66	NA	NMC School No. 25	NMC School No. 25, Radhakrushna Nagar, Satpur, Nashik
2	Shivajinagar School Bldg	414001	31 March, 2025	0.16	NA	Shivajinagar School Bldg	Z.P. School, Shivaji Nagar, Nepti, Near Kalyan Road, Ahilyanagar
3	Shivajinagar School W/R	414001	31 March, 2025	0.17	NA	Shivajinagar School W/R	Z.P. School, Shivaji Nagar, Nepti, Near Kalyan Road, Ahilyanagar
4	Nagapur School W/R	414001	31 March, 2025	0.13	NA	Nagapur School W/R	Z.P. School, Nagapur, Near Nagapur MIDC, Ahilyanagar
5	Shed construction	414111	31 March, 2025	0.68	NA	Anamprem, Satyamev Jayate Gram	Anamprem, Satyamev Jayate Gram, Near to Vaishnav Mata Mandir, Isalak - Nimbalk Village, Ahilyanagar

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

M A M Arunachalam
Chairman, CSR Committee
(DIN: 00202958)
Mumbai, 6 May, 2025

Mr. Amar Kaul
Managing Director & CEO
(DIN: 07574081)

Annexure 3

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

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

1. Details of the ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year ended 31 March, 2025 are provided in Table 1.
2. Details of percentage increase/decrease in remuneration of each Director, Managing Director & CEO, Chief Financial Officer and Company Secretary in the financial year under review are provided in Table 1.
3. The median remuneration of employees increased by 8.40% as compared to previous financial year.
4. The number of permanent employees on the rolls of the Company as on 31 March, 2025: 3,408 (as against 3,113 as on 31 March, 2024).
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
Average increase in salary of Company's employees is 19.48% other than the Managerial personnel. On the other hand, the managerial remuneration increased by 63.89% in FY 2024-25 as compared to FY 2023-24. However, this is not comparable for the reason mentioned in the Notes appended to Table 1 below.
6. Remuneration is as per the Remuneration Policy of the Company.

Table 1 Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the financial year ended 31 March, 2025 and the percentage increase in remuneration of each director, Chief financial officer, Chief executive officer, Company secretary in the financial year under review:

Sr.No.	Name of Director/Key Managerial Personnel	Designation	Ratio of remuneration of director to median remuneration of all employees	% increase/(decrease) in comparison to previous financial year
1	Mr. Vellayan Subbiah	Chairman, Non-Executive Non-Independent Director	3.07	5.96
2	Mr. Amar Kaul*	Managing Director & CEO	55.40	@
3	Mr. M A M Arunachalam	Non-Executive Non-Independent Director	14.02	438.78
4	Mr. P S Jayakumar	Non-Executive Independent Director	2.92	6.80
5	Mrs. Vijayalakshmi R Iyer	Non-Executive Independent Director	2.97	24.44
6	Mr. Sriram Sivaram	Non-Executive Independent Director	2.61	9.44
7	Mr. Mammen Chally**	Non-Executive Independent Director	0.48	@
8	Ms. Sasikala Varadachari ^^	Non-Executive Independent Director	1.41	@
9	Mr. Kalyan Kumar Paul^^^	Non-Executive Non-Independent Director	1.09	@
10	Mr. Natarajan Srinivasan^	Managing Director	118.06	@
11	Mr. Susheel Todi	Chief Financial Officer	41.81	21.94
12	Mr. Sanjay Kumar Chowdhary	Company Secretary	10.64	#

@ Part of FY 2024-25

Part of FY 2023-24

* Appointed as Managing Director & CEO w.e.f. 25 July, 2024

^ Ceased to be the Managing Director w.e.f. the close of business hours on 24 July, 2024.

*** Appointed as Independent Director w.e.f. 28 January, 2025

^^ Ceased to be an Independent Director on completion of tenure w.e.f. close of business hours on 17 September, 2024

^^^ Ceased to be a Non-Executive Director w.e.f. close of business hours on 10 September, 2024

Notes:

1. For the aforesaid purposes, median remuneration has been computed by ascertaining the cost to Company of all employees as on 31 March, 2025, in all categories, whether workmen or white collar employees. Remuneration includes variable pay paid during the year under review.
2. The deemed benefit on exercise of options under the Company's ESOP Plan 2021 has not been considered as there is no cost to the Company.
3. The remuneration of Non-Executive Directors includes the amount of Commission in addition to sitting fees for both the financial years.
4. The remuneration of Mr. M A M Arunachalam for the FY 2024-25 includes a commission of ₹ 1 crore payable subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting of the Company as compared to commission paid for FY 2023-24 of ₹ 15 lakhs.. Hence, the remuneration % shows an increase over the previous financial year.

On behalf of the Board of Directors

Vellayan Subbiah

Chairman

(DIN: 01138759)

Mumbai, 6 May, 2025

Annexure 4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2025

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
CG Power and Industrial Solutions Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, and to the extent made available to us and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2025 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; (Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company namely
 - a. The Electricity Act, 2003 and Rules
 - b. Explosives Act, 1884 and Rules
 - c. Batteries (Management and Handling) Rule, 2001
 - d. Petroleum Act, 1934 and rules
 - e. The Energy Conservation Act, 2001
 - f. The Air (Prevention and Control of Pollution) Act, 1981 and corresponding rules.
 - g. The Contract Labour (Regulation and Abolition) Act, 1970 and corresponding state rules.

- h. The Environment (Protection) Act, 1986 and corresponding rules.
- i. The Factories Act, 1948 and corresponding rules.
- j. The Industrial Disputes Act, 1947 and corresponding rules.
- k. The Apprentices Act, 1961 and corresponding rules.
- l. The Water (Prevention and Control of Pollution) Act, 1974 and corresponding rules.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings
- (ii) The Listing Agreements entered into by the Company with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

A fine was imposed by NSE and BSE under the provisions of Regulation 29(2) of the SEBI Listing Regulations in connection with the prior intimation requirements for fund raising proposal via QIP - Two days' advance notice was given instead of two working days; and a fine was imposed by NSE and BSE under the provisions of Regulation 31 of the SEBI Listing Regulations in connection with a 1-day delay in submission of Shareholding Pattern for the quarter ended 31st December 2024.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review. Except as disclosed by the Company with the stock exchanges.

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

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

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

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

1. Company has during the period under review, allotted 15,36,230 equity shares under the ESOP Scheme 2021 to the option grantees who had exercised their options.
2. Company has acquired 55.60% stake in M/s. G.G. Tronics India Private Limited ("GGT") through a combination of purchase of equity shares from the Promoters of GGT and by way of subscription to Compulsorily Convertible Preference Shares (CCPS), which were subsequently converted into equity shares on 29th March 2025, for an aggregate consideration of ₹ 319.38 Crores. The said acquisition is in line with the Company's strategic intent to expand its Railway product portfolio by diversifying into closely related or adjacent areas poised for growth. The integration is anticipated to leverage synergies between the companies. The Company's extensive expertise in manufacturing, engineering and project management, complemented by GGT's specialized knowledge in Railway Transport Safety, particularly in the Train Collision Avoidance System 'KAVACH,' and embedded systems would enable the Company to actively pursue 'KAVACH' and other Rail Safety projects, in the areas of Electronic Signalling Sector through GGT.
3. The Company had entered into an Asset Purchase Agreement with Renesas Electronics America Inc. & other affiliate entities of Renesas Electronics Corporation ("Renesas") for acquisition of Radio Frequency ("RF") Components business, through one or more subsidiaries to be incorporated by the Company. The proposed acquisition of RF Components business was for a consideration of about USD Thirty-Six Million, subject to customary adjustments and applicable taxes. In this regard, the Company has incorporated a Wholly Owned Subsidiary Company viz. Axiro Semiconductor Private Limited, India ('Axiro') and the following Wholly Owned Subsidiary Companies have been incorporated under Axiro for acquisition of RF components



business: Axiro Semiconductor Inc. in the State of Delaware, USA; Axiro Semiconductor Turkey Araştırma ve Geliştirme A.Ş. in Istanbul, Turkey and Axiro Semiconductor (Shenzhen) Co., Ltd. in Shenzhen, China. The acquisition of the RF Components business from Renesas has been completed on 3rd April, 2025.

4. The Board has approved the proposal of raising funds by way of issuance of such number of equity shares having face value of ₹ 2/- each of the Company ("Equity Shares") and/ or other eligible securities or any combination thereof (hereinafter referred to as "Securities"), in one or more tranches, in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time and other applicable laws, for a maximum amount upto ₹ 3,500 Crores (Rupees Three Thousand Five Hundred Crore Only), by way of qualified institutions placement ("QIP") in accordance with the applicable laws, subject to receipt of such regulatory/ statutory

approvals as may be required. The said proposal was approved by Shareholders through Postal Ballot on 18th December, 2024.

For Parikh & Associates
Company Secretaries

Mitesh Dhaliwala
Partner

FCS No: 8331 CP No: 9511
UDIN: F008331G000277831
PR No.: 6556/2025

Place: Mumbai
Date: May 06, 2025

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

'ANNEXURE A'

To,
The Members,
CG Power and Industrial Solutions Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Mitesh Dhaliwala
Partner

FCS No: 8331 CP No: 9511
UDIN: F008331G000277831
PR No.: 6556/2025

Place: Mumbai
Date: May 06, 2025



**REPORT ON
CORPORATE
GOVERNANCE**

Report on Corporate Governance

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS COMPOSITION

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

As on 31 March, 2025, your Company's Board comprised of 7 Directors, out of which 6 Directors were Non-Executive Directors. The Company has a Non-Executive Chairman. The Company has 4 Independent Directors ('IDs'), including 1 Women ID, which comprise more than half of the total strength of the Board.

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

INDEPENDENT DIRECTORS

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

Further, in terms of Regulation 25(8) of SEBI LODR, the Independent Directors have also confirmed that they are not aware of any

circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

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

BOARD MEETINGS

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

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

Seven (7) Board Meetings were held during the year. The dates on which the Meetings were held are as follows:

Sr. No	Date of Board Meeting	Board Strength	No. of Directors Present
1	6 May, 2024	8	8
2	8 July, 2024	8	8
3	24 July, 2024	8	8
4	6 September, 2024	8	7
5	21 October, 2024	6	5
6	28 January, 2025	7	6
7	18 March, 2025	7	7

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year, attendance at the last Annual General Meeting (“AGM”), the number of Directorships and Committee Chairmanships / Memberships held by them in all public limited companies (including this Company) as on 31 March, 2025, are given in Table 1:

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

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

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

01 Composition, attendance and details of the Board of Directors during the financial year 2024-25

Name of Director	Category	Attendance Particulars		No. of Representations		
		Board Meeting	Last AGM	Directorship [#]	Committee Chairperson ^{##}	Committee Membership ^{##}
Mr. Vellayan Subbiah	Non-Executive; Non-Independent; Chairman	7	Yes	7	1	3
Mr. M A M Arunachalam	Non-Executive; Non-Independent	7	Yes	6	1	4
Mr. Kalyan Kumar Paul*	Non-Executive; Non-Independent	3	Yes	NA	NA	NA
Mr. P S Jayakumar	Non-Executive; Independent	6	Yes	10	4	9
Ms. Sasikala Varadachari**	Non-Executive; Independent	4	Yes	NA	NA	NA
Mr. Sriram Sivaram	Non-Executive; Independent	7	Yes	2	-	1
Mrs. Vijayalakshmi R Iyer	Non-Executive; Independent	6	Yes	8	3	9
Mr. Natarajan Srinivasan***	Managing Director	3	Yes	NA	NA	NA
Mr. Mammen Chally [§]	Non-Executive; Independent	2	NA	1	-	-
Mr. Amar Kaul ^{§§}	Managing Director & CEO	4	NA	1	-	1

* Ceased to be Non-Executive Non-Independent Director with effect from closure of business hours on 10 September, 2024 upon resignation as the Director.

** Ceased to be Non-Executive Independent Director with effect from closure of business hours on 17 September, 2024 upon completion of her tenure of the appointment in the Company.

*** Ceased to be Managing Director with effect from closure of business hours on 24 July, 2024 upon retirement from the services of the Company.

[§]Appointed as a Non-Executive Independent Director of the Company with effect from 28 January, 2025.

^{§§}Appointed as a Managing Director & CEO of the Company with effect from 25 July, 2024.

[#] Directorships include directorships as on 31 March, 2025 in only Indian companies (including this Company) but exclude alternate directorships, private companies, limited liability partnership and companies registered under Section 8 of the Companies Act, 2013.

^{##} Includes Chairmanship/Membership of only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (including this Company) as on 31 March, 2025.

OTHER DIRECTORSHIPS

As on 31 March, 2025, none of the Directors on the Board hold directorships in more than twenty companies (including ten public limited companies) or is an Independent Director in more than seven listed companies. Further, none of the Director is a member of more than ten Committees or a chairperson of more than five Committees across all public limited companies. For the purpose of determination of limit of the Board Committees, the chairpersonship / membership

of only the Audit Committee and the Stakeholders' Relationship Committee have been considered as provided in Regulation 26(1) (b) of SEBI LODR. Further, the Directorship of Directors is in conformity with Regulation 17A of SEBI LODR.

Names of other listed entities where Directors of the Company hold directorship and the category of such directorship as on 31 March, 2025 are given in Table 2.

02 Directors and their Directorships in other listed companies as on 31 March, 2025

Name of Director	Directorship in other Listed Companies	Category
Mr. Vellayan Subbiah	SRF Limited	NENI
	Tube Investments of India Limited	NEVC
	Cholamandalam Financial Holdings Limited	NENI
	Cholamandalam Investment and Finance Company Limited	NENIC
Mr. M A M Arunachalam	Shanthi Gears Limited	NENIC
	Tube Investments of India Limited	EC
	Cholamandalam Investment and Finance Company Limited	NENI
Mr. P S Jayakumar	Adani Ports and Special Economic Zone Limited	NEI
	JM Financial Limited	NEI
	HT Media Limited	NEI
	Emcure Pharmaceuticals Limited	NEI
	ICRA Limited	NEIC
	Northern ARC Capital Limited	NEIC
Mrs. Vijayalakshmi R Iyer	Glenmark Pharmaceuticals Limited	NEI
	Computer Age Management Services Limited	NEI
	ICICI Securities Limited	NEI
	Aditya Birla Capital Limited	NEI
Mr. Sriram Sivaram	-	-
Mr. Mammam Chally	-	-
Mr. Amar Kaul	-	-

- Non-Executive Non-Independent - NENI
- Non-Executive Independent - NEI
- Non-Executive Independent Chairman - NEIC
- Executive Chairman - EC
- Non-Executive Vice Chairman - NEVC
- Non-Executive Non-Independent Chairman - NENIC

SELECTION AND APPOINTMENT OF DIRECTORS

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

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

BOARD EFFECTIVENESS EVALUATION

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

INDEPENDENT DIRECTORS' MEETING

Independent Directors' Meeting in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulations 25(3) and 25(4) of SEBI LODR was convened on 11 March, 2025, inter-alia to review the performance of Non-Independent Directors and the Board as a whole and review the performance of the Chairman for FY 2024-25 and the flow of information between the Board and the Management. All Independent Directors were present at the said Meeting.

DIRECTORS' SHAREHOLDING AND RELATIONSHIP INTER-SE

As on 31 March, 2025, except Mr. M A M Arunachalam who held 2,20,920 equity shares of the Company, none of the other Directors held any shares in the Company. Further, none of the Directors on the Board is related to each other.

DIRECTORS' INDUCTION AND FAMILIARISATION

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

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

Skills/ Expertise /Competencies	Name of the Directors						
	VS	MAM	PSJ	VRI	SS	MC	AK
Financial Management	✓	✓	✓	✓	✓	✓	✓
Global Business Environment perspective	✓	✓	✓	✓	✓	✓	✓
Business Leadership	✓	✓	✓	✓	✓	✓	✓
Technology	✓	✓	—	—	✓	✓	✓
Mergers and Acquisitions	✓	✓	✓	—	✓	✓	✓
Board Insights	✓	✓	✓	✓	✓	✓	✓

VS - Vellayan Subbiah

MAM - M A M Arunachalam

PSJ - P S Jayakumar

VRI - Vijayalakshmi R Iyer

SS - Sriram Sivaram

MC - Mammen Chally

AK - Amar Kaul

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

CORE SKILLS / EXPERTISE / COMPETENCE

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

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

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

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

THE COMMITTEES OF THE BOARD

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

each Committee briefs the Board on the significant discussions that have taken place at its meeting. The Minutes of the meetings of all Committees of the Board are placed before the Board for noting.

AUDIT COMMITTEE

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

As of 31 March, 2025, the AC comprised of 3 Non-Executive Directors of which 2 are Independent Directors, who are financially literate and have relevant finance exposure.

The composition of the Committee is as under:

Name	Designation	Category of Directorship	Attendance
Mr. P S Jayakumar	Chairman	Non-Executive; Independent	5
Mr. Vellayan Subbiah	Member	Non-Executive; Non- Independent	5
Mrs. Vijayalakshmi R Iyer	Member	Non-Executive; Independent	4

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

1. Ms. Sasikala Varadachari ceased to be Member of the Audit Committee w.e.f. close of business hours on 17 September, 2024. Two Meetings were attended by her during the year under review.
2. Mrs. Vijayalakshmi R Iyer was appointed as a Member of the Audit Committee w.e.f. 6 May, 2024.

TERMS OF REFERENCE:

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment, removal and terms of appointment of external auditors, fixation of audit fees and also approval of payment for any other services.
- Reviewing and monitoring the external auditor's independence and performance, and effectiveness of audit process.
- Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in the draft audit report.
 - Significant adjustments arising out of the audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
- Any related party transactions i.e. transactions of the Company of a material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the larger interests of the Company.
- Matters to be included in the Directors Responsibility Statement included in the Board Report.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Reviewing the adequacy of internal control systems with the management, external and internal auditors.
- Reviewing the quarterly financial statements before submission to the board for approval.
- Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the executive heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings in their reports and follow up thereon.

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, expenditure of an extravagant nature, and reporting the matter to the Board of Directors.
- Discussions with the external auditors before the audit commences, as regards the nature and scope of audit as well as have post-audit discussions to ascertain any areas of concern.
- To look into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing, with the management, the application of funds raised through any issue, funds utilized for purposes other than those stated in the offer documents and the report submitted by the monitoring agency monitoring the utilisation of proceeds of the issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing the functioning of the Vigil Mechanism such as Whistle Blower or any other similar mechanism of the Company which may have been implemented.
- Approving appointment of Chief Financial Officer or any other person heading the finance function.
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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

Sr. No	Date of AC Meeting	Member Strength	No. of Members Present
1.	6 May, 2024	3	3
2.	24 July, 2024	4	4
3.	21 October, 2024	3	3
4.	28 January, 2025	3	3
5.	18 March, 2025	3	3

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

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

As on 31 March, 2025, the NRC comprised of 3 Non-Executive Directors of which 2 are Independent Directors. The composition of the Committee is as under:

Name	Designation	Category of Directorship	Attendance
Mr. P S Jayakumar	Chairman	Non-Executive; Independent	5
Mr. Vellayan Subbiah	Member	Non-Executive; Non-Independent	5
Mrs. Vijayalakshmi R Iyer	Member	Non-Executive; Independent	5

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

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

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

Sr. No	Date of NRC Meeting	Member Strength	No. of Members Present
1	6 May, 2024	3	3
2	8 July, 2024	3	3
3	21 October, 2024	3	3
4	28 January, 2025	3	3
5	18 March, 2025	3	3

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

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

REMUNERATION OF DIRECTORS

I. REMUNERATION OF MANAGING DIRECTOR & CEO

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

The details of remuneration paid to the Managing Director for the year ended 31 March, 2025 is as follows:

(Amount in ₹)			
Name	Salary and Allowances	Perquisites and Contribution	Total
Mr. Amar Kaul, Managing Director & CEO	3,85,91,385	31,43,904	4,17,35,289

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

Note 2: During the year under review, Mr. Amar Kaul, Managing Director & CEO, was granted 9,00,000 Options, pursuant to Employee Stock Option Scheme 2021 at an exercise price of ₹ 697.10 per equity share.

II. REMUNERATION OF NON-EXECUTIVE DIRECTORS

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

The details of sitting fees and commission paid to Non-Executive Directors for the year ended 31 March, 2025 are as follows:

Name of the Director	Sitting fees (Amount in ₹)	Commission (Amount in ₹) [@]
Mr. Vellayan Subbiah	8,10,000	15,00,000
Mr. M A M Arunachalam	5,60,000	1,00,00,000 [^]
Mr. Kalyan Kumar Paul [*]	1,50,000	6,69,863
Mr. P S Jayakumar	7,00,000	15,00,000
Ms. Sasikala Varadachari [#]	3,60,000	6,98,630
Mr. Sriram Sivaram	4,70,000	15,00,000
Mrs. Vijayalakshmi R Iyer	7,40,000	15,00,000
Mr. Mammen Chally ^{\$}	1,00,000	2,58,904

[^] Subject to Shareholders' approval at the ensuing Annual General Meeting.

^{*} Ceased to be a Director w.e.f. closure of business hours on 10 September, 2024

[#] Ceased to be a Director w.e.f. closure of business hours on 17 September, 2024

^{\$} Appointed as a Director w.e.f. 28 January, 2025

[@] For the year 2024-25, payable in the year 2025-26.

The Commission payable to the Non-Executive Directors is calculated as per their tenure of Directorship with the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

As on 31 March, 2025, the CSR Committee comprised of 2 Non-Executive Directors (of which 1 is Independent Director) and 1 Executive Director.

The composition of the Committee is as under:

Name	Designation	Category of Directorship	Attendance
Mr. M A M Arunachalam	Chairman	Non-Executive; Non-Independent	3
Mrs. Vijayalakshmi R Iyer	Member	Non-Executive; Independent	3
Mr. Amar Kaul	Member	Managing Director & CEO	1

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

- Ms. Sasikala Varadachari ceased to be Member of the CSR Committee w.e.f. close of business hours on 17 September, 2024. Two Meetings were attended by her during the year under review.
- Mr. Amar Kaul was appointed as a Member of the CSR Committee w.e.f. 18 September, 2024.

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

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

Three (3) CSR Meetings were held during the year. The dates on which the Meetings were held are as follows:

Sr. No	Date of CSR Meeting	Member Strength	No. of Members Present
1	6 May, 2024	3	3
2	5 July, 2024	3	3
3	19 December, 2024	3	3

The details of CSR spending done by the Company during the FY 2024-25 are mentioned in the 'Annual Report on CSR Activities', which is annexed to the Directors' Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

As on 31 March, 2025, the SRC consisted of four Directors, of which three are Non-Executive Directors.

The Composition of the Committee is as under:

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

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

Sr. No	Date of SRC Meeting	Member Strength	No. of Members Present
1	18 March, 2025	4	3

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

Details of investor complaints received and redressed during FY2024-25 are as follows:

Opening Balance	0
Received During the Year	28
Resolved During the Year	28
Closing Balance	0

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

The Company Secretary acts as Secretary to this Committee.

RISK MANAGEMENT COMMITTEE

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

As on 31 March, 2025, the RMC consisted of the following four Directors:

Name	Designation	Category of Directorship	Attendance
Mr. Vellayan Subbiah	Chairman	Non-Executive; Non-Independent	2
Mr. Sriram Sivaram	Member	Non-Executive; Independent	3
Mr. M A M Arunachalam	Member	Non-Executive; Non-Independent	3
Mr. Amar Kaul	Member	Managing Director & CEO	2

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

1. Mr. Natarajan Srinivasan ceased to be Member of the RMC Committee w.e.f. close of business hours on 24 July, 2024. One Meeting was attended by him during the year under review.
2. Mr. Ramesh Kumar ceased to be Member of the RMC Committee w.e.f. close of business hours on 3 January, 2025. Two Meetings were attended by him during the year under review.
3. Mr. Amar Kaul was appointed as a Member of the RMC Committee w.e.f. 25 July, 2024.

Terms of reference:

- (1) To review and recommend for Board's approval the risk profile and risk appetite for the Company.
- (2) To review the risk management policy as read in conjunction with Risk Management Framework which shall include:
 - (a) A Risk Management framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability (particularly, risk covering ESG and BRSR reporting), information, cyber security risks or any other high-risk as may be determined by the Committee.
 - (b) Measures for risk response including systems and processes for internal control of identified risks.
 - (c) Business Continuity Plan.
- (3) To review and approve the Enterprise Risk Management (ERM) framework of the Company on a periodic basis. The Committee shall review the risk management culture, processes, and practices of the Company.

- (4) To monitor and oversee implementation of the ERM policy and ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, which shall include;
- Defining the calendar for review of existing risks for each of the key business divisions/ functions with the objective to refresh the key risks at defined periodicity;
 - Reviewing the key risks and associated response plans for the enterprise at defined periodicity;
 - Propose enhancements to the ERM system, including those required in adherence to changes in regulatory requirements.
- (5) To ensure risk assessment and response procedures are implemented which shall include:
- Formulate measures for risk response;
 - Oversee the development and implementation of Business Continuity procedures and guidelines;
- (c) Monitor and review the exposures of the enterprise level key risk(s), and assess management preparedness to deal with the risk and associated events;
- (d) Ensure that the Company is taking appropriate measures to achieve prudence balance in risk and reward in both ongoing and new business activities.
- (6) To keep the Board informed about the nature and content of the Risk Management Committee discussions, recommendations, and actions to be taken. Engage other stakeholders in the risk management process when the need is identified.
- (7) To advise the Board on the effectiveness of the risk management systems at least annually.
- (8) To periodically review the risk management policy, at least once in two years and recommend to Board for approval.
- (9) The appointment, removal and terms of remuneration of the Chief Risk Officer (CRO), if any, shall be subject to review by the Committee.
- (10) The Committee may form and delegate authority and responsibility to an executive sub-committee, which shall assist the Committee to manage the ERM activities.
- (11) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.
- (12) Perform any other activities as prescribed under the Listing Regulations and other applicable laws.

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

Sr. No	Date of RMC Meeting	Member Strength	No. of Members Present
1	2 July, 2024	5	5
2	18 December, 2024	5	5
3	18 March, 2025	4	3

PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

The details of the Senior Management as on 31 March, 2025 are as under:

- Mr. Amar Kaul, Managing Director & CEO
- Mr. Susheel Todi, Chief Financial Officer
- Mr. Mukul Srivastava, President - Switchgear Business
- Mr. Sriram Rangarajan, Executive Vice President - Head Consumer Product Business
- Mr. Indraneel Dhaneshwar, Vice President - Motors
- Mr. Ajay Jain, Vice President - Head Transformer Business
- Mr. Chidambaram Balakrishnan, Vice President - Head Railways Business
- Mr. Gaurav Makhija, Vice President - (Designate) - Switchgear & EPD
- Mr. Mehernosh Mehta, Vice President - Human Resources and Corporate Communications
- Mr. Virendra Nandedkar, Vice President - CGX Operations and Commercial Excellence
- Mr. Devan Jani, Vice President - Strategic Sourcing
- Mr. Sanjay Kumar Chowdhary, Company Secretary

During the year under review, following changes took place in the Senior Management of the Company:

- Mr. Natarajan Srinivasan, retired as Managing Director of the Company at the close of business hours on 24 July, 2024.
- Mr. Amar Kaul has been appointed as Managing Director & CEO of the Company w.e.f. 25 July, 2024.
- Mr. Sudhir Kulkarni, Vice President - Head HR resigned from the services of the Company w.e.f. closure of business hours on 26 July, 2024.

4. Effective 12 August, 2024, Mr. Ramesh Kumar, President - Industrial who was heading the Industrial Business of the Company, was moved to a new role and designated as President - Strategic Business and Mr. Indraneel Dhaneshwar, Vice President - Motor Business took over as Head of Motor Business. Further, Mr. Ramesh Kumar retired from the services of the Company with effect from close of business hours on 3 January, 2025.
5. Mr. Sriram Rangarajan has been appointed as Executive Vice President - Consumer Electrical and SBU Head w.e.f. 12 August, 2024.
6. Mr. Virendra Nandedkar has been appointed as Vice President - CGX Operations and Commercial Excellence w.e.f. 12 August, 2024.
7. Mr. Devan Jani has been appointed as Vice President - Strategic Sourcing with effect from 14 October, 2024.
8. Mr. Mehernosh N. Mehta has been appointed as Vice President - Human Resources and Corporate Communications with effect from 20 January, 2025.
9. Mr. Gaurav Makhija has been appointed as Vice President - (Designate) - Switchgear & EPD with effect from 3 March, 2025.

CODE OF CONDUCT AND BUSINESS PRACTICES

Your Company has adopted 'Code of Conduct and Business Practices' in terms of Regulation 17(5) of the SEBI LODR. Pursuant to Regulation 26(3) of the SEBI LODR, all the Board Members and Senior Management of the Company as on 31 March, 2025 have affirmed compliance with the Code of Conduct. The said Code of Conduct is available on the website of the Company.

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

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

INFORMATION ON GENERAL BODY MEETINGS

ANNUAL GENERAL MEETING

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

03 Last three Annual General Meetings held and Special Resolutions passed

Financial Year	Location	Date	Time (IST)	Special Resolutions Passed
2021-22	The meeting was conducted through Video Conferencing and Other Audio Visual Means. The deemed venue of the meeting was the registered office of the Company.	27 July, 2022	3:00 p.m.	Nil
2022-23	Same as above	27 July, 2023	3:00 p.m.	Nil
2023-24	Same as above	24 July, 2024	3:00 p.m.	Nil

EXTRAORDINARY GENERAL MEETING

There were no Extraordinary General Meetings of the Company held during the FY 2024-25.

POSTAL BALLOT

The following Special Resolutions were passed through Postal Ballot during the financial year 2024-25. The Postal Ballot was conducted in accordance with the procedure laid down under Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The procedure for Postal Ballot was mentioned in the Postal Ballot Notice issued by the Company. Mr. Prashant S. Mehta, Proprietor of P. Mehta & Associates, Practicing Company Secretary acted as the Scrutiniser for Postal Ballot.

1. Approval for raising capital by way of a qualified institutions placement to eligible investors through issuance of equity shares and/or other eligible securities

The Resolution was passed with requisite majority by the Shareholders on 18 December, 2024.

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

Mode	Total votes Cast	In Favour			Against		
		No. of Shareholders	Votes	% of votes in favour	No. of Shareholders	Votes	% of votes in against
E-Voting	1,20,78,64,501	2,305	1,20,78,53,161	99.99	70	11,340	0.01
Total	1,20,78,64,501	2,305	1,20,78,53,161	99.99	70	11,340	0.01

2. Approval for appointment of Mr. Mammen Chally (DIN: 10908528), as a Non-Executive Independent Director of the Company.

The Resolution was passed with requisite majority by the Shareholders on 15 March, 2025.

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

Mode	Total votes Cast	In Favour			Against		
		No. of Shareholders	Votes	% of votes in favour	No. of Shareholders	Votes	% of votes in against
E-Voting	1,21,29,98,933	2,036	1,21,23,98,259	99.95	86	6,00,674	0.05
Total	1,21,29,98,933	2,036	1,21,23,98,259	99.95	86	6,00,674	0.05

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

MEANS OF COMMUNICATION

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

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

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

consolidated position of your Company across a number of years are readily available in a user friendly manner for retail investors and researchers.

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

General Shareholder Information

CIN: L99999MH1937PLC002641

Registration Date: 28/04/1937

Address of the Registered Office and Contact Details:

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

Tel No.: +91 22 2423 7777

88TH ANNUAL GENERAL MEETING

Date: Thursday, 24 July, 2025

Time: 3.00 p.m.

Venue: The 88th Annual General Meeting of the Company is being conducted through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility and the deemed venue for the AGM shall be the Registered Office of the Company.

DIVIDEND PAYMENT DATE

The Company has declared on 18 March, 2025 an Interim Dividend for the financial year 2024-25 @ ₹ 1.30/- (65%) per Equity Share of ₹ 2/- (Rupees Two only) each. The interim dividend was paid to the shareholders on 29 March, 2025. The Board of Directors have not recommended any further dividend for the financial year 2024-25.

FINANCIAL YEAR AND TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING 31 MARCH 2026

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

Tentative calendar of Board Meetings for consideration of financial results for remaining part of financial year ending 31 March, 2026 is given below:

First quarter results:

On/before 14 August, 2025

Second quarter results:

On/before 14 November, 2025

Third quarter results:

On/before 14 February, 2026

Last quarter results and annual audited results:

On/before 30 May, 2026

NAME AND ADDRESS OF THE STOCK EXCHANGES

Name of Stock Exchange	Address
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

Your Company has paid the annual listing fees for the FY 2025-26 to each Stock Exchange on which its securities are listed.

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

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

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

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

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

DISTRIBUTION AND CATEGORIES OF SHAREHOLDING

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

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

06 Distribution of Shareholding as on 31 March, 2025

No. of Shares	No. of Shares	% of Capital	No. of Shareholders	% of Total
Upto 500	3,06,48,694	2.01	4,73,380	93.09
501 - 1,000	1,16,16,282	0.76	15,413	3.03
1,001 - 2,000	1,22,49,484	0.80	8,376	1.65
2,001 - 3,000	78,79,244	0.52	3,125	0.62
3,001 - 4,000	56,08,738	0.37	1,580	0.31
4,001 - 5,000	58,06,893	0.38	1,243	0.24
5,001 - 10,000	1,66,66,218	1.09	2,274	0.45
10001 - above	1,43,83,93,891	94.08	3,133	0.62
Total	1,52,88,69,444	100.00	5,08,524	100.00

07 Categories of Shareholders/ Shareholding pattern as on 31 March, 2025

Category	No. of Shares of ₹ 2 each	% of Shareholding
Promoters	88,76,50,111	58.06
Financial Institutions/ Banks	21,970	0.00
Provident Funds / Pension Funds	2,48,16,759	1.62
Alternate Investment Funds	1,82,53,164	1.19
Central Government / State Government(s) / President of India	23,986	0.00
Qualified Institutional Buyer	3,18,78,682	2.09
Foreign Investors	20,48,63,096	13.40
Domestic Companies	3,51,66,271	2.30
Individuals	19,36,42,636	12.67
Total	1,52,88,69,444	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY

As on 31 March, 2025, 99.87% of the total equity shares of your Company were held in dematerialized form, compared to 99.86% in the previous year.

Data on number of shares held in dematerialized and physical form as on 31 March, 2025 is given in Table 8 below:

08 No. of shares held in dematerialized and physical form as on 31 March, 2025

Sr. No.	Particulars	No. of Shares	% of total Capital Issued
1	Held in dematerialized form in NSDL	1,52,88,69,444	93.43
2	Held in dematerialized form in CDSL	9,84,63,030	6.44
3	Held in Physical form	19,75,335	0.13
Total		1,52,88,69,444	100.00

REGISTRAR AND SHARE TRANSFER AGENT

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

DATAMATICS BUSINESS SOLUTIONS LIMITED

Unit: CG Power and Industrial Solutions Limited

Plot No. A-16 & 17, Part B Cross Lane, MIDC, Andheri (East),
Mumbai 400 093.

Tel: + 91 22 6671 2001 to 6671 2006

Fax: + 91 22 6671 2011

Email: cginvestors@datamaticsbpm.com

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

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

issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

As on date, the Company has not issued GDRs/ ADRs/ Warrants or any other convertible instruments and as such, there is no impact on the equity share capital of the Company.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

PLANT LOCATIONS

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

ADDRESS FOR CORRESPONDENCE

The shareholders can direct their communication to the Corporate Secretarial at:

CG House, 10th Floor, Dr. Annie Besant Road, Worli,
Mumbai 400 030

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

Time: 2.00 p.m. to 5.00 p.m. (IST) (Monday to Friday)

Tel: +91 22 2423 7806

Fax: +91 22 2423 7733

E-mail: investorservices@cgglobal.com

CREDIT RATING

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

OTHER DISCLOSURES

DISCLOSURE OF MATERIAL RELATED PARTY TRANSACTIONS

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

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

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

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

FEES PAID TO STATUTORY AUDITORS

Total fees for all services paid by your Company and its Subsidiaries, on a consolidated basis, to Statutory Auditors of the Company and other firms in the network entity of which the Statutory Auditors are a part, during the year ended 31 March, 2025, is as follows:

(₹ in crores)

Particulars	SRBC & CO LLP and their Network Entities
Fees for audit and related services	1.57
Other Fees	1.09
Total	2.66

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

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

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

RECOMMENDATIONS OF THE COMMITTEES OF THE BOARD

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

CEO/CFO CERTIFICATION

For the FY 2024-25, Mr. Amar Kaul, Managing Director & CEO and Mr. Susheel Todi, Chief Financial Officer of the Company have furnished the annual certification on financial reporting and internal controls to the Board in terms of the SEBI LODR, which forms part of this report.

SUBSIDIARY COMPANIES

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

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

The Company does not have any material subsidiaries for the financial year ended 31 March, 2025. Hence, there is no requirement for disclosure of the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

UNCLAIMED SHARES

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

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

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

During the FY 2024-25, there were no dividend(s) which remained unclaimed / unpaid for a period of seven consecutive years, from the date they became due for payment which were required to be transferred to IEPF, in terms of the provisions of Sections 124 and 125 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time.

The Contact details of the Nodal Officer - CG Power and Industrial Solutions Limited,

10th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai - 400 030.

Tel: 91 22 2423 7777

Email: ho.secretarial@cgglobal.com

STRICTURES/PENALTY/ DETAILS OF NON-COMPLIANCE

During the year 2022-23, SEBI levied a fine of ₹ 5,00,000/- on the Company in connection with delay in making quarterly disclosures to the Stock Exchanges, regarding default in repayment of loans/ interest on loans to the lenders in the prescribed format, as required under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21 November, 2019, relevant to the quarters ended 31 December, 2019 and 31 March, 2020. The Company preferred an appeal before the Securities Appellate Tribunal challenging the said order of SEBI. The Securities Appellate Tribunal (SAT) has set aside the said SEBI order.

During the year under review, there were two instances of non-compliance for which penalties have been imposed by Stock Exchanges, the details are as follows: (1) A fine of ₹ 10,000/- each was imposed by NSE and BSE under the provisions of Regulation 29(2) of the SEBI Listing Regulations in connection the prior intimation requirements for fund raising proposal via QIP - Two days' advance notice was given instead of two working days; and (2) A fine of

₹ 2,000/- each was imposed by NSE and BSE under the provisions of Regulation 31 of the SEBI Listing Regulations in connection with a 1-day delay in submission of Shareholding Pattern for the quarter ended 31 December, 2024.

Except as aforesaid, there has been no penalty imposed on the Company or no strictures have been passed against it by SEBI or Exchanges or any other statutory authorities on any such matters, during the last three years.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations - NIL

DISCRETIONARY REQUIREMENTS

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

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

COMPLIANCE WITH CORPORATE GOVERNANCE

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

CERTIFICATE ON CORPORATE GOVERNANCE

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

On behalf of the Board of Directors

Vellayan Subbiah
Chairman

(DIN: 01138759)

Mumbai, 6 May, 2025

CEO/CFO CERTIFICATION

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

We have reviewed the Standalone and Consolidated Financial Statements and Cash Flow Statements of the Company for the **year ended 31st March, 2025** and certify that:

- (A) These statements, to the best of our knowledge and belief:
- (1) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (2) present a true and fair view of the Company's affairs and are in compliance with the applicable accounting standards, applicable laws and regulations.
- (B) To the best of our knowledge and belief, no transactions entered into by the Company during the year, are fraudulent, illegal or violate the Company's Code of Conduct and Business Practices.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware, and the steps taken or proposed to be taken to rectify these deficiencies.
- (D) we have indicated to the Auditors and the Audit Committee that:
- (1) there was no significant change in internal control over financial reporting during the year ended 31st March, 2025;
 - (2) there was no significant change in accounting policies during the year ended 31st March, 2025 other than what have been disclosed in the notes to the financial statements; and
 - (3) There are no instances of significant fraud of which we have become aware during the year ended 31st March, 2025.

Amar Kaul
Managing Director & CEO

Susheel Todi
Chief Financial Officer

Mumbai, 6th May, 2025

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE**TO THE MEMBERS OF
CG POWER AND INDUSTRIAL SOLUTIONS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by CG Power and Industrial Solutions Limited ('the Company') for the year ended on March 31, 2025, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, subject to the disclosures made by the management in the Corporate Governance Report and to the stock exchanges and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2025.

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

For Parikh & Associates
Company Secretaries

Mitesh Dhaliwala

Partner

FCS No: 8331 CP No: 9511

UDIN: F008331G000277985

PR No.: 6556/2025

Mumbai, May 06, 2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

S. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Vellayan Subbiah	01138759	26.11.2020
2.	M A M Arunachalam	00202958	26.11.2020
3.	Palamadai Sundararajan Jayakumar	01173236	26.11.2020
4.	Sriram Sivaram	01070444	11.06.2021
5.	Vijayalakshmi Iyer	05242960	24.09.2022
6.	Amar Kaul	07574081	25.07.2024
7.	Mammen Chally	10908528	28.01.2025

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

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

For Parikh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331G000278040
PR No.: 6556/2025

Mumbai, May 06, 2025

DECLARATION OF COMPLIANCE WITH CG CODE OF CONDUCT AND BUSINESS PRACTICES

To,
The Members,
CG Power and Industrial Solutions Limited

I, the undersigned, hereby declare that all the Board Members and Senior Management of the Company have affirmed compliance with 'CG Code of Conduct and Business Practices' laid down and adopted by the Company, during the year ended 31st March, 2025.

Amar Kaul
Managing Director & CEO
(DIN: 07574081)
Mumbai, 6th May, 2025



CG's 420kV SF6 Circuit Breaker
at Switchgear unit (S3), Nashik, Maharashtra

**BUSINESS
RESPONSIBILITY &
SUSTAINABILITY
REPORT**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT FY 2024-25

SECTION A: GENERAL DISCLOSURES

This is Business Responsibility & Sustainability (“**BSR**”) report for the financial year ended 31 March, 2025, in which the Company has endeavored to disclose all the relevant financial, non-financial and Environment, Social and Governance (“**ESG**”) disclosures required by SEBI in line with the National Guidelines on Responsible Business Conduct (“**NGRBC**”). The Report offers to all CG’s stakeholders a comprehensive perspective and insight of the Company’s initiatives around the business, environment and society, as a commitment to shared value creation for all with sustainable development. To suit the needs of CG’s investors and other stakeholders, the Report continues to enhance CG’s disclosures on ESG practices with strategic approaches to create value for all the stakeholders while managing risks in the external environment.

This past year, CG made significant strides in enhancing our workforce diversity. It is proud to report an increase in its permanent employee diversity rate from 6.63% to 7.43%. This upward trend reflects CG’s commitment to building a more inclusive environment across all levels of the organization. In the upcoming year, CG will aspire to achieve more than 9% in its permanent employee diversity rate

Beyond its permanent staff, it also saw a notable rise in the diversity rate within its blue-collar workforce, which includes both on-roll and contract workers. This rate climbed to 5.70% in the reporting year, up from 3.37% previously. This progress is a testament to its focused efforts on creating opportunities and fostering a diverse representation across all operational roles.

The employee diversity rate went from 8.21% to 9.31% in leadership positions, 4.13% to 4.53% in management positions and 1.65% to 3.62% in executive roles as compared to last year.

Overall, CG’s commitment to diversity is evident in our total workforce diversity rate, which stands at 6.46% for the reporting year, compared to 5.14% last year. Also in terms of employee turnover, the female employee turnover rate dropped from 28% last year to 21% in the reporting year.

These positive shifts underscore its dedication to cultivating a rich and varied talent pool, believing that a diverse workforce drives innovation, understanding, and success.

In the past year, CG also analyzed its employee turnover to understand its various facets. Of all separated employees, it observed the following age demographics: 34% were under 30 years old, 50% were between 30 and 50, and 15% were over 50. This breakdown provides valuable insights into the age groups experiencing the most movement within the organization.

Delving deeper into turnover by role, its data shows that 6% of separated employees held Leadership positions, 29% were in Management roles, and 44% held Executive positions. This analysis helps CG identify potential areas for further investigation and strategic intervention to enhance employee retention across different organizational levels.

As mentioned in the last year’s report, CG carried out a Climate Risk Assessment where CG evaluated the resilience of its strategic approach to climate-related risks and opportunities. Through its Climate Risk Assessment, CG has explored various climate-related scenarios, including a 2.1°C to 3.5°C (SSP2 – 4.5W/ m2) and 3.3°C to 5.7°C (SSP5 – 8.5W/ m2), to identify potential impacts and develop strategies for resilience enhancement.

Supporting this endeavor, CG has embarked on a journey to align its disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD structures its recommendations around four thematic areas, which constitute the fundamental elements of organizational operations: governance, strategy, risk management, and metrics & targets. These thematic areas are designed to be interlinked and mutually informative. The report will be made available in CG’s website shortly.

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L99999MH1937PLC002641
2.	Name of the Listed Entity	CG Power and Industrial Solutions Limited (“ the Company ” or “ CG ”)
3.	Year of incorporation	1937
4.	Registered office address	CG House, 6 th Floor, Dr. Annie Besant Road, Worli, Mumbai - 400 030, Maharashtra, India



5.	Corporate address	CG House, 6 th Floor, Dr. Annie Besant Road, Worli, Mumbai - 400 030, Maharashtra, India
6.	E-mail	investorservices@cgglobal.com
7.	Telephone	+91 22 2423 7777
8.	Website	www.cgglobal.com
9.	Financial year for which reporting is being done	1 April, 2024 to 31 March, 2025
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE)
11.	Paid-up Capital	₹ 305.78 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR	Deven Jani deven.jani@cgglobal.com , +91-2224237767
13.	Reporting boundary - Are the disclosures under this Report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this Report are on a standalone basis and pertain to CG Power and Industrial Solutions Limited (CG)
14.	Name of Assurance Provider	CNK & Associates LLP
15.	Type of Assurance provided	Reasonable assurance for BRSR Core and Limited assurance for rest of the BRSR

II. Products/services

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

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

CG Power and Industrial Solutions Limited is an engineering conglomerate headquartered in Mumbai, India. The Company is a leader in the Electrical Engineering Industry and has two business lines—Industrial Systems and Power Systems. It manufactures Traction Motors, Propulsion systems, Signaling Relays etc., for the Indian Railways, and wide range of Induction Motors, Drives, Transformers, Switchgears, and other allied products for the Industrial and Power sectors. Recently, the Company also made a foray into the business of Consumer Appliances such as Fans, Pumps, and Water Heaters.

CG Power and Industrial Solutions Limited operates 17 world-class manufacturing facilities across 9 locations in India and Europe. Supporting its operations is a robust network comprising 5 regional offices, 14 branch offices across India, and 5 international offices. The Company's workforce stands at approximately 3,408 employees.

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

S No.	Product/service	NIC Code	% of total Turnover contributed
1	Industrial Systems (Motors, Drives, Railway Signaling, Traction machines, Traction electronics)	27103 27503 27504 30205	62.40%
2	Power Systems (Transformers and Switchgears)	27102 27104	37.60%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	16	19	35
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Numbers
National (No. of States)	25 States and 6 Union Territories
International (No. of Countries)	The Company is catering to a large customer base in more than 50 countries across Europe, America, Asia Pacific, Africa and Middle East.

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

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

c. A brief on types of customers –

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

IV. Employees

20. Details as at the end of Financial Year: 31 March, 2025

a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	2134	1975	93%	159	7%
2.	Other than Permanent (E)	620	564	91%	56	9%
3.	Total Employees (D+E)	2754	2539	92%	215	8%
Workers						
1.	Permanent (D)	1274	1254	98%	20	2%
2.	Other than Permanent (E)	3563	3307	93%	256	7%
3.	Total Workers (D+E)	4837	4561	94%	276	6%

b. Differently abled Employees and Workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	3	2	67%	1	33%
2	Other than Permanent (E)	0	0	-	0	-
3	Total Differently abled employees (D + E)	3	2	67%	1	33%
Workers						
1	Permanent (D)	0	0	-	0	-
2	Other than Permanent (E)	2	2	100%	0	-
3	Total Differently abled workers (D + E)	2	2	100%	0	-

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.28%
Key Management Personnel	3	0	0%

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

22. Turnover rate for permanent employees and workers

	Turnover rate in FY 2024-25			Turnover rate in FY 2023-24			Turnover rate in FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18%	20%	18%	18%	28%	18.3%	15%	41%	16%
Permanent Workers	3%	0%	2%	4%	0%	5.1%	8%	0%	8%

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (as on 31 March 2025)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Tube Investments of India Limited	Holding Company	57.98%	No. CG is reporting on Business Responsibility and Sustainability Reporting on Standalone basis.
2	CG Power Equipments Limited	Subsidiary	100%	
3	CG Adhesive Products Limited	Subsidiary	83.59%	
4	CG Semi Private Limited	Subsidiary	92.34%	
5	Axiro Semiconductor Private Limited	Subsidiary	100%	
6	G.G. Tronics India Private Limited	Subsidiary	55.60%	
7	CG International Holdings Singapore Pte. Ltd. (Proposed for voluntary winding up)	Subsidiary	100%	
8	CG Sales Networks Malaysia Sdn. Bhd. (Under Voluntary Liquidation)	Subsidiary	100%	
9	PT Crompton Prima Switchgear Indonesia (Proposed the sale of the stake)	Subsidiary	51%	
10	CG International B.V.	Subsidiary	100%	
11	CG Power Americas, LLC	Subsidiary	100%	
12	CG DE SUB, LLC (formerly known as QEI, LLC)	Subsidiary	100%	
13	CG Holdings Belgium NV (CG Belgium) (under Bankruptcy)	Subsidiary	100%	
14	CG Power Systems Belgium NV (under Bankruptcy)	Subsidiary	100%	
15	CG Sales Networks France SA (Subsidiary of CG Belgium whose bankruptcy procedure is ongoing)	Subsidiary	100%	
16	CG Power Solutions Saudi Arabia Co. (Subsidiary of CG Belgium whose bankruptcy procedure is ongoing)	Subsidiary	100%	
17	CG Electric Systems Hungary Zrt. (declared insolvent)	Subsidiary	100%	
18	CG Power Systems Canada Inc. (under liquidation)	Subsidiary	100%	
19	CG Industrial Holdings Sweden AB	Subsidiary	100%	
20	CG Drives & Automation Sweden AB	Subsidiary	100%	
21	CG Drives & Automation Germany GmbH	Subsidiary	100%	
22	CG Drives & Automation Netherlands B.V.	Subsidiary	100%	
23	Axiro Semiconductor Inc.	Subsidiary	100%	
24	Axiro Semiconductor (Shenzhen) Co., Ltd.	Subsidiary	100%	
25	Axiro Semiconductor Turkey Araştırma ve Geliştirme A.Ş.	Subsidiary	100%	
26	Chola Foundation	Associate	33.33%	

VI. CSR Details

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No): Yes, CSR is applicable.
- (ii) Turnover (in ₹) ₹ 7,761 Crores.
- (iii) Net worth (in ₹) ₹ 3,245 Crores

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism (GRM) in Place (Yes/No) (If Yes, then provide web-link for grievance redressal policy)	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Whistleblower Policy https://www.cgglobal.com/assets/pdf_files/Whistleblower_Policy.pdf	-	-	-	-	-	-
Shareholders	Whistleblower Policy https://www.cgglobal.com/assets/pdf_files/Whistleblower_Policy.pdf Scores Portal	28	29	Complaints resolved during the year	16	1	-
Employees and workers	Human Resource Policy, Occupational Health and Safety(OHS) Policy, Human Rights Policy https://www.cgglobal.com/policy	-	-	-	-	-	-
Customers	Customer Care Policy https://www.cgglobal.com/policy	58315	334	Pending grievances as on 31 March, 2025 were service centric	45726	544	Pending grievances as on 31 March, 2024 were service centric
Value Chain Partners	CG Vendor Portal	603	81	Pending grievances as on 31 March, 2025 were Purchase order related complaints.	400	28	Pending grievances as on 31 March, 2025 were purchase order related complaints
Other (please specify)	Other stakeholders may raise their grievances on the Company's Grievance Portal help@cgglobal.com .						

26. Overview of the Company's material responsible business conduct issues:

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

The Company has assessed its material issues as a risk or an opportunity with a holistic approach to take appropriate measures and mitigate risks along with financial implications.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate Positive/ Negative Implications)
1	Climate Action	Risk	Climate change is one of the major risks identified across the globe. It has transitional impacts on supply chain, sourcing and overall business strategy.	In the reporting year, the Company has undertaken Climate Risk Assessment study by an independent expert agency to identify the physical and transitional risks which the Company may be exposed to in upcoming years in short and long term. The detailed assessment could be found in Company's first Task Force on Climate Related Financial Disclosure (TCFD) Report.	The Company has identified that Heat Stress and Water stress are the key risks which may affect the Company in short term future. Also some of its Supplychain routes could be effected due to floodingThe Company is in process of forming strategies to tackle these issues.
2	Corporate Governance	Opportunity	Transparent Board structure, effectiveness, diversity with presence of an effective risk management system to identify and mitigate business risks (including ESG risks) and maintaining positive stakeholder relations (customers, suppliers, community, shareholders, employees, trade associations, NGOs, etc.) that supports business sustainability.	The Company's Code of Conduct and Business Practices includes guidelines for ethical behavior, anti-bribery and corruption that is applicable to all the employees, Directors of CG and all the Subsidiaries of the Company. All suppliers, services providers and related entities are bound by CG's Supplier Code of Conduct and are required to commit to the provisions contained in this Code. Acknowledgement to the provisions of these Codes is a prerequisite for any employment contract or business relationship with the Company.	It can have a positive impact on CG as it provides the opportunity to improve its relations with all stakeholders.
3	Human Capital Development	Opportunity	The Company believes in effective employee engagement to create a shared value for business and its workforce by adopting practices such as learning, development, robust health and safety practices and employee benefits.	Ensuring the highest standards of health and safety of employees by undertaking initiatives to reduce accidents on shop floor by improved training ensuring wellbeing of employees through varied programs, and conducting internal and external safety audits and performance disclosures.	It can have a positive impact on CG.
4	Human Rights	Risk	Managing human rights related issues like no discrimination, laws against child labour are significant to business.	The Company is creating awareness on human rights in context to health and safety, safe working conditions, prohibition of child labour, equal opportunity and grievance redressal mechanism. Vendors and suppliers are required to comply with "CG Supplier code of conduct".	This might have a negative impact on CG. Hence, it has conducted third party audit for compliance to labor laws at all of its sites in the reporting year by an external agency to identify the issues if any.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of Risk, approach to adapt or mitigate	Financial Implications of the risk or opportunity (Indicate Positive/ Negative Implications)
5	Product Stewardship	Opportunity	Opportunity to make products and provide services with respect to environmental and social aspects to address issues around resource conservation, energy and climate change.	Investing in research and development, complying with the regulatory guidelines and global standards on product developments.	It can have a positive impact on the CG.
6	Innovation Management	Opportunity	Innovation management involves the process of enhancing the Company's ability to adapt with the evolving technologies by devising and implementing the business strategy to cater to the evolving market expectations.	The Company is developing a culture of innovation by developing effective learning and through development of modules to upskill the workforce to enable them to generate quality ideas by investing in new technologies.	It can have a positive impact on CG.
7	Responsible Supply chain	Risk	Supply chain disruption with focus on localization and evolving regulatory guidance to assess value chain partners on ESG risks and parameters.	Focus on reducing negative environment impact due to the logistics. Focus on identifying and assessing local suppliers on Environment Management System, Quality Management System, Environment Health and Safety.	It might have a negative impact on CG. Hence, it has implemented Sustainable Supply chain policy to promote local and sustainable sourcing.
8	Customer Relationship Management	Opportunity	Customer centricity with regular engagement with customers enables the Company to assess the customer's expectations with evolving demands.	The Company customizes its products as per client's product specifications and requirements with regular engagement and an effective customer grievance management.	It can have a positive impact on CG.
9	Responsible Investment Practices	Opportunity	Considering the uncertain economic ambience, climate change, supply chain disruptions with changing business landscape in the digital era has severe impacts on the business. As a responsible investor there is need to build a resilient and transparent business ecosystem.	The Company is considering the sustainability criteria in its investment decisions to create a shared value for its stakeholders with long term perspective.	It can have a positive impact on CG.
10	Community Relations	Opportunity	Strong community relations and effective communication helps business to create a shared value with social license to operate. Maintaining positive community relations in areas where the Company operates results in a positive impact on living conditions, contributing towards community welfare through CSR activities.	Engaging with communities on Community development, Healthcare, and education through the Company's CSR activities.	It can have a positive impact on CG.



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

In the reporting year, CG updated its ESG Policies. Through the modifications, CG addressed a few gaps which were identified various external and internal assessments of the old policies.

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

Disclosure Questions										
Policy and management processes		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available*	https://www.cgglobal.com/policy								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes. CG has translated the policy into procedures.								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	All polices are extended to the company's value chain partners with respect to the clauses related to code of conduct, anti-bribery, anti-corruption, conflict of interest, fair practice etc.								
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	CG measures and reports its sustainability performance in accordance with GRI principles. • P3: ISO 45001 Occupational Health and Safety • P6: ISO 14001:2015 – Environmental Management System (EMS), BIS IS1180 Certification for Distribution Transformer • P9: ISO 9001:2015 Quality Management System, BIS IS1180 Certification for Distribution Transformer, International Railway Industry Standard ISO/TS 22163:2017 certification for Railway BU's (TMS & RTTE).								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	CG has committed to be Carbon Neutral (for Scope 1 and Scope 2) by the end of 2030.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The company had reduced its total emission intensity of its Scope 1 and Scope 2 emissions by 9% in the reporting year as compared to FY2023-24.								

Governance, leadership and oversight	
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)
	During the reporting year, CG conducted a comprehensive assessment study to plan out its roadmap to achieve Carbon Neutrality and a risk assessment study related to climate change to identify the transitional and physical risks. Key highlights from its sustainability efforts include: Renewable Energy Consumption: The company's share of renewable energy consumption relative to total energy usage has been at 11.56% in FY2024-25. Going forward, the Company will further extend its share of renewables.

Governance, leadership and oversight

Carbon Footprint Reduction: The company is actively implementing strategies to minimize its carbon footprint such as enhancing our Renewable energy inputs and by switching to less carbon fuel.

ESG Reporting: The company's second ESG Report (FY 2023-24) has been prepared with reference to Global Reporting Initiative (GRI) standards. Going forward, the company will continue to communicate its ESG strategy and progress through various channels and platforms. The company extends heartfelt gratitude to our dedicated team members and all stakeholders for their unwavering support and contributions to our sustainability journey.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Mr. Amar Kaul, Managing Director and CEO, CG Power and Industrial Solutions Limited
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. CG has a Risk Management Committee which is currently responsible for reviewing Enterprise Risks including Sustainability related issues. Recommendations of the Risk Management Committee are considered by the Board of Directors, as needed. Along with this, CG also has a Corporate Social Responsibility ("CSR") Committee in line with the provisions of Section 135 of the Act. The CSR Committee recommends, and the Board approves, the CSR expenditure budget and project plan. CSR projects of the Company are approved by the Board based on the recommendation of the CSR Committee. The Committee reviews CSR expenditure, activities undertaken and milestones achieved.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action																		
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances																		

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Yes, in the reporting year, CG has carried out the evaluation of the working of its ESG Policies through an assessment by M/s EcoVadis.								
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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



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

ESSENTIAL INDICATORS

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training	% age of persons in respective category covered by the awareness programmes
Board of Directors (BoDs) and Key Managerial Personnel (KMPs)*	0	0	0%
Employees other than BoD and KMPs	93	Advance First aid, safety training, TPM, Cyber security	58%
Workers	31	First aid, Testing, Safety, Use of PPE	8%

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

Monetary					
Sl. No.	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
1	P1	Additional Commissioner, CGST & Central Excise, Bhopal	4,09,83,824/-	Demand Order passed by the Additional Commissioner, CGST & Central Excise, Bhopal, imposing penalty of ₹ 4,09,83,824/- on account ITC wrongly availed and reversed in FY2018-19.	Yes
2	P1	State Tax Officer, Pondy Bazaar, Assessment Circle under TNGST Act, 2017	12,60,618/-	Demand Order passed by the State Tax Officer, Pondy Bazaar, Assessment Circle under TNGST Act, 2017, imposing penalty of ₹ 12,60,618/- on account of multiple issues such as E-way bill turnover mismatch with GSTR-1, ITC mismatch with GSTR-2A, ITC from cancelled GSTN, TDS credit etc. for the FY 2019-20.	Yes
3	P1	Office of Assistant Commissioner, Mathura, Uttar Pradesh under IGST Act, 2017	12,49,591/-	Demand Order passed by the Office of Assistant Commissioner, Mathura, Uttar Pradesh under IGST Act, 2017, imposing penalty of ₹ 12,49,591/- alleging vehicle movement without proper documents.	Yes
4	P1	State Tax Officer, Vadodara, Gujarat under CGST Act, 2017	8,64,000/-	Demand Order passed by the State Tax Officer, Vadodara, Gujarat, under CGST Act, 2017, imposing penalty of ₹ 8,64,000/- on account of goods carrying vehicle detained alleging inadequate documents and wrong vehicle type.	Yes
5	P1	Joint Commissioner (Appeals Bhopal), Madhya Pradesh.	1,66,715/-	Demand Order passed by the Joint Commissioner (Appeals Bhopal), Madhya Pradesh under CGST Act, 2017, imposing penalty of ₹ 1,66,715/- on account of Trans-1 credit disallowed for the FY 2017-18.	Yes

Monetary					
Sl. No.	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
6	P1	Deputy Commissioner of Customs (Export)	75,000/-	Order passed by the Deputy Commissioner of Customs (Export) under Section 117 of the Customs Act, 1962 read with relevant Rules, Imposing penalty of ₹ 75,000/- for delay in refunding duty drawback on account of non-realization of export proceed.	No
7	P1	Joint Commissioner, Appeals, Bhopal under CGST Act, 2017	70,279/-	Demand Order passed by the Joint Commissioner, Appeals, Bhopal under CGST Act, 2017, imposing penalty of ₹ 70,279/- on account of Excess Refund received for FY 2018-19. Refund claimed (RDF 01) on invoice value whereas as per department refund is eligible on lower of invoice value or FOC value of export transaction.	Yes
8	P1	Deputy Commissioner of State Tax, Raipur, Chattisgarh under CGST Act, 2017	20,000/-	Demand Order passed by the State Tax Officer, Pongy Bazaar, Assessment Circle under TNGST Act, 2017, imposing penalty of ₹ 20,000/- on account of ITC disallowed on purchase from cancelled GSTN in FY 2018-19.	No
9	P1	State Tax Officer, Pongy Bazaar, Assessment, Circle under TNGST Act, 2017	20,000/-	Demand Order passed by the State Tax Officer, Pongy Bazaar, Assessment Circle under TNGST Act, 2017, imposing penalty of ₹ 20,000/- on account of ITC disallowed on purchase from cancelled GSTN in FY 2018-19.	No
10	P1	Office of the Superintendent Central GST & Central Excise, Range-IID, Guwahati	10,000/-	An Order is passed by the Office of the Superintendent Central GST & Central Excise, Range-IID, Guwahati, on account of ITC disallowed on account of GSTR-3B non-filing by the supplier in FY 2018-19 amounting to ₹ 45,606/- and penalty levied of ₹ 10,000/-.	No
11	P1	Deputy Commissioner, Begumpet, Telangana under TGST act, 2017	10,000/-	Demand Order passed by the Deputy Commissioner, Begumpet, Telangana under TGST Act, 2017, imposing penalty of ₹ 10,000/- on account of short payment of Outward tax liability of ₹ 8,631/- in FY 2018-19.	No
12	P1	Excise & Taxation Officer-cum-Notified Authority, Jalandhar, Punjab.	5,000/-	Assessment Order passed by the Excise & Taxation Officer-cum-Notified Authority, Jalandhar, Punjab imposing penalty of ₹ 5,000/- under PVAT Act, 2005 on account of delay in submission of required documents for the FY 2017-18	No

Non-Monetary					
Sl. No.	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)
1	P1	Adjudicating Authority under the Prevention of Money-Laundering Act, 2002, New Delhi.	Order passed by Adjudicating Authority under Section 8(3) of the Prevention of Money Laundering Act, 2002 for retention of the money lying in the Company's new bank account in State Bank of India, CAG Branch, Chennai opened on 25 September, 2024.		No
			Violations under Prevention of Money Laundering Act, 2002 by the erstwhile promoter group and erstwhile management of the Company.		
2	P1	Assistant Commissioner of Income Tax, Mumbai	The Company was in receipt of Income Tax Assessment Order for the Assessment Year 2022-23 on 27 February, 2024 wherein a demand of ₹ 188,78,91,580/- was raised.		
			Being aggrieved by the said assessment order, the Company had filed an appeal before the Commissioner of Income Tax (Appeals) ["CIT(A)"], NFAC, on 26 March, 2024, challenging the Additions / disallowances made in the said demand.		
			The Company had also moved application for stay of demand before the Assessing Officer on 2 May, 2024.		

Monetary					
Sl. No.	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
				The said stay application of the Company was heard by the Assistant Commissioner of Income Tax, Mumbai and the said application was accepted by the Assistant Commissioner of Income Tax by passing an order having reference No. ITBA/COM/F/17/2024-25/1070898287(1) on 4 th December 2024, directing the Company to deposit ₹ 4,89,38,029/- and balance demand stayed till disposal of its appeal before the CIT(A).	Yes
3	P1	Directorate of Enforcement, Government of India, New Delhi		Order passed by Directorate of Enforcement under Section 17(1A) of the Prevention of Money-Laundering Act, 2002 for freezing of in the Company's New Bank account in State Bank of India, CAG Branch, Chennai	No

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

No appeals have been filed.

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

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

<https://www.cgglobal.com/policy>

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

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

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

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

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

Particulars	FY 2024-25 Current Financial Year		FY 2023-24 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

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

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY2024-25	FY2023-24
Number of days of accounts payables	85	89

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY2024-25	FY2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	1.24%	1.51%
	b. Number of trading houses where purchases are made from	99	115
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	93.08%	99.99%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	10.73%	8.99%
	b. Number of dealers / distributors to whom sales are made	1943	1747
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	10.32%	18.24%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.28%	0.26%
	b. Sales (Sales to related parties / Total Sales)	0.21%	0.27%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	2.47%	32.09%
	d. Investments (Investments in related parties / Total Investments made)	90.14%	40.84%

LEADERSHIP INDICATOR

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NA	NA	

2. Does the entity have processes in place to avoid/ manage conflict of interests involving Members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has in place CG Code of Conduct and Business Practices which deals with the Conflict of Interests.

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



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

CG is deeply committed to enhancing customer satisfaction by providing products that meet high-quality and safety standards. The company's Product Stewardship Policy reflects this commitment, spanning the entire product lifecycle—from research and development to sourcing, manufacturing, marketing, distribution, and product discontinuation.

Being an electrical equipment conglomerate, CG has been investing in its R&D with a focus on driving innovation, improving efficiency, and addressing the evolving demands of modern industry. The Company actively explored opportunities in energy-efficiency and noise reduction in its products.

For Capital expenditure, CG had invested around ₹ 3.67 Cr. in CAPEX towards technologies to improve the environmental, health and safety aspects.

In alignment with SEBI's ESG Disclosure requirements for the value chain, effective 12 July, 2023, CG has proactively engaged with its key suppliers. It prioritized the top 2% of our suppliers by transaction value in FY2024-25, alongside other strategically critical partners, to ensure comprehensive coverage of our upstream impact. The details are provided in ESG Disclosure for Value Chain" section on page no. 143.

ESSENTIAL INDICATORS

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

Particulars	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	The CAPEX considered are related to Employee Health and safety, Employee wellbeing and improvement in Environmental parameters
Capex	1.69%	1.80%	

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

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

In the past reporting year, CG successfully initiated the ESG assessment its suppliers, covering 50 Tier-1 critical suppliers. Building on these insights, the coming year will see CG focus on developing a robust sustainable sourcing procedure. This procedure, informed by the results of its initial assessments, will guide CG's procurement practices and reinforce its commitment to responsible sourcing across its operations.

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

CG's initial assessment of 50 Tier-1 critical suppliers revealed positive progress: 23 suppliers were identified as compliant with various environmental or social standards and certifications. This means that 26.48% of its total sourcing inputs are currently being procured sustainably through these compliant partners. As CG expands its supplier assessment program in the coming year to include even more suppliers, it anticipates this percentage of sustainable sourcing will continue to increase significantly.

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

Given the industry's nature, the product life cycles at CG typically extend beyond 20-25 years. As a result, the Company currently does not reclaim our products at the end of the life. However, the company is exploring ways to collaborate with our value chain partners in the future to explore a safe and sustainable end of life treatment for its products.

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

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

LEADERSHIP INDICATOR

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Services	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain? (Yes/No) If yes, provide the web-link.
27103	110KE4 AC Motor	1.27%	Cradle to Grave	Yes	No
	6.7KZ6SR AC Motor				
	11EF2 AC Motor				
	0.37KEG4FLG AC Motor				
	Alternator – G1R250				
	7.5 kW 4P 132Fr NX AC Motor				
	DC Motor -100KDC_ASBG180M-100 kW				

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

There are no significant social or environmental concerns and/or risks arising from production of the Company's products.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

As of now, the Company is not using any type of recycled or reused material in manufacturing of its product.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

The Company is not reclaiming any of its products at the end of life (including packaging material).

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not applicable as the Company is not reclaiming any of its products.

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



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

CG continues to uphold the principles of performance excellence and nurturance, fostering a culture that values meritocracy and discourages personal bias. The Company strives to create an atmosphere where all employees can thrive based on their skills, abilities, and performance. Furthermore, CG actively promotes the highest standards of human rights protection, systematically integrating these principles into its business operations and relationships. This ensures the prevention of human rights violations across its value chains.

The Company, through its Performance Management Process known as PRIDE (Personal Responsibility in Delivering Excellence), is committed to aligning rewards with performance. CG steadfastly concentrates on elevating the talent pool by actively encouraging employees to enhance their skills through comprehensive learning and development programs. PRIDE serves as a framework that emphasizes personal responsibility in delivering excellence, ensuring that individuals are recognized and rewarded based on their performance outcomes. Each employee performs one self-assessment in mid-year and one annual assessment based on the goals set by them at the beginning of a financial year. Under PRIDE, CG not only focuses on employee performance, but emphasis is also provided on employees' behavioral competency. CG evaluates the behavioral competencies under seven aspects i.e.

1. Result orientation
2. Strategic orientation
3. People Management
4. Inter-cultural sensitivity
5. Knowledge and innovation
6. Building Partnerships
7. Customer orientation

Based on the performance against the Goals and behavioral competency, all employees go through one primary assessment by their reporting manager and another assessment by skip level manager.

In the reporting year, CG conducted an Employee Engagement survey in which all the employees have been covered. The engagement score obtained was 77 out of 100. The aspects covered under the survey were Purpose, intent to stay, engagement, stress, happiness, equal opportunity, career path, communication, leadership, support from manager, growth, safety, strategy, feedback and development plan. In the upcoming year, CG will aspire to obtain a score of 80 or more from the survey.

CG also has an Employee Support Program where it focuses on aspects such as upskilling its workforce, supports the workforce in availing insurance whenever required, organizing events and team building games on special occasions to boost collaboration and sense of purpose.

ESSENTIAL INDICATORS

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
Permanent Employees											
Male	1975	1975	100%	1975	100%	0	0	1975	100%	0	0
Female	159	159	100%	159	100%	159	100%	0	0%	159	100%
Total	2134	2134	100%	2134	100%	159	7%	1975	100%	159	7%
Other than Permanent Employees											
Male	564	564	100%	564	100%	0	0	564	100%	0	0
Female	56	56	100%	56	100%	56	100%	0	0%	56	100%
Total	620	620	100%	620	100%	56	9%	564	91%	56	9%

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
Permanent workers											
Male	1254	1254	100%	1254	100%	1254	0	1213	97%	0	0
Female	20	20	100%	20	100%	20	100%	0	0%	20	100%
Total	1274	1274	100%	1274	100%	1274	100%	1213	95%	20	2%
Other than Permanent workers											
Male	3307	3307	100%	3307	100%	0	0	0	0%	0	0
Female	256	256	100%	256	100%	256	100%	0	0%	256	100%
Total	3563	3563	100%	3563	100%	256	7%	0	0%	256	7%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the Company	0.19%	0.10%

Under the cost of wellbeing, expenditures towards Employee Support Programs such as Food services, Sports and Health initiatives, Crèche facilities, Insurance premiums, Special day celebrations and other employee engagement programs etc. are covered.

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

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI*	0.75%	18.84%	Yes	0.75%	18.84%	Yes
Others Please Specify	-	-	-	-	-	-

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

3. Accessibility of workplaces

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

The Company's facilities and plants are currently not fully accessible for people with disabilities. However, the company has implemented signage across its units specifically for employees who are deaf and face hardships in hearing. As part of its ongoing commitment, the company is actively working to enhance its infrastructure to facilitate easier movement for employees with disabilities, aligning with the provisions outlined in the Rights of Persons with Disabilities Act, 2016.

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

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

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

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	74%	No one availed	No one availed
Female	100%	33%	No one availed	No one availed
Total	100%	72%		

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	
Other than Permanent Employees	All employees can raise their grievance thorough the company's internal portal (CGHR4U) and all workers can reach out to the Unit HR Heads for all of their grievances.
Permanent Workers	
Other than Permanent Workers	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	2134	0	0%	1871	0	0%
Male	1975	0	0%	1747	0	0%
Female	159	0	0%	124	0	0%
Total Permanent Workers	1274	1229	96%	1242	1085	95%
Male	1254	1216	97%	1222	1071	88%
Female	20	14	70%	20	14	70%

8. Details of training given to employees and workers:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
EMPLOYEES										
Male	2539	383	15%	875	34%	2114	841	40%	1425	67%
Female	215	111	52%	139	65%	199	152	76%	100	50%
Total	2754	494	18%	1014	37%	2313	993	43%	1525	66%
WORKERS										
Male	4561	2528	55%	1166	26%	4724	4724	100%	927	20%
Female	276	150	54%	74	27%	290	238	82%	290	100%
Total	4837	2678	55%	1240	26%	5014	4962	99%	1217	24%

Under skill upgradation, trainings such as Use of Artificial Intelligence and Gen AI at work, Advance Excel, Behavior based, Business Analytics, Decision Making, Performance feedback, Emotional Intelligence, Finance Literacy Programme, Project management, Leadership development, Negotiation skill, Quality Management and Six Sigma were covered.

In the reporting year, CG spent around ₹ 31 Lakhs towards various training programs out of which majority of the expenses was made towards skill upgradation programs. Apart from skill upgradation, other expenses have been made towards training programs related to Health and Safety and Compliances. Most of CG's Executives and Managers were covered under most of the training programs; showcasing CG's focus towards its Talent Development and Human Capital Development.

In the upcoming year, CG is committed to significantly expanding our investment in employee development. Following a comprehensive assessment of training needs across the organization, CG will broaden the scope of its training programs, aiming to cover a greater number of its workforce. This strategic initiative will equip its employees with enhanced skills and knowledge, fostering professional growth and further strengthening its collective capabilities.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
EMPLOYEES						
Male	1975	1826	92%	1747	1747	100%
Female	159	145	91%	124	124	100%
Total	2134	1971	92%	1871	1871	100%
WORKERS						
Male	0	0		0	0	
Female	0	0		0	0	
Total	0	0		0	0	

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

All of the Company's manufacturing facilities are certified with ISO 45001:2018 - Occupational Health & Safety Management System Standard covering the site operations. Occupational Health Centre (OHC) is present at each of the plant locations as per the requirements of the Factories Act and Health and Safety Officer is also designated at each plant location. The Company has Health and Safety Committee across all its facilities consisting of workmen and employees. The Committee conducts monthly meetings to provide regular updates on health and safety aspects.

It also has Event Reporting System (ERS) which is accessible to workmen and employees for health-related hazards and upon receiving the complaint, corrective actions are taken to provide a solution and conclude the complaints in a timely manner. Half-yearly medical checkups are conducted for workmen who work in hazardous intensive processes and annual medical checkup is conducted for the entire workforce to ensure the safety of its people.

Safety audits, cross-functional audits and internal audits are conducted as scheduled. Each of the entity's manufacturing facilities is equipped with the required quantity of fire extinguishers, fire hydrant network, smoke detection and gas detection system. Emergency Preparedness and Response Plan is also available for all its plants on which basis each plant conducts mock drills to ensure its effectiveness and employee participation.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Online portal is used for reporting, analysing and assigning the corrective actions against identified hazards. CG has implemented Hazard Identification and Risk Assessment (HIRA) as a part of ISO 45001:2018 and regularly revisits the documents to make it dynamic. CG inspects the workplace for safety and health hazard and information is recorded in the Event Reporting System (ERS). CG has a work-permit system implemented across all factory locations to take care of routine and non-routine activities in a safe manner. In addition, Machine Risk Assessment (MRA) and Job Safety Analysis (JSA) are being performed for new machineries and/or activities.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Hazard Identification and Risk Assessment (HIRA) is available to workers and employees. Training is imparted to workers for safe working and evacuation in case of any emergency. Near miss reporting system available in the Event Reporting System (ERS) facilitates the identification of hazards. Subsequent investigation and corrective action are undertaken and the same are reported in the system.

CG has a suggestion scheme for workers which is reviewed and analysed and corrective actions are taken based on the suggestions received. Workers are a part of the Safety Committee, and during the meeting and safety round they bring to the Company's notice any unsafe acts or conditions thereby ensuring elimination of unsafe acts or conditions.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, as per the ESIC guidelines all eligible employees and workers are covered. In addition, the Company has provided insurance benefits to all the employees who are not covered in ESIC. They can avail such facilities related to non-occupational medical and healthcare services at designated hospitals.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Lost Time Injury (LTI)	Employees	2	7
	Workers	5	3
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.33	1.15
	Workers	0.47	0.29
Total recordable work-related injuries	Employees	20	24
	Workers	99	144
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Due to the LTIs, CG experienced a total loss of 384 workdays with a Lost Workday Rate of 4.67 and a Days Away, Restricted, or Transfer (DART) Rate 0.26 (per 2,00,000 hours worked).

During the reporting year, CG experienced a deeply regrettable fatal incident. CG extends its sincerest condolences to the affected family and is committed to ensuring such an incident never occurs again.

CG acknowledges the profound impact these events have had on its employees, their families, and our entire organization. Safety is, and always will be, the paramount priority. The recent incidents have underscored the absolute necessity for CG to reinforce our safety culture and implement significant changes to prevent such tragedies from ever happening again. Going forward, CG will be reporting on the improvements implemented its Safety Management System and ensure that the same reflects in the incident rate as well.

Following a thorough investigation, CG has implemented the following Corrective and Preventive Actions (CAPA):

Corrective Action

- As existing SOP was not followed properly, additional training and awareness was provided to all shop floor employees and workers on the SOP.

Preventive Action

- The design of one of the operating equipment was modified to entirely eliminate the hazard from the process.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Various initiatives are being taken to ensure the mitigation of risk and hazards by the Company. The below hierarchy is followed:

- 1) Elimination
- 2) Substitution
- 3) Engineering control
- 4) Administrative control
- 5) Personal Protective Equipment (PPE)

By following all the above steps, hazards are eliminated wherever possible. Our old machineries are replaced with operator safety-enhanced machines. This helps in eliminating the operator's exposure to rotating parts, flying objects etc.

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	5384	988	-	0	NA	-
Health & Safety			-	0	NA	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% assessed by entity
Working Conditions	100% assessed by third party

All of CG's facilities are internally assessed its Health and Safety practices and working conditions through an internal audit. Also one of CG's facility was assessed by Statutory authorities on its Health and Safety practice.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Yes, the Company has event reporting system through which CG is monitoring accidents and taking corrective actions. The System is named as Event Reporting system, which enlists activities arising out of the above mentioned LTA cases. All CAPA are on track.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company has obtained workmen compensation Policy for all persons engaged in manufacturing.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Currently CG doesn't have any measures as such in place.

3. Provide the number of employees / workers having suffered high consequence workrelated injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

Category	What are the Total no. of affected employees/ workers		What is the No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2024-25	FY2023-24	FY2024-25	FY2023-24
Employees	0	0	0	0
Workers	0	0	0	0
Total	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No, currently CG doesn't provide programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

5. Details on assessment of value chain partners:

What % of value chain partners (by value of business done with such partners) that were assessed	
Health and safety	13.22%
Working conditions	NA

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Audit observations are provided to the audited suppliers and based on the observations, the suppliers are suggested to take Corrective and Preventive Actions.

Vendor audits covering basic EHS issues like EHS policy, Hazard identification, Operational Controls, PPEs, Legal Requirements, Monitoring licenses/permits, Hazardous Waste Management, Hazardous Chemical Use and Control. Detailed assessment of EHS issues covering BRSR requirements are being planned to be taken up by CG in forth coming vendor audits.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS



According to this principle, organizations must consider the expectations of all parties involved in their business, both internal and external, particularly the affected vulnerable group and Communities.

It has become necessary for CG to continue collecting and disclosing both quantitative and qualitative indicators to demonstrate transparency and effective communication with all its stakeholders and to address sustainability issues that are critical to its business operations. CG is continuously engaging with its stakeholders in order to mitigate concerns of any of the stakeholders.

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

CG maintains a strong stakeholder engagement process, where it meticulously identifies critical stakeholder groups by stringently evaluating each group's impact on the Company's value creation, and conversely, the Company's influence on their interests. This comprehensive analysis allows them to engage with a diverse range of internal and external stakeholders, including employees, customers, suppliers, channel partners, communities, and investors.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	AGM, Financial Information Release, Investor Presentations, Earnings Calls	AGM – Annually Others - Quarterly	To inform on how the Company is currently performing and what it plans to do in the near-term future
Employees	No	Emails, Face to Face Meetings, HR Sessions, Reward and Recognition, Employee Newsletter, Intranet, Team Building Workshops and Employee Grievance Portal	Frequent and as and when required	To keep employees updated on key developments and initiatives undertaken by the Company and also for addressing their grievances.
Customers	No	Email, Quality Business Reviews, Channel Partner Meetings, Regular Operations Reviews and Grievance Portal	Frequent and as and when required	To acquire new customers, service the existing ones and improve customer experience.
Suppliers	No	CG Portal for Suppliers and Vendors	As and when required	Engagement on supply planning, Quality and Supply chain management.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

CG has delegated the consultation between the stakeholders and the Board on economic, environmental, and social topics to its Managing Director (MD) to facilitate consultations. The MD, along with the senior leadership team, keeps the Board and its Committees informed through regular updates. These updates occur during dedicated Committee sessions.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation is one of the cornerstones of CG's approach to environmental and social responsibility. The insights taken from these consultations, during the Materiality Exercise, have helped in constituting CG's key policies and activities on these critical topics. Building on this valuable feedback, CG is working towards setting up ambitious targets for each material topic and is actively working towards achieving them.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

CG has carried out some CSR activities in the reporting year where some marginalized stakeholder groups have been benefited. In the reporting year, CG supported ISHA Foundation in carrying out Gramostavam where athletes from Aspirational districts had also participated.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS



The core belief of this principle is based on the idea that every human being has inherent rights that cannot be compromised in any way for the benefit of business. According to the UN Guiding Principles on Business and Human Rights, businesses are also held accountable for any violations of human rights and must take reasonable measures to prevent such violations from occurring as a result of their operations.

ESSENTIAL INDICATORS

The Company strives to create and sustain a discrimination free workplace, by promoting harmony and advocating fair employment opportunities. The Company values and recognizes every individual equally and treats them fairly and with dignity irrespective of their race, color, creed, ancestry, ethnic origin, religion, sex, nationality, age, physical handicap / disability, or marital status. The safety and health of employees are of paramount importance for CG and the Company intends to provide and maintain a safe, healthy and productive workplace, in consultation with our employees, by addressing and remediating identified risks of accidents, injury and health impacts.

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
EMPLOYEES						
Permanent	2134	581	27%	1871	1871	100%
Other than permanent	620	226	36%	442	442	100%
Total	2754	807	29%	2313	2313	100%
WORKERS						
Permanent	1274	82	4%	1242	1242	100%
Other than permanent	3563	2700	76%	3270	3270	100%
Total	4837	2782	57%	4512	4512	100%

The Company has provided training on POSH and Health and Safety to all its employees.

The Company has mandated Health and Safety awareness induction for everyone, including workers and employees.

POSH and Health & Safety, are integral components of human rights, aligned with ensuring safe working conditions and fostering a workplace free from discrimination, offering equal opportunities to all.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (D)	Equal to Minimum Wage		More than Minimum Wage		Total (A)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	2134	0	0%	2134	100%	1871	0	0%	1871	100%
Male	1975	0	0%	1975	100%	1747	0	0%	1747	100%
Female	159	0	0%	159	100%	124	0	0%	124	100%
Other than Permanent	620	444	72%	176	28%	442	206	47%	236	53%
Male	564	431	76%	133	24%	367	179	49%	188	51%
Female	56	13	23%	43	77%	75	27	36%	48	64%
Workers										
Permanent	1274	0	0%	1274	100%	1242	0	0%	1242	100%
Male	1254	0	0%	1254	100%	1222	0	0	1222	100%
Female	20	0	0%	20	100%	20	0	0	20	100%
Other than Permanent	3563	3487	98%	76	2%	3270	3152	96%	118	4%
Male	3307	3233	98%	74	2%	3138	3023	96%	115	4%
Female	256	254	99%	2	1%	132	129	98%	3	2%

3. a) Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	630000	1	740000
Key Managerial Personnel	3	41735289	0	-
Employees other than BoD and KMP	1968	1014369	159	678588
Workers	1254	545820	20	569316

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Gross wages paid to females as % of total wages	4.25%	3.63%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. At, CG, the Head of Human Resources is responsible for addressing human rights issues caused or contributed by the business. In addition, CG has instituted an Internal Complaints Committee (ICC) across all its manufacturing facilities and sales locations to prevent any form of discrimination and harassment.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company holds the belief that it bears a responsibility to uphold human rights by actively contributing to the well-being of the communities it serves.

CG is committed to provide a platform where the human rights of all stakeholders are protected while engaging with employees, business partners and suppliers as per globally recognized guidelines on Human Rights and is committed to engage with stakeholders in a transparent and appropriate manner to address and resolve human rights related issues concerning our business activities.

A system has been put in place by the human resources department and routinely monitored by an Internal Committee which allows CG to prevent any infringement of human rights and ensure that our human rights policy is adhered to. Addressing concerns relating to human rights falls under the purview of the Head of Human Resources.

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	NA	NA	0	NA	NA
Discrimination at workplace	0	NA	NA	0	NA	NA
Child Labour	0	NA	NA	0	NA	NA
Forced Labour/Involuntary Labour	0	NA	NA	0	NA	NA
Wages	0	NA	NA	0	NA	NA
Other human rights related issues	0	NA	NA	0	NA	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

CG has instituted an Internal Committee at the Corporate level to monitor and resolve the grievances. In addition, it has appointed a Regional Diversity Taskforce appointed across all manufacturing facilities and sales locations to prevent any form of discrimination and harassment. A panel for of the 'Prevention of Sexual Harassment (POSH) Committee' will be chosen from the Regional Diversity Taskforce to resolve any POSH related complaint.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

All business agreements and contracts are in line with the regulatory requirements. CG has Human Rights Policy and Code of conduct for supplier as a guiding instrument for the engagement with value chain partners such as suppliers.

10. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	0%

The assessemnts have been carried out by the entity internally through senior leadership management of CG.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable. No such corrective actions have been implemented as we have zero cases with respect to sexual harassment, discrimination at workplace, child labor, forced labor, involuntary labor, wages and other issues pertaining to human rights extended to supply chain partners.

LEADERSHIP INDICATOR

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

As of now, none of such business process has been modified / introduced as a result of addressing human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

CG is yet to conduct any Human rights due-diligence activity.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Currently some of CG's premises are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0%
Discrimination at workplace	0%
Child Labour	0%
Forced Labour/Involuntary Labour	0%
Wages	0%
Others – please specify	0%

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT



The principle urges organizations to explore and identify the potential environmental impacts arising out of their business operations and supply chain activities carried out in order to deliver, and to address them with adequate mitigating measures. It also encourages organizations to find alternative ways of operating by reducing any negative impacts to the environment that may cause less harm to the environment.

ESSENTIAL INDICATORS

Through initiatives in the areas of Environment, Health, and Safety (EHS), the Company ensures that environmental protection is an essential aspect of its operations. CG has always worked to achieve a fair balance between economic growth and environmental conservation considering it is a manufacturing company. It is made sure that EHS standards at all CG units consistently outpace legal requirements and are measured against the finest global practices. All plants have ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications for their quality management systems, environmental management systems, and occupational health and safety standards, respectively. All units in India have approval from the State Pollution Control Board to operate, as well as all comply with the guidelines specified in that approval.

In the reporting year, CG had invested a capital amount of 2.12 Cr. ₹ towards the initiatives aimed for improving Energy and Water efficiency.

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

(In Giga Joules)

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From Renewable sources		
Total Electricity Consumption (A)	22874	21843
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	22874	21843
From non-renewable sources		
Total electricity consumption (D)	138381	124830
Total fuel consumption (E) (Diesel, LPG, LDO, Petrol)	36692	37460
Energy consumption through other sources (F)	0	0
Total energy consumed from nonrenewable sources (D+E+F)	175073	162290
Total energy consumed (A+B+C+D+E+F)	197947	184133
Energy intensity per rupee of turnover (Total energy consumed / Revenue in ₹ Crs. from operations)	21.21	24.19
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	438.38	507.15

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, some of our business units have carried out the evaluation of the data by an external agency as part of external ISO 140001 audit.

Note:

All of CG's Business Units have an Energy Management Program (EMP) is a structured approach to optimizing energy use within an organization. The goal of the program is to reduce energy consumption, minimize energy costs, and enhance the overall sustainability of the organization. This program typically involves strategies such as energy audits, setting energy performance benchmarks, implementing energy-saving measures, and continuous monitoring and reporting of energy use. The overarching objective is to improve efficiency while reducing environmental impact.

Energy Management Strategies

1. Energy Audits and Assessments

- Conducting detailed energy audits to identify areas where energy consumption can be reduced. These audits help pinpoint inefficiencies, equipment that needs upgrading, or Behavioral changes that could lead to savings.

2. Energy Efficiency Standards

- Establishing energy performance standards and benchmarks tailored to the organization's specific needs. These may include setting targets for energy use per unit of production, facility area, or employee.

3. Energy-saving Technologies and Practices

- Implementing energy-efficient technologies, such as LED lighting, high-efficiency HVAC systems, energy management software, and maximize sourcing energy from renewable sources like solar.
- Encouraging energy-saving behaviours among employees, such as turning off lights when not in use, adjusting thermostat settings, and using energy-efficient appliances.

4. Training and Awareness Programs

- Regular training sessions for employees at all levels of the organization to raise awareness about energy efficiency and how each person can contribute to reducing consumption.

5. Monitoring and Reporting

- Installing energy meters and sensors to continuously monitor energy consumption. Regular reporting allows the organization to track progress toward goals, identify trends, and take corrective actions when necessary.

6. Action Plan and Implementation

- Developing a strategic action plan that outlines specific energy-saving measures, timelines, and responsibilities. This plan should include both short-term quick wins and long-term infrastructure upgrades.

Some of the key focus areas discovered on the basis of Energy audit results across our Sites are –

1. VFDs installations on compressors
2. Retrofitting of Exhaust and Wall Mounting Fans
3. IoT based Energy Monitoring System installations to reduce Energy loss
4. Use of proper Lubricants for rotating devices reduces the Friction losses
5. Use of automation for Cooling tower fans

Going forward, CG will be working towards implementing the same.

2. Does the entity have any sites / facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	10694	4308
(ii) Groundwater	85631	63311
(iii) Third party water	228466	277058
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	324791	344677
Total volume of water consumption (in kilolitres)	324791	344677
Water intensity per rupee of turnover (Water consumed / turnover)	34.81	45.29
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	682.29	949.34

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, some of our business units have carried out the evaluation of the data by an external agency as part of external ISO 140001 audit. The name of the agency is M/s Bureau Veritas.

Note

Some of the key focus areas discovered on the basis of Energy audit results across our Sites are –

1. Reducing evaporation losses in Cooling Towers
2. Upgradation of ETPs and STPs to meet the expansion capacity demands
3. Reduce domestic water usage by adopting new technologies like water efficient taps and waterless urinals

Going forward, CG will be working towards implementing the audit findings.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others (Gardening)	-	-
- No treatment	-	-
- With treatment – please specify level of treatment (Primary, Secondary, Tertiary)	82455	59326
Total water discharged (in kilolitres)	82455	59326

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company has wastewater treatment systems sewage treatment plants (STP) across its manufacturing facilities. Treated wastewater is used for the gardening and job cleaning purpose to reduce any liquid discharge. But currently we haven't implemented any mechanism for Zero Liquid Discharge comprising of Reverse Osmosis (RO) and Multiple Effect Evaporator (MEE) as part of STP/ETP.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx	PPMV	472	479
SOx	Tons	76.88	70.99
Particulate Matter (PM)	Tons	10.96	9.17
Persistent Organic Pollutants (POP)			
Volatile Organic Compounds (VOC)	PPM	12.91	11.56
Hazardous Air Pollutants (HAP)			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, some of our business units have carried out the evaluation of the data by an external agency as part of external ISO 140001 audit. The name of the agency is M/s Bureau Veritas.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameters	Units	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric Tonnes of CO ₂ equivalent	2181	2105
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric Tonnes of CO ₂ equivalent	31365	27393
Total Scope 1 and Scope 2 emission intensity per Crore Rupee of turnover (Total Scope 1 and Total Scope 2 GHG emissions/Revenue from Operations)	Metric Tonnes of CO ₂ equivalent/Cr. ₹ Revenue	3.59	3.88
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		74.29	81.24

At the Switchgear division of CG, SF₆ is being used in some of the Switchgear related products. SF₆, while an effective insulating gas, is a potent greenhouse gas with a significant high Global Warming Potential (GWP). Recognizing its environmental impact, CG is proactively exploring and implementing alternative technologies that offer comparable performance with significantly reduced environmental consequences.

Request to refer the list of Energy Conservation initiatives taken by CG to reduce its GHG emissions.:

It believes that this transition is crucial for a sustainable future. CG is dedicated to providing customers with high-quality, reliable switchgear products that also prioritize environmental responsibility. It also understands that this transition requires time and dedication, and it is committed to keeping all stakeholders informed of its progress.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, some of our business units have carried out the evaluation of the data by an external agency as part of external ISO 140001 audit. The name of the agency is M/s Bureau Veritas.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details

CG is actively incorporating the energy efficient options in its manufacturing processes. Please refer Energy Conservation measures in Annexure 1 to the Directors' Report on Pg. no. (68).

9. Provide details related to waste management by the entity, in the following format:

Parameter (in metric tonnes)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total waste generated (in metric tonne)		
(A) Plastic waste	34	25.57
(B) E-waste	30.63	24.10
(C) Battery waste	8.24	203.68
(D) Bio-medical waste	7.33	1.11
(E) Construction and demolition waste	10.59	0
(F) Radioactive waste	0	0
(G) Other Hazardous waste. Please specify, if any (Spent Oil, Paint Sludge, Varnish Cake, ETP Sludge, Waste Residues containing Oil)	242.45	246.45
(H) Other Non-hazardous waste (Food, Paper, Cardboard, Metal Scrap)	16600.61	16711.79
Total (A+B + C + D + E + F + G + H)	16933.85	17212.70
Waste intensity per rupee of turnover (Total waste generated / Revenue in ₹ Cr. from operations)	1.82	2.26
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	37.50	47.40

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonne)

Parameter (in metric tonnes)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Category of waste		
(i) Recycled (By third party)	16916.90	17081.45
(ii) Re-used (By third party)	0	0
(iii) Other recovery operations (Waste oil)	16.95	18.04
Total	16933.85	17099.49

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonne)

Parameter (in metric tonnes)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Category of waste		
(i) Incineration	32.07	46.63
(ii) Landfilling	5.08	48.94
(iii) Other disposal operations	98.23	17.64
Total	135.38	113.21

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, some of our business units have carried out the evaluation of the data by an external agency as part of external ISO 140001 audit. The name of the agency is M/s Bureau Veritas.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

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

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

Considering the nature of the industry, the quantum of waste is well within the permissible limits laid down by CPCB/SPCB in the “consent to operate” issued by them.

The Company also encourages complete elimination of hazardous substances from its manufacturing process. Annual Environmental Statement are being submitted to the State Pollution Control Board by the respective units.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Not Applicable. The Company has no operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required.		

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable, we have not conducted environmental impact assessment for any projects since the project activities are not covered in the EIA notification dated September 14 th , 2006 as amended till date.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company is compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules etc.				
There was no incident of non-compliance received in context to the environment compliances during the reporting period.				

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	85631	63311
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	85631	63311
Total volume of water consumption (in kilolitres)	85631	63311
Water intensity per rupee of turnover (Water consumed / turnover)	9.17	8.31
Above data is TMS site only where ground water resources are classified as "Semi Critical" by Central Ground Water Authority (CGWA) in the NOC granted to the site for Ground Water Withdrawal.		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ Eq.	300000*	267125
Total Scope 3 emissions per rupee of turnover	tCO ₂ Eq./Cr. ₹ Revenue	32.15	35.10

* Approximate number. The calculation is under progress.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Please refer **Energy Conservation measures at the Annexure to Directors' Report** on Pg no. 68.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, in the reporting year CG has conducted Business Continuity Management study for its facilities at Mandideep and Nashik. We plan to conduct it for the rest of its facilities in the upcoming financial year. Currently the plan is not publicly available.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Vendor audits covering basic EHS issues like EHS policy, Hazard identification, Operational Controls, PPEs, Legal Requirements, Monitoring licenses/permits, Hazardous Waste Management, Hazardous Chemical Use and Control. Detailed assessment of EHS issues covering BRSR requirements are being planned to be taken up by CG in forth coming vendor audits.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Around 136 no. of Suppliers with whom CG did around 13.22% of business were assessed for environmental impacts in the reporting year under CG's vendor audit.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.



This principle guides that it is the organization's duty to be transparent & responsible while being engaged in advocacy of any public policy.

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

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

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers/ associations.

CG has 8 affiliations with trade and industry chambers/ associations.

- b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Bureau of Indian Standards (BIS)	National
2	Confederation of Indian Industry (CII)	National
3	Indian Electrical & Electronics Manufacturers' Association (IEEMA)	National
4	Quality Circle Forum of India (QCFI)	National
5	Maratha Chamber of Commerce Industries and Agriculture (MCCIA)	State
6	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
7	International Facility Management Association (IFMA)	National
8	International Project Management Association (IPMA)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable, as there was no adverse orders from regulatory authorities related to anti-competitive conduct by the entity.		

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

CG hasn't advocated any public policy positions.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT



Section 135 of the Companies Act, 2013 on Corporate Social Responsibility which urges for a specific attention on disadvantaged, vulnerable and marginalized populations, serves as the foundation for this Principle.

The Company believes that as a socially conscious corporation, it has a duty to fulfil multiple social responsibilities along with its financial obligations. Through its Corporate Social Responsibility (CSR) programmes, the Company seeks to align its business operations and expansion with social, environmental, and economic goals. The Company's CSR is based on the firm belief that corporate sustainability is intimately related to the sustainable development of the communities in which it operates and to the environment.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not applicable, as CG is currently not undertaking any social impact assessments.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	No. of Project Affected Families (PAFs)	Amounts paid to PAFs in the FY (In ₹)
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Not Applicable. CG doesn't have any operations / facilities / plants / offices that include land acquisition from affected / displaced landowners, hence CG doesn't not have any projects that involve Rehabilitation and Resettlement (R&R).

3. Describe the mechanisms to receive and redress grievances of the community.

Registers are available at all plant office gates to address grievances of the community.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Directly sourced from MSMEs/ small producers	23.50%	44%
Sourced directly from within India	88%	77%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Rural	0.25%	4%
Semi urban	17.06%	18%
Urban	21.90%	58%
Metropolitan	60.79%	20%
(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)		

*Note - There has been a change in the understanding of the definitions of location classification as compared to last year.

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not applicable.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

CG had supported ISHA Foundation in hosting Gramotsavam through a CSR initiative where one of the sports competition programs was held at Virudhnagar district in Tamil Nadu.

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

No, CG doesn't have a preferential procurement policy as of now.

- b. From which marginalized /vulnerable groups do you procure?

Not applicable.

- c. What percentage of total procurement (by value) does it constitute?

Not applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

In the reporting year, CG applied for 14 trademarks and 2 patents which provided benefits towards designing its products such as Consumer Products and Motors.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable.

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of Beneficiaries	Amount Spent in crores
1	Holistic sustainable rural development in villages near Mandideep, Bhopal by TERI	75000	5.3
2	Gramotsavam (ISHA Foundation)	43144	3
3	Contribution to The Earth Saviours Foundation	80	1.39
4	Mobile health van at Malanpur and Ahmednagar	43673	0.77
5	Restoring and illuminating Kolkata's heritage facades (Trisys Foundation)	-	0.3
6	Support for infrastructure/ finishing work - Sai Aashraya Super Speciality Hospital	-	0.15
7	Contribution towards Tree Plantation Drive at Indian Maritime University (IMU) Semmencherry Campus, Chennai	-	0.12
8	CSR Projects/Activities in Ahmednagar	15950	3.55
9	CSR Projects/Activities in Nashik	1791	2.99

For the projects mentioned for sl.no. 5, 6 and 7, it is not feasible to obtain the no. of beneficiaries due to the nature of the projects.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER



This Principle relates to the concept that the primary objective of a business is to create wealth by delivering high-quality goods or providing services to the customer base and keeping them satisfied.

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

For client complaints and feedback, the Company has a dedicated customer desk and an around-the-clock toll-free call centre facility. With the aid of service centres equipped to manage all types of incidents, a focused service team addresses the client concerns in real time. The management team examines these grievances in further depth and after drawing conclusions, corrective measures are implemented. During the regular visits, the Company's front line sales executives interact with the customers and channel partners, understand their business needs, expectations, suggestions, feedback and other concerns. On a regular basis, all outstanding issues are addressed.

The Company periodically conducts various interactive programs like Seminars, workshop, factory visits, dealer conferences, etc. to help it make informed decisions.

Customers may raise their grievances through help@cgglobal.com, https://www.cgglobal.com/countrywide_contact

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	14%
Safe and responsible usage	28%
Recycling and/or safe disposal	6%

Any of CG's products does not carry the information about the Environmental and Safe and Responsible Usage of the products.

3. Number of consumer complaints in respect of the following:

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	None	Not Applicable	-	None	Not Applicable	-
Advertising	None	Not Applicable	-	None	Not Applicable	-
Cyber-security	None	Not Applicable	-	None	Not Applicable	-
Delivery of essential services	None	Not Applicable	-	None	Not Applicable	-
Restrictive Trade Practices	None	Not Applicable	-	None	Not Applicable	-
Unfair Trade Practices	None	Not Applicable	-	None	Not Applicable	-
Other (Consumer Complaints)	None	Not Applicable	-	None	Not Applicable	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	2	Mechanical issue in Product

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. Recognizing the significance of cyber security, CG has policy on cyber security and risks related to data privacy. Currently the policy is available on our intranet website.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable, as there were no issues reported and received on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

7. Provide the following information relating to data breaches.

a. Number of instances of data breaches

None for the reporting year

b. Percentage of data breaches involving personally identifiable information of customers

Not applicable

c. Impact, if any, of the data breaches

Not applicable

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on CG's products and services can be obtained from the "Our Business" and "Product Search" tab in CG's website.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

While supplying products to CG's customers, it provides a user manual wherein the safe and responsible usage of products is clearly pointed out.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

While supplying products to CG's customers, it provides a user manual wherein the safe and responsible usage of products is clearly pointed out.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No, CG doesn't display product information on the product over and above what is mandated as per local laws and it has carried out surveys with regard to consumer satisfaction.



ESG DISCLOSURES FOR VALUE CHAIN

As per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July, 2023 ('SEBI Circular') disclosures for value chain were to be made by listed companies as per BRSR Core, as part of its Annual Report. This encompassed the top upstream and downstream partners of the listed entity, cumulatively comprising 75% of its purchases / sales (by value) respectively. However, as per SEBI circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dated 28 March, 2025, to facilitate ease of doing business and provide additional time to listed entities SEBI decided to defer the disclosure and assessment or assurance with respect to value chain by one year and revised the threshold for values chain partners. The ESG disclosures for the value chain shall now be applicable to the listed entity on a voluntary basis from FY 2025 -26 which shall encompass the top upstream and downstream partners, individually comprising 2% or more of the listed entity's purchases and sales (by value) respectively. However, the listed entity may limit disclosure of value chain to cover 75% of its purchases and sales (by value) respectively.

In line with this guidance, CG has engaged with its value chain partners to assess the preparedness and performance of its key upstream suppliers on ESG disclosures as per BRSR Core. For FY 2024-25, CG initiated a proactive step towards voluntary reporting to aim, assess and enhance the readiness and preparedness for value chain reporting which is set to commence in FY 2025-26. CG's management prioritized engagement with upstream value chain partners based on the threshold by value of procurement, maturity of reporting system and availability of public ESG disclosures.

Based on Management's assessment, 23 suppliers, accounting for 25.4% of the total purchase value were chosen for outreach followed by a detailed questionnaire. Within 45-60 days, responses were received from 6 suppliers, representing 6.31% of the total procurement value.

METHODOLOGY FOR ESG DISCLOSURES FOR VALUE CHAIN

Preliminary assessment included comprehensive assessment of value chain partners of CG based on identifying the key entities involved in its value chain. Basis the discussions the Management set the boundary for upstream and downstream value chain partners for the value chain reporting. As per aforementioned guidelines by SEBI, Management finalised the list of value chain partners encompassing the top upstream and downstream partners, individually comprising 2% or more of CG's purchases and sales (by value) respectively. However, CG limited the disclosure of value chain to cover 75% of its purchases and sales (by value) respectively. A total of 23 top upstream suppliers were shortlisted based on threshold, maturity of measurement and reporting system and availability of public ESG disclosures.

Aligned with BRSR Core requirements, a customized data questionnaire was developed to capture information with respect to BRSR Core indicators in a simplified and user-friendly format. To provide detailed guidance on fulfilling the requirements of the data questionnaire and clarify any queries by suppliers with respect to BRSR Core, dedicated capacity-building sessions were organized to support effective participation, clarification, maturity of their measurement and reporting systems. This initiative attracted over 90+ participants from selected suppliers.

The upstream value chain partners were provided with a 45-day window to provide their responses, therein responses were received from 6 suppliers. The data submitted has been reviewed and analyzed before consolidation. This initial value chain ESG assessment provides a strong foundation. While data completeness reflected the early stage of supplier sustainability maturity, it highlights an excellent opportunity for future growth and collaboration.

Going forward, CG will be collaborating with more no. of suppliers in the upcoming years.

Annexure I - Format of BRSR Core

Sr. No.	Attribute	Parameter	Measurement	FY2024-25	FY2023-24
1	Green-house gas (GHG) footprint	Total Scope 1 emissions	In MtCO ₂ e	2065	2469
		Total Scope 2 emissions	In MtCO ₂ e	679	659
		Total Scope 1 and 2 Emissions	In MtCO ₂ e	2744	3127
		Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP	In MtCO ₂ e/ Lakh ₹ (adjusted for PPP)	0.43	0.58
2	Water footprint	Total volume of water consumption	In kL	1668342	1411838
		Water intensity per rupee of turnover adjusted for PPP	(kL /Lakh ₹) (adj for PPP)	261.71	263.24
		Total water discharge to Surface	In kL	-	-
		Total water discharge to Ground	In kL	42	38
		Total water discharge to Third Party	In kL	1339230	1092950
		Total volume of Water Discharge	In kL	1339272	1092988
3	Energy footprint	Energy consumption from Renewable Sources	In GJ	28625	13490
		Energy consumption from Non-Renewable Sources	In GJ	31281	36708
		Total energy consumed	In GJ	59906	50198
		Energy intensity per rupee of turnover adjusted for PPP	(GJ /Lakh ₹) (adj for PPP)	9.40	9.36
		% of energy consumed from renewable sources	In % terms	47.78	26.87
4	Enhancing Employee Wellbeing and Safety	Details of safety related incidents for employees and workers	Number of Permanent Disabilities	0	0
			No. of fatalities	0	0
5	Enabling Gender Diversity in Business	Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported		
			Complaints on POSH as a % of female employees/workers	0	0
			Complaints on POSH upheld	0	-
6	Enabling Inclusive Development	Input material sourced from MSME sources as % of total purchases	In % terms – As % of total purchases by value	40.65%	-
	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers	In % terms	0%	-

INDEPENDENT LIMITED / REASONABLE ASSURANCE REPORT ON BUSINESS RESPONSIBILITY SUSTAINABILITY REPORT IN CG POWER & INDUSTRIAL SOLUTIONS LIMITED

To the Board of Directors

CG Power & Industrial Solutions Limited

Worli, Mumbai

We have undertaken to perform a limited / reasonable assurance engagement for CG Power & Industrial Solutions Limited vide Engagement Letter dated 10 September, 2024 in respect of the agreed Business Responsibility Sustainability Report [hereinafter "BRSR"] in accordance with the criteria stated below. This is included in BRSR of the company for the year ended 31 March, 2025.

This engagement was conducted by a multidisciplinary team including assurance practitioners, social governance, and environmental experts.

Identified Sustainability Information

The identified Sustainability Information for the year ended 31 March, 2025 is summarised below as per Appendix 1

The areas for which limited / reasonable Assurance is undertaken is also given in the Appendix 1 to the report.

Our limited / reasonable assurance engagement was with respect to the year ended 31 March, 2025 information only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is as per the guidelines issued by Securities and Exchange Board of India (SEBI) in accordance with the circulars:

- SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11 July, 2023
- SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July, 2023

and clarifications issued for the same.

Management's Responsibility

The Company's management is responsible for selecting or establishing suitable criteria for preparing the Sustainability Information, considering applicable laws and regulations, if any, related to reporting on the Sustainability Information, Identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Our independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of Code of Ethics issued by Institute of Chartered Accountants of India and have the required competencies and experience to conduct this assurance engagement.

The firm applies Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by the Institute of Chartered Accountants of India (ICAI), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited / reasonable assurance conclusion, as applicable and given in the Annexure to this report on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.

We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements (SSAE) 3000, "Assurance Engagements on Sustainability Information", issued by the Sustainability Reporting Standards Board of the ICAI. This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information are prepared, in all material respects, in accordance with the Reporting Criteria. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances.

For the purpose of limited assurance, this standard requires that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Obtained an understanding of the identified sustainability indicators and related disclosures
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the identified sustainability indicators
- Made enquiries of Company's Management, including those responsible for Sustainability, Environment, Social, Governance ('ESG'), Corporate Social Responsibility ('CSR'), etc., and those with responsibility for managing the Company's BRSR
- Obtained an understanding and performed an evaluation of the design of the key systems, processes and controls for managing, recording and reporting on the Identified Sustainability Indicators including at the sites and corporate office visited
- Based on that understanding, the risks that the selected information may be materially misstated and determining the nature, timing and extent of further procedures
- Checked the consolidation for various sites and corporate office under the reporting boundary (as mentioned in the BRSR) for ensuring the completeness of data being reported
- Based on above understanding and the risks that the identified sustainability indicators may be materially misstated, determined the nature, timing and extent of further procedures
- Performed substantive testing on a sample basis of the Identified Sustainability Indicators at corporate head office, and 12 other sites located at Nashik, Mandideep & Ahmednagar to verify that data had been appropriately measured with underlying documents recorded, collated and reported



- Assessed records and performed testing including recalculation of sample data
- Reviewed records and performed testing including recalculation of sample data
- Assessed the level of adherence to the 'Guidance note for BRSR format' issued by Securities and Exchange Board of India (SEBI) followed by the Company in preparing the BRSR
- Assessed the BRSR for detecting, on a test basis, any major anomalies between the information reported in the BRSR on performance with respect to agreed indicators and relevant source data/information
- Obtained representations from Company's Management

Exclusions:

Our assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Operations of the Company other than those mentioned in the "Scope of Assurance"
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the Identified Sustainability Information.
- Data and information outside the defined reporting period i.e., Financial Year 2024-25.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information included in the BRSR for year ended 31st March 2024 are not prepared, in all material respects, in accordance with the criteria.

Opinion on the Reasonable Assurance

Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Information for the year ended 31 March, 2025 (as stated under "Identified Sustainability Information") are prepared in all material respects, in accordance with the criteria.

Restriction on use

Our Reasonable Assurance report has been prepared and addressed to the Board of Directors of CG Power & Industrial Solutions Limited at the request of the Company solely, to assist company in reporting on Company's sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our Deliverables should not be used for any other purpose or by any person other than the addressees of our Deliverables. The firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

For C N K & Associates LLP Chartered Accountants

Firm Registration Number: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 037391

Date: 6 May, 2025
Place: Mumbai
UDIN: 25037351BMLFTU7564

APPENDIX 1:

Sr No.	Indicator Number	Name of Indicator	Type of Assurance
1	Section C – Principle 6 – Q7	Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the given format	Reasonable
2	Section C – Principle 6 – Q3	Provide details of the following disclosures related to water withdrawal, in the given format	Reasonable
3	Section C – Principle 6 – Q4	Provide the following details related to water discharged	Reasonable
4	Section C – Principle 6 – Q1	Details of total energy consumption (in Joules or multiples) and energy intensity, in the given format	Reasonable
5	Section C – Principle 6 – Q9	Provide details related to waste management by the entity, in the given format	Reasonable
6	Section C – Principle 3 – Q1c	Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the given format	Reasonable
7	Section C – Principle 3 – Q11	Details of safety related incidents, in the given format	Reasonable
8	Section C – Principle 5 – Q3b	Gross wages paid to females as % of total wages paid by the entity, in the given format	Reasonable
9	Section C – Principle 5 – Q7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the given format	Reasonable
10	Section C – Principle 8 – Q4	Percentage of input material (inputs to total inputs by value) sourced from suppliers	Reasonable
11	Section C – Principle 8 – Q5	Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the given locations, as % of total wage cost	Reasonable
12	Section C – Principle 9 – Q7	Provide the following information relating to data breaches: a. Number of instances of data breaches b. Percentage of data breaches involving personally identifiable information of customers c. Impact, if any, of the data breaches	Reasonable
13	Section C – Principle 1 – Q8	Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the given format	Reasonable
14	Section C – Principle 1 – Q9	Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the given format:	Reasonable
15	BRSR Report	1. Section A: General Disclosure – 24 indicators 2. Section B: Management & Process disclosures – 12 indicators 3. Section C: Principle wise performance disclosures – 9 Principles (Essential & Leadership indicators except the Core KPI's as covered in Sr. No. 1 – 14 above)	Limited



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**STANDALONE
FINANCIALS
2024-2025**

Independent Auditor’s Report To the Members of CG Power and Industrial Solutions Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of CG Power and Industrial Solutions Limited (“the Company”), which comprise the Balance sheet as at March 31 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Standalone Financial Statements’ section of our report. We are independent of the Company in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with

the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 28 of the standalone financial statements)	
The Company has two operating segments, namely, Power and Industrial Segment.	Our audit procedures amongst others included the following:
The type of customers varies across these segments, ranging from Large Government companies / corporations to Original Equipment Manufacturers and Industrial Customers etc.	We read the Company’s accounting policies for timing of revenue recognition and assessed compliance with the policies in terms of Ind AS 115 - Revenue from Contracts with Customers.
Majority of the Company’s revenue is from sale of goods which are recognized at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers within each of the operating segments, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition.	We performed walkthroughs of the Company’s revenue processes, including design and implementation of controls and tested the design and operating effectiveness of such controls in relation to revenue recognition.
Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as a Key Audit Matter.	On a sample basis, we tested the underlying contracts with customers, purchase orders issued by customers, and sales invoices raised by the Company (as may be applicable) to determine the timing of transfer of control along with pricing terms and the timing of the revenue recognition in respect of such contracts.

Independent Auditor's Report To the Members of CG Power and Industrial Solutions Limited (Contd.)

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 28 of the standalone financial statements) (Contd.)	
	- We compared revenue with historical trends and where appropriate, conducted further enquiries and testing. - On a sample basis, we analysed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc. for those transactions. - We assessed the disclosures for compliance with applicable accounting standards in the standalone financial statements.
Claims and exposures relating to taxation and other litigations (as described in Note 37 of the standalone financial statements)	
The Company has uncertainties related to litigations on account of tax losses adjusted against taxable income in earlier years and other disputed legal claims. The tax losses were primarily on account of write off of receivable balances in relation to various transactions in earlier years which are under investigations by regulatory authorities. Basis legal advice, management has considered these write-offs as an allowable expense in the computation of current tax in the relevant years. Due to associated uncertainties related to the outcome of these taxation and other litigations, significant judgement is involved in the assessment of potential financial impact and application of material judgement in interpretation of relevant laws. Accordingly, this has been considered as a Key Audit Matter.	Our audit procedures amongst others included the following: - We understood the process and assessed the internal control environment relating to the identification, assessment of the likely outcome of uncertain positions in respect of tax and other legal matters, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities. - We obtained details of tax and other disputed legal matters from management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss. - We involved tax specialists to assist us in evaluating tax positions taken by management including evaluation of deductions claimed by the Company in respect of receivable balances written off in earlier years as per the applicable provisions of the Income Tax Act in India and relevant judicial precedents, wherever available and assessed the likelihood of the potential financial exposure. - We obtained and read the Company's correspondences with tax authorities and legal counsel's advice obtained by the Company. - We circulated legal confirmations for material litigations to external legal counsel and reviewed their assessment and had a discussion with the senior management of the Company regarding their assessment. - We assessed the relevant disclosures made in the standalone financial statements for compliance with the requirements of Ind AS.

Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report To the Members of CG Power and Industrial Solutions Limited (Contd.)

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report To the Members of CG Power and Industrial Solutions Limited (Contd.)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph (i) (vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i) (vi) below on reporting under Rule 11(g);
- (g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements — Refer Note 37 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

Independent Auditor's Report To the Members of CG Power and Industrial Solutions Limited (Contd.)

- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 53 (iv) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 53 (v) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in such software, except that audit trail feature is not enabled for changes made (if any) by users with privileged / administrative access rights in respect of SAP applications and for direct changes to data when using certain access rights in respect of other accounting software used for payroll processing and approval of discounts for the period from April 1, 2024 to February 17, 2025 and from April 1, 2024 to May 3, 2024, respectively as described in Note 57 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of accounting software where the audit trail has been enabled.
- Additionally, the audit trail of relevant prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the relevant year.

For S R B C & CO LLP
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Aravind K
Partner

Membership Number: 221268
UDIN: 25221268BMOUGM1343
Place of Signature: Mumbai
Date: May 6, 2025

Annexure 1 referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: CG Power and Industrial Solutions Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular planned programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.
- (c) The title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

In respect of land and building aggregating to ₹ 170.14 crores situated at Mumbai; the land lease deed has expired in earlier years. As explained to us, the Company's application for renewal of lease in respect of this property in Mumbai is considered by local municipal corporation, however documentation formalities in this regard are in progress.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals during the year by management except for inventories lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate.

There were no discrepancies of 10% or more noticed, in the aggregate for each class of inventory. Significant inventories lying with third parties have been confirmed by such third parties as at March 31, 2025 and there were no discrepancies of 10% or more noticed, in respect of such confirmations.

- (b) As disclosed in Note 20 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from a bank during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the quarterly returns/statements filed by the Company up to the quarter ended December 31, 2024 with such bank are in agreement with the books of accounts of the Company. The quarterly returns / statements for the quarter ended March 31, 2025 has not been filed by the Company till the approval of these standalone financial statements. The Company does not have sanctioned working capital limits in excess of ₹ five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.
- (iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee or provided security to companies as follows:

	Loans (₹ in Crores)
Aggregate amount granted / provided during the year	
- Subsidiaries	30.00
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	Nil

During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to firms, Limited Liability Partnerships or any other parties.

- (b) During the year the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans and investments to companies, are not prejudicial to the Company's interest. During the year, the Company has not provided guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.
- (c) The Company has granted loans and advances in the nature of loans during the year to companies, where the schedule of repayment of principal and payment of interest has been stipulated and the repayment of receipts are regular, except as disclosed in Note 7 to the standalone financial statements, in relation to loans granted to subsidiaries and other companies in earlier years, which have been fully provided for in earlier years. The Company not granted loans and advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.

Annexure 1 referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date (Contd.)

- (d) There are no amounts of loans and advances in the nature of loans granted to companies which are overdue for more than ninety days, except as disclosed in Note 7 to the standalone financial statements, in relation to loans granted to subsidiaries and other companies in earlier years, which have been fully provided for in earlier years. The Company has not granted loans and advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans, investments, guarantees and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture or service of Power and Industrial products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) The dues of income-tax, goods and services tax, sales-tax, service tax, duty of excise, value added tax, cess and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Disputed Amount (Rupees in crores)	Paid under protest (Rupees in crores)	Amount Unpaid (Rupees in crores)	Period to which Amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and interest	454.14	12.59	441.55*	2013-2022	Commissioner of Income Tax (Appeals)
Goods and Service Tax Act, 2017	Trans – 1 credit and other input tax credit related	11.69	3.61	8.08	2017-2019	Additional Commissioner / Deputy Commissioner / Joint Commissioner / Commissioner (Appeals)
		0.33	-	0.33	2017-2018	High Court
Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax, VAT, Penalty, Interest and Pending sales tax forms including related entry tax	174.03	30.77	143.26#	1997-2018	Additional Commissioner / Deputy Commissioner / Joint Commissioner / Commissioner (Appeals)
		30.37	2.84	27.53#	1992-2015	Appellate Tribunal
		2.12	1.01	1.11#	1989-2007	High Court
Central Excise Act, 1944	Excise Duty, Penalty and Interest	1.83	-	1.83	2002-2016	Additional Commissioner / Deputy Commissioner / Joint Commissioner / Commissioner (Appeals)
		1.29	0.03	1.26	1999-2019	Appellate Tribunal
		0.90	0.66	0.24	1986-2011	High Court
Finance Act, 1994	Service Tax, Penalty and Interest	8.83	0.08	8.75	2006-2018	Additional Commissioner / Deputy Commissioner / Joint Commissioner / Commissioner (Appeals)
		11.26	-	11.26	2005-2014	Appellate Tribunal

* On overall basis, there is stay on demand of ₹ 183.90 crores. Further, subsequent to year end, demand to the extent of ₹ 248.41 crores has been stayed.

The Company has collected 'C' Forms aggregating ₹ 110.86 crores which it expects the authorities to accept to reduce total unpaid amount to ₹ 61.04 crores and further the liability will reduce to ₹ 16.83 crores after considering related entry tax impact. Further there is stay on these demands in terms of appellate forums procedures.

Annexure 1 referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date (Contd.)

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associate. The Company does not have any joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries and associate. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company. The Company does not have any joint venture.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirements to report on clauses 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Group has two Core Investment Companies as part of the Group.

Annexure 1 referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date (Contd.)

- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 52 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of Section 135 of the Act. This matter has been disclosed in Note 40 to the standalone financial statements.
- (b) There are no ongoing projects and hence the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Aravind K
Partner

Membership Number: 221268

UDIN: 25221268BMOUGM1343

Place of Signature: Mumbai

Date: May 6, 2025

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of CG Power and Industrial Solutions Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of CG Power and Industrial Solutions Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Aravind K

Partner

Membership Number: 221268

UDIN: 25221268BMOUGM1343

Place of Signature: Mumbai

Date: May 6, 2025

Standalone Balance Sheet as at 31 March, 2025

₹ crores

	Note No.	As at 31-03-2025	As at 31-03-2024
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	810.76	804.63
(b) Capital work-in-progress	4	220.12	65.60
(c) Intangible assets	5	44.68	26.57
(d) Intangible assets under development	5	20.09	19.60
(e) Financial assets			
(i) Investments	6	1436.88	406.91
(ii) Loans	7	-	-
(iii) Other financial assets	8	10.44	11.13
(f) Current tax assets		98.46	113.35
(g) Deferred tax assets (net)	9	-	152.80
(h) Other non-current assets	10	45.41	4.91
		2686.84	1605.50
(2) Current assets			
(a) Inventories	11	1033.29	689.62
(b) Financial assets			
(i) Investments	12	156.29	587.70
(ii) Trade receivables	13	1878.86	1463.88
(iii) Cash and cash equivalents	14	10.66	138.25
(iv) Bank balances other than (iii) above	15	785.27	642.89
(v) Other financial assets	16	62.68	58.51
(c) Other current assets	17	206.43	238.43
		4133.48	3819.28
TOTAL ASSETS		6820.32	5424.78
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	18	305.78	305.47
(b) Other equity	19	3762.80	2939.97
		4068.58	3245.44
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	2.69	-
(ii) Lease liabilities	38	10.58	8.85
(iii) Other financial liabilities	21	28.06	10.87
		41.33	19.72
(b) Provisions	22	43.72	35.46
(c) Deferred tax liabilities (net)	9	38.29	-
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	-	2.69
(ii) Lease liabilities	38	5.01	3.86
(iii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and	24	160.00	104.71
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	1617.26	1352.13
(iv) Other financial liabilities	25	155.47	128.29
		1937.74	1591.68
(b) Other current liabilities	26	459.71	301.19
(c) Provisions	27	209.58	192.54
(d) Current tax liabilities		21.37	38.75
TOTAL EQUITY AND LIABILITIES		6820.32	5424.78
SUMMARY OF MATERIAL ACCOUNTING POLICIES	2		

The accompanying notes form an integral part of standalone financial statements

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Amar Kaul
Managing Director & CEO
(DIN : 07574081)

Vellayan Subbiah
Chairman
(DIN : 01138759)

per Aravind K
Partner
Membership No. 221268
Mumbai : 06 May, 2025

Susheel Todi
Chief Financial Officer
Mumbai : 06 May, 2025

Sanjay Kumar Chowdhary
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31 March, 2025

₹ crores

	Note No.	2024-25	2023-24
INCOME			
Revenue from operations	28	9328.97	7609.91
Other income	29	161.77	150.89
Total income		9490.74	7760.80
EXPENSES			
Cost of materials consumed	30	6439.61	5158.92
Purchases of stock-in-trade	31	359.32	271.57
Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	(189.62)	(101.10)
Employee benefits expense	33	480.22	406.33
Finance costs	34	6.17	2.68
Depreciation and amortisation expense	35	86.37	77.84
Other expenses	36	966.39	798.11
Total expenses		8148.46	6614.35
Profit before exceptional items and tax		1342.28	1146.45
Exceptional items (net)	45	-	142.49
Profit before tax		1342.28	1288.94
Tax expense:			
Current tax	9	173.81	0.54
Deferred tax	9	194.01	284.04
		367.82	284.58
Profit for the year		974.46	1004.36
Other comprehensive income:			
(i) Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement gain / (loss) on defined benefit plans		(10.74)	(12.21)
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	9	2.92	2.67
Total other comprehensive income for the year		(7.82)	(9.54)
Total comprehensive income for the year		966.64	994.82
Earnings per share			
Basic (₹)	50	6.38	6.58
Diluted (₹)	50	6.37	6.57
(Face value of ₹ 2 each)			
SUMMARY OF MATERIAL ACCOUNTING POLICIES	2		

The accompanying notes form an integral part of standalone financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Aravind K
Partner
Membership No. 221268
Mumbai : 06 May, 2025

Amar Kaul
Managing Director & CEO
(DIN : 07574081)

Susheel Todi
Chief Financial Officer
Mumbai : 06 May, 2025

For and on behalf of the Board
Vellayan Subbiah
Chairman
(DIN : 01138759)

Sanjay Kumar Chowdhary
Company Secretary

Standalone Statement of Cash Flows for the year ended 31 March, 2025

₹ crores

	2024-25	2023-24
[A] CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1342.28	1288.94
Adjustments for:		
Depreciation and amortisation expense	86.37	77.84
Allowances for doubtful receivables (net)	2.16	0.26
Bad debts written off / (reversal) (net)	(15.43)	(4.14)
(Gain) / loss arising on financial instruments designated as FVTPL	(0.26)	(5.43)
Finance costs	6.17	2.68
Interest income	(68.13)	(62.34)
Share based payment expense	22.90	15.96
Profit on sale of investments (net)	(33.33)	(18.37)
Unrealised exchange (gain) / loss (net)	0.74	1.90
(Profit) / loss on sale of property, plant and equipment (net)	0.63	(5.54)
Liabilities no longer required written back	(39.63)	(39.62)
Payment towards settlement of litigation	-	(2.45)
(Profit) / loss on modification on lease	(0.38)	-
Exceptional items (net)	-	(142.49)
	(38.19)	(181.74)
Operating profit before working capital changes	1304.09	1107.20
Adjustments for:		
(Increase) / Decrease in trade receivables	(406.73)	(235.80)
(Increase) / Decrease in other non-current financial assets	0.26	2.16
(Increase) / Decrease in other current financial assets and current assets	58.36	(55.36)
(Increase) / Decrease in inventories	(343.67)	(199.16)
Increase / (Decrease) in trade payables	323.42	234.15
Increase / (Decrease) in other non-current financial liabilities	15.43	9.12
Increase / (Decrease) in other current financial liabilities and current liabilities	171.01	75.82
Increase / (Decrease) in non-current and current provisions	14.56	25.51
	(167.36)	(143.56)
Cash (used in) / from operations	1136.73	963.64
Income tax refund / (paid) (net)	(176.30)	(1.13)
Net cash flow (used in) / from operating activities	[A] 960.43	962.51

Standalone Statement of Cash Flows for the year ended 31 March, 2025 (Contd.)

₹ crores

	2024-25	2023-24
[B] CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	1.81	11.48
Proceeds from sale of investments	4222.18	1220.00
Loan repaid by subsidiaries	38.35	122.74
Interest received	65.88	41.42
Investments in subsidiaries and associate	(1029.97)	(0.21)
Purchase of property, plant and equipment (including capital work-in-progress, capital advances and capital creditors) and intangible assets (including under development)	(253.55)	(195.47)
Purchase of investments	(3757.18)	(1784.00)
Bank balances other than cash and cash equivalents (net)	(142.38)	(630.56)
Deposit in relation to bidding process for proposed acquisition	(28.68)	-
Loan given to subsidiaries	(30.00)	-
Net cash flow (used in) / from investing activities [B]	(913.54)	(1214.60)
[C] CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	32.35	3.15
Repayment of long-term borrowings	-	(0.18)
Payment of lease liabilities	(5.40)	(4.75)
Finance costs paid	(2.68)	(0.88)
Dividend Paid	(198.75)	(198.55)
Payment towards settlement of litigation with Asset Reconstruction Company	-	(42.00)
Net cash flow (used in) / from financing activities [C]	(174.48)	(243.21)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(127.59)	(495.30)
Cash and cash equivalents at beginning of the year	138.25	633.55
Cash and cash equivalents at end of the year (Refer note 14)	10.66	138.25

1 Refer note 49 in respect of disclosure for changes in liabilities arising from financing activities.

2 The standalone statement of cash flows has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

The accompanying notes form an integral part of standalone financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Aravind K

Partner

Membership No. 221268

Mumbai : 06 May, 2025

Amar Kaul
Managing Director & CEO
(DIN : 07574081)

Susheel Todi
Chief Financial Officer

Mumbai : 06 May, 2025

For and on behalf of the Board

Vellayan Subbiah

Chairman

(DIN : 01138759)

Sanjay Kumar Chowdhary

Company Secretary

Standalone Statement of Changes in Equity for the year ended 31 March, 2025

(A) EQUITY SHARE CAPITAL

For the year ended 31 March, 2025

₹ crores

Balance as at 01-04-2024	Changes in equity share capital during the year *	Balance as at 31-03-2025
305.47	0.31	305.78

For the year ended 31 March, 2024

₹ crores

Balance as at 01-04-2023	Changes in equity share capital during the year *	Balance as at 31-03-2024
305.43	0.04	305.47

* Refer Note 18

(B) OTHER EQUITY

For the year ended 31 March, 2025

₹ crores

	Reserves and Surplus						Total Equity
	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium	Share Options Outstanding Account	
Balance as at 01 April, 2024	1096.59	415.89	672.49	12.95	720.74	21.31	2939.97
Profit for the year	974.46	-	-	-	-	-	974.46
Other comprehensive income for the year							
- Remeasurement loss on defined benefit plans	(7.82)	-	-	-	-	-	(7.82)
Employee stock options	-	-	-	-	32.04	22.90	54.94
Transfer to securities premium and retained earnings from share options outstanding account	1.98	-	-	-	8.49	(10.47)	-
Dividend paid during the year	(198.75)	-	-	-	-	-	(198.75)
Balance as at 31 March, 2025	1866.46	415.89	672.49	12.95	761.27	33.74	3762.80

For the year ended 31 March, 2024

₹ crores

	Reserves and Surplus						Total Equity
	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium	Share Options Outstanding Account	
Balance as at 01 April, 2023	300.30	415.89	672.49	12.95	716.98	6.02	2124.63
Profit for the year	1004.36	-	-	-	-	-	1004.36
Other comprehensive income for the year							
- Remeasurement loss on defined benefit plans	(9.54)	-	-	-	-	-	(9.54)
Employee stock options	-	-	-	-	3.11	15.96	19.07
Transfer to securities premium and retained earnings from share options outstanding account	0.02	-	-	-	0.65	(0.67)	-
Dividend paid during the year	(198.55)	-	-	-	-	-	(198.55)
Balance as at 31 March, 2024	1096.59	415.89	672.49	12.95	720.74	21.31	2939.97

The accompanying notes form an integral part of standalone financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Aravind K
Partner
Membership No. 221268
Mumbai : 06 May, 2025
Annual Report 2024-25 → 166

Amar Kaul
Managing Director & CEO
(DIN : 07574081)

Susheel Todi
Chief Financial Officer
Mumbai : 06 May, 2025

For and on behalf of the Board
Vellayan Subbiah
Chairman
(DIN : 01138759)

Sanjay Kumar Chowdhary
Company Secretary

Notes accompanying the Standalone Financial Statements

1. CORPORATE INFORMATION:

CG Power and Industrial Solutions Limited (the 'Company') with CIN No: L99999MH1937PLC002641, is a public limited company incorporated and domiciled in India. The Company is listed on Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE'). The registered office is located at 6th Floor, CG house, Dr. Annie Besant Road, Worli, Mumbai – 400 030, India.

The Company is a global enterprise providing end-to-end solutions to utilities, industries and consumers for the management and application of efficient and sustainable electrical energy. It offers products, services and solutions in two main business segments, viz. Power Systems and Industrial Systems for the year ended 31 March, 2025.

The standalone financial statements of the Company for the year ended 31 March, 2025 were authorised for issue in accordance with a resolution of the directors on 6 May, 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES:

2.1 Basis of preparation:

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III of the Companies Act, 2013. The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and financial liabilities measured at fair value.

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

The standalone financial statements are presented in Indian Rupees ('₹') and all values are rounded to the nearest crores, except when otherwise indicated.

2.2 Property, plant and equipment:

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, net of trade discounts and rebates, directly attributable costs of bringing the asset to its working condition for its intended use and capitalised borrowing costs. When significant parts of the plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditure related to an item of property, plant and equipment is capitalised only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in the standalone statement of profit and loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date and stated at cost, net of accumulated impairment loss, if any. Once it becomes available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in the standalone statement of profit and loss when the asset is derecognised.

Depreciation is provided on straight-line method over the useful lives of assets. Depreciation commences when an asset is ready for its intended use. The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, where the useful lives was determined by technical evaluation. Freehold land is not depreciated. Depreciation on additions to / deductions from assets is provided on pro-rata basis with reference to the date of addition / deletion.

The range of useful lives of the property, plant and equipment are as follows:

- Plant and machinery – 1 to 21 years
- Furniture and fittings – 1 to 15 years
- Office equipments – 1 to 15 years
- Buildings – 3 to 60 years
- Vehicles – 1 to 8 years

Notes accompanying the Standalone Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

Buildings constructed on Leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the useful life of the building.

In other cases, buildings constructed on leasehold land are amortised over the primary lease period of the land.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

On transition to Ind AS, the Company has elected to continue with the carrying value as per the previous GAAP for Plant and machinery, Furniture and fittings, Office equipments and Vehicles as its deemed cost. Also, the Company has elected to measure Freehold land, Leasehold Land and Buildings at its fair value and considered it as deemed cost as on the date of transition to Ind AS.

2.3 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The amortisation expense on intangible assets with finite lives is recognised in the standalone statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognised.

Intangible assets acquired are amortised as follows:

- Computer software : Over a period of five years;
- Technical know-how : Over a period of five years (from the date of availability for its use); and
- Commercial rights : Over a period of ten years.

Research and development expenditure:

Revenue expenditure on research activities is expensed under the respective heads of account in the period in which it is incurred.

Development expenditures on an individual project are recognised as intangible asset, if all of the following criteria can be demonstrated:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) the Company has intention to complete the development of intangible asset and use or sell it;
- (iii) the Company has ability to use or sell the intangible asset;
- (iv) the manner in which the probable future economic benefit will be generated;
- (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) the Company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over a period of five years. During the period of development, the asset is tested for impairment annually.

On transition to Ind AS, the Company has elected to continue with the carrying value as per the previous GAAP for all intangible assets as its deemed cost.

Notes accompanying the Standalone Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

2.4 Impairment of non-financial assets:

At the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised in the standalone statement of profit and loss, when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of the cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's (CGUs) fair value less cost to sell and the value in use.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2.5 Inventories:

Inventories are valued as under:

- Raw materials, packing materials, construction materials, stores and spares, loose tools and traded goods at lower of cost and net realisable value. Cost is determined on a weighted average basis.
- Work-in-progress and finished goods (manufacturing) at lower of cost and net realisable value. Cost includes an appropriate share of production overheads based on normal operating capacity. Finished goods cost is determined on a weighted average basis.

The cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition, excluding borrowings costs. Obsolete and slow moving items of inventories are valued at cost or net realisable value, whichever is lower. Goods and Materials in transit are valued at actual cost incurred up to the reporting date. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.6 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.7 Foreign currency transactions:

Initial recognition

Transactions in foreign currencies entered are initially accounted at the exchange rates prevailing on the date of the transaction.

Measurement as at balance sheet date

Foreign currency monetary items that are outstanding at the balance sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities are recognised as income or expense in the standalone statement of profit and loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

2.8 Revenue recognition:

(a) Revenue from sale of goods and services

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services is recognised when services are rendered.

Revenue is recognised at an amount of transaction price that reflects the consideration to which the Company expects to be entitled for satisfaction of performance obligation i.e., exchange of goods or services. Transaction price is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items in a contract when they are highly probable to be provided. The variable consideration is estimated at contract inception updated thereafter at each reporting date or until crystallisation of the amount. Liquidated damages are recognised as a part of variable consideration. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognised when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e., if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their standalone selling prices.

However, Goods and Services Tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

(b) Revenue from construction contracts

Performance obligations with reference to construction contracts are satisfied over a period of time, and accordingly, revenue from such contracts is recognised based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, and price variations / escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and generally when it is agreed with customer. Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognised in the period in which estimates are revised.

(c) Dividend and interest income

Dividend income is accounted for when the shareholder's right to receive the same is established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is recognised taking into account the amount outstanding and the effective interest rate.

(d) Rental income

Rental income arising from leases is accounted for on a straight-line basis over the lease terms and is included in other income in the standalone statement of profit and loss.

2.9 Employee benefits:

I. Short-term employee benefits

All employee benefits payable wholly within twelve months after the end of the annual reporting period in which the employees render the related services, are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives, the expected cost of bonus, ex-gratia etc. are recognised during the period in which the employee renders related service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amounts of the benefits expected in exchange for the related services.

Notes accompanying the Standalone Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

II. Post-employment benefits

(A) Defined contribution scheme:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

(i) Provident fund:

The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(ii) Superannuation:

Contributions as a percentage of eligible employees' salary are made to Superannuation Funds administered by trustees and managed by Insurance Company. There is no liability for future Superannuation Fund benefits other than the annual contribution and such contributions are recognised as an expense in the year in which the services are rendered.

(iii) National pension scheme:

Contributions as a percentage of eligible employees' salary are made to National pension scheme administrated by the Pension Fund Regulatory and Development Authority (PFRDA). Such contributions are recognised as an expense in the year in which the services are rendered.

(iv) Employee state insurance scheme and Labour welfare scheme:

Contributions to Employees State Insurance Scheme and Labour welfare scheme are recognised as expense in the year in which the services are rendered.

(B) Defined benefit plans:

(i) Gratuity:

The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with the CG Gratuity Fund. Remeasurements, comprising of actuarial gains and losses are recognised in full in other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit or loss subsequently.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with the actuarial valuations being carried out at the end of each annual reporting period.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss. Past service cost is recognised in the standalone statement of profit and loss in the period of plan amendment or when the Company recognised related re-structuring costs.

The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and settlements;
- net interest expense or income.

III. Leave encashment:

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognised in full in the standalone statement of profit and loss.

Notes accompanying the Standalone Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

IV. Termination benefits:

Termination benefits are recognised as an expense when the Company can no longer withdraw the offer of the termination benefits or when the Company recognises any related restructuring costs whichever is earlier.

2.10 Share based payments (Employee stock option scheme):

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in stock options outstanding account in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The standalone statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro-rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

2.11 Borrowing costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time (generally over twelve months) to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of Borrowing Costs is suspended and charged to the standalone statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period in which they occur.

2.12 Segment accounting:

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Maker in the Company to make decisions for performance assessment and resource allocation. Segment performance is evaluated based on the profit or loss of reportable segment and is measured consistently.

The Operating segments have been identified on the basis of the nature of products / services.

- (i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- (ii) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- (iii) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- (iv) Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.
- (v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

2.13 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes accompanying the Standalone Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

Company as a lessee

At the date of commencement of the lease, the Company recognises right-of-use ('ROU') asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases and leases of low-value assets). For these short-term leases and leases of low-value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

A ROU asset is recognised representing its right to use the underlying asset for the lease term. The cost of the ROU asset measured at inception comprises of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The ROU assets are depreciated from the commencement date using the straight-line method over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The range of useful lives of the ROU assets are as follows:

- Leasehold land – 10 to 99 years
- Buildings – 2 to 9 years

Company as a lessor

Leases for which the Company is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.14 Earnings per share:

Basic earnings per share are calculated by dividing the net profit / loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit / loss for the year attributable to the equity shareholders of the Company and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the standalone financial statements by the Board of Directors.

Notes accompanying the Standalone Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

2.15 Income taxes:

Income tax expense for the period comprises of current and deferred tax. Income tax expense is recognised in the standalone statement of profit and loss except when they are relating to items that are recognised in OCI or directly in equity, in which case, it is also recognised in relating to items recognised directly in OCI or equity respectively.

Current tax

Current tax comprises the expected income tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. It is determined by using tax rates in accordance with the provisions of the Income Tax Act, 1961.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.16 Provisions, Contingent liabilities, Contingent assets and Commitments:

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Warranty provisions

Provisions for the expected cost of warranty obligations are recognised at the time of sale of relevant product or service, at the best estimate of the expenditure required to settle the Company's obligation.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Notes accompanying the Standalone Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

2.17 Exceptional items:

An item of income or expense which by its size, type or incidence is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed as such in the standalone financial statements.

2.18 Current and non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets / liabilities are classified as non-current.

Operating cycle:

A portion of the Company activities (primarily long-term project activities) has an operating cycle that exceeds twelve months. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised / paid within twelve months, have been classified as non-current. For all other activities, operating cycle is twelve months.

2.19 Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes accompanying the Standalone Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

2.20 Financial instruments:

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

(i) Financial assets:

Initial recognition and measurement

Financial assets are measured at fair value on initial recognition, except for trade receivables that do not contain a significant financing component which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety either at amortised cost or at fair value depending on the classification of the financial assets.

Where financial assets are measured at fair value, gains and losses are either recognised entirely in the standalone statement of profit and loss (i.e. fair value through profit or loss or 'FVTPL'), or recognised in other comprehensive income (i.e. fair value through other comprehensive income or 'FVTOCI').

A financial asset is measured at amortised cost (net of any write down for impairment) if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

All equity investments are measured at fair value, with fair value changes recognised in the standalone statement of profit and loss, except for those equity investments for which the entity has elected to present fair value changes in other comprehensive income. However, dividend on such equity investments are recognised in the standalone statement of profit and loss when the Company's right to receive payment is established.

Investment in associates, joint venture and subsidiaries

The Company accounts for its investment in subsidiaries, associates and joint venture, at cost less impairment loss except where investments is accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

Impairment of financial assets

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss. Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables, the Company applies a simplified approach under which loss allowance is recognised based on expected lifetime ECL losses to be recognised on each reporting date. The Company uses a provision matrix that is based on its historical credit loss experience adjusted for relevant forward-looking factors. For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk since initial recognition, full lifetime ECL is used.

Notes accompanying the Standalone Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, which are not at fair value through profit or loss, are deducted from the fair value on initial recognition.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss ('FVTPL'). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Company to make specified payment to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of, the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

(iii) Derivative financial instruments and hedge accounting:

The Company uses various derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the standalone statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and presented as a separate component of equity which is later reclassified to the standalone statement of profit and loss when the hedge item affects profit or loss.

(iv) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes accompanying the Standalone Financial Statements (Contd.)

3(A). SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities within the next financial year.

Judgements

Lease of assets not in legal form of lease

Significant judgment is required to apply lease accounting rules under Ind AS 116. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Ind AS 116.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Useful lives of property, plant and equipment:

Management reviews useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors. This reassessment may result in change in depreciation expected in future period.

(ii) Development costs:

Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management assesses and monitors whether the recognition requirements for development costs continue to be met. There is inherent uncertainty in the economic success of any product development. The Company uses judgement in assessment of development cost eligible for capitalisation.

(iii) Impairment of non-financial assets:

In case of non-financial assets, the Company estimates asset's recoverable amount, which is higher of an asset's or cash generating units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

(iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Income taxes:

Deferred tax assets for unused tax losses are recognised only when it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

(vi) Defined benefit obligation:

In accounting for post-retirement benefits, actuarial method uses several statistical and other factors to anticipate future events that are used to calculate defined benefit obligation. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

Notes accompanying the Standalone Financial Statements (Contd.)

3(A). SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd.)

(vii) Revenue from contract with customers:

The Company estimates variable consideration in the nature of volume rebates, discounts, performance bonuses, penalties and similar items and adjusts the transaction price for the sale of goods and services. These expected variable consideration are analysed either at customer or contracts basis against agreed terms with customers and may differ from actual results.

(viii) Contingencies:

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in notes but are not recognised, the cases which have been determined as remote by the Company are not disclosed.

(ix) Share-based payment transactions:

The fair value of employee stock options is measured using the Black-Scholes model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds). Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 42.

3(B). NEW AND AMENDED STANDARDS

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01 April, 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Ind AS 117 Insurance contracts:

The Ministry of corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 01 April, 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 had no impact on the Company's standalone financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

(ii) Amendment to Ind AS 116 Leases – lease liability in a sale and leaseback:

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 01 April, 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendment does not have impact on the Company's standalone financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Plant and machinery	Right-of-Use assets *	Furniture and fittings	Office equipments	Vehicles	Total	Capital work-in-progress
₹ crores									
Cost / deemed cost:									
As at 01 April, 2023	49.42	641.76	478.77	99.37	29.18	27.77	8.79	1335.06	18.01
Additions	-	16.19	59.84	40.92	1.60	7.38	4.72	130.65	58.30
Disposals / transfers	-	6.19	1.36	0.13	0.68	2.20	1.21	11.77	10.71
As at 31 March, 2024	49.42	651.76	537.25	140.16	30.10	32.95	12.30	1453.94	65.60
Additions	-	3.62	56.58	11.29	0.84	6.82	5.74	84.89	173.47
Disposals / transfers	-	0.74	6.38	6.80	0.05	0.30	2.78	17.05	18.95
As at 31 March, 2025	49.42	654.64	587.45	144.65	30.89	39.47	15.26	1521.78	220.12
Accumulated depreciation:									
As at 01 April, 2023	-	227.64	295.79	26.13	18.28	17.64	4.49	589.97	
Depreciation charge for the year	-	23.50	29.64	5.27	1.93	3.01	1.72	65.07	
Disposals / transfers	-	1.13	1.10	0.03	0.58	1.87	1.02	5.73	
As at 31 March, 2024	-	250.01	324.33	31.37	19.63	18.78	5.19	649.31	
Depreciation charge for the year	-	22.64	35.15	6.51	1.86	4.15	2.41	72.72	
Disposals / transfers	-	0.34	5.70	3.20	0.05	0.26	1.46	11.01	
As at 31 March, 2025	-	272.31	353.78	34.68	21.44	22.67	6.14	711.02	
Net book value									
As at 31 March, 2024	49.42	401.75	212.92	108.79	10.47	14.17	7.11	804.63	65.60
As at 31 March, 2025	49.42	382.33	233.67	109.97	9.45	16.80	9.12	810.76	220.12

Notes:

- (a) The Company's application for renewal of lease in respect of property in Mumbai is considered by local municipal corporation, however documentation formalities in this regards are in progress.
The net book value of tangible assets in relation to this property as at 31 March, 2025 is ₹ 172.39 crores (as at 31 March, 2024 ₹ 177.52 crores).

- (b) * Refer note 38.

Notes accompanying the Standalone Financial Statements (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT (Contd.)

Capital work-in-progress (CWIP) Ageing Schedule as at 31 March, 2025

₹ crores

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	173.47	45.52	1.13	-	220.12
Total	173.47	45.52	1.13	-	220.12

Notes:

- (i) There are no projects where project cost has exceeded or projects are overdue in current year.
- (ii) There are no projects which are temporary suspended.

Capital work-in-progress (CWIP) Ageing Schedule as at 31 March, 2024

₹ crores

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	58.30	4.45	2.45	0.40	65.60
Total	58.30	4.45	2.45	0.40	65.60

Notes:

- (i) There were no projects where project cost exceeded or projects were overdue.
- (ii) There were no projects which were temporary suspended.

5. INTANGIBLE ASSETS

	Computer software	Technical know-how	Commercial rights	Development cost	Total	Intangible assets under development#
₹ crores						
Cost / deemed cost:						
As at 01 April, 2023	63.41	12.30	31.09	128.44	235.24	11.03
Additions	11.05	-	-	2.55	13.60	12.47
Disposals / transfers	0.01	-	-	-	0.01	3.90
As at 31 March, 2024	74.45	12.30	31.09	130.99	248.83	19.60
Additions	6.41	-	-	25.35	31.76	25.84
Disposals / transfers	0.00	-	-	-	0.00	25.35
As at 31 March, 2025	80.86	12.30	31.09	156.34	280.59	20.09
Accumulated amortisation:						
As at 01 April, 2023	59.28	12.21	31.09	106.92	209.50	
Amortisation charge for the year	4.01	0.09	-	8.67	12.77	
Disposals / transfers	0.01	-	-	-	0.01	
As at 31 March, 2024	63.28	12.30	31.09	115.59	222.26	
Amortisation charge for the year	3.86	-	-	9.79	13.65	
Disposals / transfers	0.00	-	-	-	0.00	
As at 31 March, 2025	67.14	12.30	31.09	125.38	235.91	
Net book value						
As at 31 March, 2024	11.17	-	-	15.40	26.57	19.60
As at 31 March, 2025	13.72	-	-	30.96	44.68	20.09

Additions include research and development expenses of capital nature amounting to ₹ 22.09 crores (as at 31 March, 2024 ₹ 12.47 crores) (Refer note 39).

Intangible assets under development (IAUD) Ageing Schedule as at 31 March, 2025

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	15.39	2.38	1.20	1.12	20.09
Total	15.39	2.38	1.20	1.12	20.09

Notes:

- (i) There are no projects where project cost has exceeded or projects are overdue in current year.
(ii) There are no projects which are temporary suspended.

Intangible assets under development (IAUD) Ageing Schedule as at 31 March, 2024

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11.01	5.36	2.21	1.02	19.60
Total	11.01	5.36	2.21	1.02	19.60

Notes:

- (i) There were no projects where project cost exceeded or projects were overdue.
(ii) There were no projects which were temporary suspended.

Notes accompanying the Standalone Financial Statements (Contd.)

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ crores					
	Face value per unit in ₹ unless otherwise specified	No. of shares / units		As at 31-03-2025	As at 31-03-2024
		As at 31-03-2025	As at 31-03-2024		
Details of investments:					
A) Quoted investments					
Government and trust securities (Measured at Fair value through profit and loss)					
Central Government Securities 10.18% GOI 2026 of ₹ 100 each	100	39000	39000	0.41	0.43
Total (A)				0.41	0.43
B) Unquoted investments					
Investments in equity instruments					
Investment in subsidiary companies (carried at cost)					
Fully paid equity shares					
1. CG International B.V.	EUR 100	1530000	1530000	609.62	617.20
Less: Impairment (net of reversal) in value of investment**				(281.40)	(288.98)
2. CG Power Equipments Limited (Formerly Crompton Greaves Consumer Products Limited)	2	250000	250000	328.22	328.22
Less: Impairment in value of investment				0.05	0.05
				(0.05)	(0.05)
3. CG International Holdings Singapore Pte Limited	USD 1	44121460	44121460	238.29	238.29
Less: Impairment (net of reversal) in value of investment*				(173.94)	(173.94)
4. CG Adhesive Products Limited (Formerly CG-PPI Adhesive Products Limited)	10	3259852	3259852	64.35	64.35
5. PT Crompton Prima Switchgear Indonesia (deemed investment)				13.58	13.58
Less: Impairment in value of investment				1.15	1.15
				(1.15)	(1.15)
6. CG Semi Private Limited	10	360542188	10000	-	-
7. Axiro Semiconductor Private Limited	10	350050000	-	360.54	0.01
8. G.G. Tronics India Private Limited	100	275459	-	350.05	-
				319.38	-
Partly paid equity shares					
CG Power Equipments Limited (Formerly Crompton Greaves Consumer Products Limited)	0.20	156436537	156436537	3.13	3.13
Less: Impairment in value of investment				(3.13)	(3.13)
				-	-
Investments in trust securities					
Investment in associate (carried at cost)					
Chola Foundation				0.01	-
Total (B)				1436.13	406.16

Notes accompanying the Standalone Financial Statements (Contd.)

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)							₹ crore	
		Face value per unit in ₹ unless otherwise specified	No. of shares / units		As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024
			As at 31-03-2025	As at 31-03-2024				
C) Unquoted investments								
Investments in others								
Measured at fair value through profit and loss								
1.	Dinette Exclusive Club Private Limited	100	500	500		0.01	0.01	
2.	Radiant Electronics Limited	100	190000	190000		0.00	0.00	
						0.01	0.01	
Investments in debentures or bonds								
Carried at fair value through profit and loss								
1.	Dinette Exclusive Club Private Limited	100	5000	5000		0.05	0.05	
	(0% Unsecured Irredeemable Non-convertible Debentures of ₹ 100 each)					0.05	0.05	
Other non-current investments								
Carried at fair value through profit and loss								
1.	UTI Hybrid Equity Fund - Dividend Plan - Payout	10	68048	63227		0.28	0.26	
2.	Power Equipment Limited	USD 10	20600	20600		0.00	0.00	
						0.28	0.26	
						0.34	0.32	
Total (C)								
Total (A+B+C)								
Notes:								
Quoted investments								
	Book value					1436.88	406.91	
	Market value							
Unquoted investments								
	Book value					1436.47	406.48	
Aggregate amount of impairment in the value of investments in subsidiaries								
						459.67	467.25	

Refer note 45 for reversal of impairment in value of investment during the previous year of ₹ 103.82 crores.

* During the year, the Company has written off of investment ₹ 7.58 crores (previous year ₹ 0.05 crores). Also provision to that extent has been reversed by ₹ 7.58 crores (previous year ₹ 0.05 crores) (Refer note 44 and 45).

Notes accompanying the Standalone Financial Statements (Contd.)

7. NON-CURRENT FINANCIAL ASSETS - LOANS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured, credit impaired, unless otherwise stated		
Loans to subsidiaries (Refer note 44)*	1197.50	1936.48
Less: Allowance for credit impairment (Refer note 44)*	1197.50	1936.48
	-	-
Other loans and advances	7.94	7.94
Less: Allowance for credit impairment	7.94	7.94
	-	-
	-	-

* During the year loan amounting ₹ 8.35 crores (previous year ₹ 122.74 crores) has been repaid by a subsidiary, hence provision to that extent has been reversed by ₹ 8.35 crores (previous year ₹ 122.74 crores) (Refer note 44).

Further, during the year the amount written off ₹ 730.63 crores (previous year ₹ Nil), the provision amount to that extent of ₹ 730.63 crores has been reversed (Refer note 44 and 45).

₹ crores

	As at 31-03-2025		As at 31-03-2024	
Type of Borrower	Amount of loan or advance in nature of loan outstanding	% of total Loans and Advances in nature of loans	Amount of loan or advance in nature of loan outstanding	% of total Loans and Advances in nature of loans
Loan to subsidiaries	1197.50	99.3%	1936.48	99.6%
Total	1197.50	99.3%	1936.48	99.6%

8. NON-CURRENT - OTHER FINANCIAL ASSETS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured, considered good, unless otherwise stated		
Deposits	6.05	7.55
Fixed deposits with banks with remaining maturity period of more than 12 months*	4.39	3.58
	10.44	11.13

* Fixed deposits of ₹ 1.47 crores (as at 31 March, 2024 ₹ 2.72 crores) are held as margin money.

9. TAXATION

Income tax recognised in statement of profit and loss:

₹ crores

	2024-25	2023-24
Statement of profit and loss:		
Current income tax:		
Current period	137.32	15.59
Adjustment in respect of current tax relating to earlier periods	36.49	(15.05)
Deferred tax:		
Relating to origination and reversal of temporary differences	194.01	284.04
Income tax recognised in statement of profit and loss	367.82	284.58
Other comprehensive income:		
Deferred tax related to items recognised in other comprehensive income during the year	(2.92)	(2.67)
Income tax recognised in other comprehensive income	(2.92)	(2.67)

Notes accompanying the Standalone Financial Statements (Contd.)

9. TAXATION (Contd.)

Reconciliation of income tax expense and the accounting profit multiplied by applicable income tax rate:

₹ crores

	2024-25	2023-24
Accounting profit before income tax	1342.28	1288.94
Applicable tax rate	25.168%	25.168%
Computed tax expense	337.83	324.40
Reversal of provision against investment / loan and advances given to subsidiaries	(2.10)	(57.02)
Write off of receivables / financial assets receivables	(18.79)	(3.50)
Adjustment of tax relating to earlier periods	36.49	(15.05)
Expense not deductible in determining taxable profits	9.46	9.63
Others	4.93	26.12
Net income tax expense charged to statement of profit and loss	367.82	284.58

Notes :

Pursuant to the directions of the Hon'ble National Company Law Tribunal ('NCLT'), the Company's books of accounts were re-casted and re-audited for the financial years 2014-15 to 2018-19. The said re-casted accounts were taken on record by the NCLT on 26 October, 2021, and the consequential voluntary revision of the books of accounts for the financial years 2019-20 and 2020-21 were carried out by the Company. In this connection, the Company filed an application with the Central Board of Direct Taxes ('CBDT') seeking approval to revise the income tax returns based on the re-casted / revised books of accounts for the financial years 2014-15 to 2019-20. However, the CBDT, vide its order dated 29 February, 2024, rejected the Company's application.

Aggrieved by this rejection order, the Company filed a Writ Petition before the Hon'ble Bombay High Court. The Hon'ble Bombay High Court, in its order dated 30 April, 2024, issued the following directions:

- Allowing the Company to file its revised income tax returns based on the re-casted / revised accounts for the financial years 2014-15 to 2019-20.
- Directing the Income Tax Department to complete the assessment of these revised returns. In compliance with the Hon'ble Bombay High Court's order, the Company filed the revised income tax returns based on the re-casted accounts for the financial years 2014-15 to 2019-20 in the current year.

Subsequently, the Company received assessment orders for certain periods based on the revised income tax returns filed. Due to various disallowances / additions made, completed assessment orders resulted in tax demands of ₹ 248.40 crores for which appeals have been filed. The same has been subsequently stayed by the department. Based on management assessment, duly supported by legal opinion from senior counsel, the Company believes that it has strong case on merit that these disallowances / additions are in principle not tenable under law including in relation to the periods for which revised income tax returns are filed, as applicable. Accordingly, no adjustments are considered necessary in the standalone financial statements in this regard.

Deferred tax relates to the following:

₹ crores

	Balance sheet		Recognised in statement of profit and loss	
	As at 31-03-2025	As at 31-03-2024	2024-25	2023-24
Expenses allowable on payment basis	21.76	14.28	(7.48)	27.82
Impact of difference between tax depreciation and depreciation / amortisation charged	(111.70)	(121.47)	(9.77)	(6.77)
Lease liabilities	3.92	3.20	(0.72)	0.36
Right-of-use assets	(3.60)	(2.86)	0.74	(0.43)
Other items giving rise to temporary differences	3.97	9.69	5.72	7.06
Provision and impairment of receivables	47.36	55.37	8.01	2.60
Unabsorbed losses and Unabsorbed depreciation	-	194.59	194.59	250.73
Net deferred tax assets / (liabilities)	(38.29)	152.80	191.09	281.37
Net (income) / expense			191.09	281.37
Deferred tax expense / (benefit):				
Relating to origination and reversal of temporary differences			191.09	281.37
Total			191.09	281.37

Notes accompanying the Standalone Financial Statements (Contd.)

9. TAXATION (Contd.)

Reconciliation of deferred tax assets / (liabilities) net

₹ crores

	As at 31-03-2025	As at 31-03-2024
Opening balance	152.80	434.17
Tax expense during the year recognised in statement of profit and loss	(194.01)	(284.04)
Deferred tax on other comprehensive income	2.92	2.67
Closing balance	(38.29)	152.80

10. OTHER NON-CURRENT ASSETS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured, considered good, unless otherwise stated		
Capital advances	45.41	4.91
	45.41	4.91

11. INVENTORIES

₹ crores

	As at 31-03-2025	As at 31-03-2024
Raw materials	445.14	313.11
Add: Goods-in-transit	29.66	9.35
	474.80	322.46
Work-in-progress	340.60	229.00
Finished goods	181.17	118.32
Stock-in-trade (including goods-in-transit)	31.90	16.73
Stores, spares, packing materials and loose tools	4.82	3.11
	1033.29	689.62

Note:

Mode of valuation of inventories is stated in Note 2.5

12. CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ crores

			No. of shares / units			
		Face value per unit in ₹ unless otherwise specified	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024
Details of investments:						
Unquoted investments						
Investments in equity instruments*						
1	Nicco Corporation Limited	2	330390	330390	0.01	0.01
2	JCT Electronics Limited	1	250000	250000	0.00	0.00
					0.01	0.01
Investments in mutual funds*						
1	SBI Overnight Fund - Direct Growth		315740	-	131.14	-
2	SBI Liquid Fund - Direct Growth		61980	1555029	25.14	587.69
					156.28	587.69
Aggregate amount of unquoted investments					156.29	587.70

* Carried at fair value through profit and loss.

Notes accompanying the Standalone Financial Statements (Contd.)

13. TRADE RECEIVABLES

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured:		
Considered good	1873.68	1457.47
Credit impaired	47.84	93.36
	1921.52	1550.83
Less: Allowance for credit impairment	47.84	93.36
	1873.68	1457.47
Receivables from related parties	68.58	69.81
Less: Allowance for credit impairment	63.40	63.40
(Refer note 44)	5.18	6.41
	1878.86	1463.88

Note:

Refer note 28 for trade receivables considered as contract balances.

Trade receivables ageing schedule:

₹ crores

As at 31 March, 2025	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months-1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables – considered good	1330.83	440.53	63.42	26.03	7.89	10.16	1878.86
(ii) Undisputed trade receivable – credit impaired	-	-	-	7.15	3.68	100.41	111.24
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable – credit impaired	-	-	-	-	-	-	-
Total	1330.83	440.53	63.42	33.18	11.57	110.57	1990.10

₹ crores

As at 31 March, 2024	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months-1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables – considered good	909.60	504.43	29.08	9.10	6.14	5.53	1463.88
(ii) Undisputed trade receivable – credit impaired	-	-	-	11.73	4.60	140.43	156.76
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable – credit impaired	-	-	-	-	-	-	-
Total	909.60	504.43	29.08	20.83	10.74	145.96	1620.64

Note:

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Details of trade receivables due from firms or private companies respectively in which any director is a partner, a director or a member are given below :

₹ crores

Name of the Company	As at 31-03-2025	As at 31-03-2024
Zetwerk Manufacturing Businesses Private Limited	0.05	3.02

Notes accompanying the Standalone Financial Statements (Contd.)

14. CASH AND CASH EQUIVALENTS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Balances with banks:		
In current accounts	10.66	45.25
Fixed deposits with original maturity of less than 3 months	-	93.00
	10.66	138.25
Cash on hand	-	0.00
	10.66	138.25

Note:

As at 31 March, 2025, the Company has undrawn fund based committed borrowing facilities of ₹ 450.00 crores (as at 31 March, 2024 ₹ 500.00 crores).

15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Earmarked balances with banks for:		
Unpaid dividends (Refer note (a) below)	0.71	0.48
Others (Refer note (b) below)	25.55	-
	26.26	0.48
Fixed deposits with original maturity of more than 3 months and up to 12 months (Refer note (c) below)	759.01	642.41
	785.27	642.89

Notes:

- Amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31 March, 2025 ₹ Nil (as at 31 March, 2024 ₹ Nil).
- There are restrictions on the bank balances of ₹ 6.31 crores held in separate bank account, opened as per the directives of Enforcement Directorate for the purpose of receiving funds. The above also include Tax deducted at source to ₹ 19.24 crores to be deposited against the interim dividend declared in financial year 2024-25.
- Fixed deposits of ₹ Nil (as at 31 March, 2024 ₹ 1.40 crores) are held as margin money.

16. CURRENT - OTHER FINANCIAL ASSETS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured, considered good, unless otherwise stated:		
Receivable from subsidiaries (Refer note 44)	2.88	35.41
Less: Allowances for credit impaired	-	-
	2.88	35.41
Fixed deposits with remaining maturity less than 12 months*	3.21	4.42
Derivative instruments (Refer note 47)	-	0.69
Security deposits:		
Considered good	47.21	9.30
Considered doubtful	0.74	0.74
Less: Allowance for bad and doubtful deposits	47.95	10.04
	0.74	0.74
	47.21	9.30
Other financials assets	9.38	8.69
	62.68	58.51

* Fixed deposits of ₹ 3.08 crores (as at 31 March, 2024 ₹ 3.71 crores) are held as margin money.

Notes accompanying the Standalone Financial Statements (Contd.)

17. OTHER CURRENT ASSETS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured, considered good, unless otherwise stated:		
Advance to suppliers	68.02	69.97
Statutory and other receivables*	138.41	168.46
Receivable from erstwhile directors	0.16	0.16
Less: Provision for doubtful receivable	0.16	0.16
	-	-
	<u>206.43</u>	<u>238.43</u>

Note:

* Major items includes statutory receivables of ₹ 109.53 crores (as at 31 March, 2024 ₹ 134.61 crores), which mainly consists of deposits towards disputed tax demands of ₹ 51.89 crores (as at 31 March, 2024 ₹ 54.26 crores).

18. EQUITY SHARE CAPITAL

₹ crores

	As at 31-03-2025	As at 31-03-2024
Authorised		
2038000000 equity shares of ₹ 2 each (2038000000 equity shares of ₹ 2 each as at 31 March, 2024)	<u>407.60</u>	<u>407.60</u>
Issued		
1528911744 equity shares of ₹ 2 each fully paid-up (1527375514 equity shares of ₹ 2 each fully paid-up as at 31 March, 2024)	<u>305.78</u>	<u>305.47</u>
Subscribed and paid-up		
1528869444 equity shares of ₹ 2 each fully paid-up (1527333214 equity shares of ₹ 2 each fully paid-up as at 31 March, 2024)	<u>305.78</u>	<u>305.47</u>
Forfeited shares		
42300 equity shares of ₹ 2 each (Amount partly paid-up ₹ 32175) (42300 equity shares of ₹ 2 each (Amount partly paid-up ₹ 32175 as at 31 March, 2024))	<u>0.00</u>	<u>0.00</u>
	<u>305.78</u>	<u>305.47</u>

Notes accompanying the Standalone Financial Statements (Contd.)

18. EQUITY SHARE CAPITAL (Contd.)

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	As at 31-03-2025		As at 31-03-2024	
Authorised equity share capital	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	2038000000	407.60	2038000000	407.60
Balance at the end of the year	2038000000	407.60	2038000000	407.60

	As at 31-03-2025		As at 31-03-2024	
Issued equity share capital	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	1527375514	305.47	1527173734	305.43
Add: Issued during the year	1536230	0.31	201780	0.04
Balance at the end of the year	1528911744	305.78	1527375514	305.47

	As at 31-03-2025		As at 31-03-2024	
Subscribed and paid-up equity share capital	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	1527333214	305.47	1527131434	305.43
Add: Subscribed during the year	1536230	0.31	201780	0.04
Balance at the end of the year	1528869444	305.78	1527333214	305.47

The Company has issued following equity shares under employee stock option scheme:

During the year 1536230 equity shares of the face value ₹ 2 each per equity share, for an aggregate consideration of ₹ 32.35 crores. (Previous year 201780 equity shares of the face value ₹ 2 each per equity share, for an aggregate consideration of ₹ 3.15 crores).

(b) Terms / rights attached to equity shares:

The Company has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Details of shareholders holding more than 5% shares in the Company:

	As at 31-03-2025		As at 31-03-2024	
	%	No. of Shares	%	No. of Shares
Tube Investments of India Limited	57.98	886485532	58.04	886485532

Notes accompanying the Standalone Financial Statements (Contd.)

18. EQUITY SHARE CAPITAL (Contd.)

(d) Details of shares held by promoters and promoter group

As at 31 March, 2025

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares*	% change during the year
Tube Investments of India Limited	886485532	-	886485532	57.98%	-
M A Murugappan Holdings LLP (Formerly, M A Murugappan Holdings Private Limited)	367000	2530	369530	0.02%	0.69%
M A M Arunachalam	220920	-	220920	0.01%	-
M.A.Alagappan	165000	-	165000	0.01%	-
A M Meyyammai	8980	-	8980	0.00%	-
M A M Arunachalam (M A M A & S Arunachalam hold on behalf of Arun Murugappan Children's Trust)	74000	51090	125090	0.01%	69.04%
M A M Arunachalam (In capacity of karta of HUF)	64500	22800	87300	0.01%	35.35%
Sigappi Arunachalam (Sigappi Arun, M A M Arunachalam & A M Meyyammai holds shares - Murugappan Arunachalam Children Trust)	46900	850	47750	0.00%	1.81%
Vedika Meyyammai Arunachalam	71000	3350	74350	0.00%	4.72%
Lakshmi Ramaswamy	7490	-	7490	0.00%	-
Uma Ramanathan	2500	-	2500	0.00%	-
Murugappa & Sons (M.V.Subbiah, M A A and M M M hold shares on behalf of the Firm)	5100	-	5100	0.00%	-
A M M Vellayan Sons P Ltd	1785	-	1785	0.00%	-
Valli Annamalai	1000	-	1000	0.00%	-
Lakshmi Chockalingam	44900	-	44900	0.00%	-
Valli Alagappan	500	-	500	0.00%	-
Dhruv M Arunachalam	200	1280	1480	0.00%	640.00%
A Keertika Unnamalai	155	734	889	0.00%	473.55%
Niranthara Alamelu Muthiah	-	15	15	0.00%	100.00%
Total	887567462	82649	887650111	58.06%	

(*) Due to smaller number of shares in case of certain promoters, in percentage terms it is resulting to 0.00%. However total promoter holding is 58.06%

Notes accompanying the Standalone Financial Statements (Contd.)

18. EQUITY SHARE CAPITAL (Contd.)

(d) Details of shares held by promoters and promoter group (Contd.)

As at 31 March, 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares [#]	% change during the year
Tube Investments of India Limited	886485532	-	886485532	58.04%	-
M A Murugappan Holdings LLP (Formerly, M A Murugappan Holdings Private Limited)	367000	-	367000	0.02%	-
M A M Arunachalam	185000	35920	220920	0.01%	19.42%
M.A.Alagappan	165000	-	165000	0.01%	-
A M Meyyammai	90000	(81020)	8980	0.00%	(90.02%)
M A M Arunachalam (M A M A & S Arunachalam hold on behalf of Arun Murugappan Children's Trust)	74000	-	74000	0.00%	-
M A M Arunachalam (In capacity of karta of HUF)	64500	-	64500	0.00%	-
Sigappi Arunachalam (Sigappi Arun, M A M Arunachalam & A M Meyyammai holds shares - Murugappan Arunachalam Children Trust)	46900	-	46900	0.00%	-
A Venkatachalam (In capacity of karta of HUF)	31300	(31300)	-	-	(100.00%)
Vedika Meyyammai Arunachalam	71000	-	71000	0.00%	-
Lakshmi Ramaswamy	7490	-	7490	0.00%	-
Uma Ramanathan	2500	-	2500	0.00%	-
Murugappa & Sons (M.V.Subbiah, M A A and M M M hold shares on behalf of the Firm)	5100	-	5100	0.00%	-
A M M Vellayan Sons P Ltd	1450	335	1785	0.00%	23.10%
Valli Annamalai	1000	-	1000	0.00%	-
Lakshmi Chockalingam	-	44900	44900	0.00%	100.00%
Valli Alagappan	-	500	500	0.00%	100.00%
Dhruv M Arunachalam	-	200	200	0.00%	100.00%
A Keertika Unnamalai	-	155	155	0.00%	100.00%
Total	887597772	(30310)	887567462	58.11%	

^(#) Due to smaller number of shares in case of certain promoters, in percentage terms it is resulting to 0.00%. However total promoter holding is 58.11%

Notes accompanying the Standalone Financial Statements (Contd.)

19. OTHER EQUITY

₹ crores

	As at 31-03-2025	As at 31-03-2024
Retained earnings	1866.46	1096.59
General reserve	415.89	415.89
Capital reserve	672.49	672.49
Capital redemption reserve	12.95	12.95
Securities premium	761.27	720.74
Share options outstanding account	33.74	21.31
	3762.80	2939.97

Refer the standalone statement of changes in equity for detailed movement in balances.

(a) Dividend paid and proposed:

The Company has declared and paid interim dividend of ₹ 1.30 per share, resulting in a dividend payout of ₹ 198.75 crores for the financial year 2024-25 (previous year ₹ 1.30 per share, resulting in a dividend payout of ₹ 198.55 crores).

(b) Nature and purpose of items in other equity:

(i) Retained earnings:

Retained earnings are the profits that the Company has earned till date and includes any transfers to general reserve, dividends or other distributions paid to the shareholders.

(ii) General reserve:

General reserve comprises of transfer of profits from retained earnings for appropriation purpose, the reserves can be distributed / utilised by the Company in accordance with the provisions of the Companies Act, 2013.

(iii) Capital reserve:

Capital reserve mainly represents the amount recognised on demerger of consumer product business and can be utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Capital redemption reserve:

Capital redemption reserve was created on buy back of shares. The Company may issue bonus shares to its members out of the capital redemption reserve.

(v) Securities premium:

Securities premium reserve is used to record the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(vi) Share options outstanding account:

Share options outstanding account represents fair value of the options granted which is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

Notes accompanying the Standalone Financial Statements (Contd.)

20. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured loans		
Others (Refer note (a) below)	2.69	-
	2.69	-

Notes:

- (a) Intercompany loan from a subsidiary amounting to ₹ 2.69 crores (as at 31 March, 2024 ₹ 2.69 crores, Refer note 23) at interest rate of 7.5% p.a. and is repayable in April 2027, hence as at 31 March, 2025 the same has been reclassified to non-current financial liabilities - borrowings.
- (b) **Quarterly returns to bank:**
The quarterly returns submitted to the banks by the Company till 31 December, 2024 are in agreement with books of accounts, the quarterly return for the quarter ended 31 March, 2025 has not been filed by the Company till the approval of these standalone financial statements.

21. NON-CURRENT OTHER FINANCIAL LIABILITIES

₹ crores

	As at 31-03-2025	As at 31-03-2024
Deposits payable	26.07	10.87
Others (Refer note 44)	1.99	-
	28.06	10.87

22. NON-CURRENT PROVISIONS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Provision for gratuity (Refer note 41(b))	4.81	6.28
Other provisions (Refer note 27(a))	38.91	29.18
	43.72	35.46

23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured loans		
Others	-	2.69
	-	2.69

Note:

Intercompany loan from a subsidiary amounting to ₹ 2.69 crores (as at 31 March, 2024 ₹ 2.69 crores) at interest rate of 7.5% p.a. and is repayable in April 2027, hence as at 31 March, 2025 the same has been reclassified to non-current financial liabilities - borrowings.

Notes accompanying the Standalone Financial Statements (Contd.)

24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ crores

	As at 31-03-2025	As at 31-03-2024
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
Acceptances	425.81	322.00
Due to other than micro enterprises and small enterprises	1179.01	1019.21
Due to subsidiaries (Refer note 44)	12.44	10.92
	1617.26	1352.13
Due to micro enterprises and small enterprises (Refer note below)	160.00	104.71
	1777.26	1456.84

Note:

Micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, have been determined based on the information available with the Company and the required disclosures are given below:

₹ crores

	As at 31-03-2025	As at 31-03-2024
(a) Principal amount due to suppliers	160.00	104.71
(b) Interest accrued and due to suppliers on the above amount, unpaid	0.22	0.22
(c) Interest paid to suppliers (other than Section 16)	-	-
(d) Interest paid to suppliers (Section 16)	-	-
(e) Interest due and payable towards suppliers for payments already made	5.29	5.12
(f) Interest accrued and remaining unpaid at the end of each year	5.51	5.34

Trade payables ageing schedule:

₹ crores

As at 31 March, 2025	Not due / Unbilled	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues of micro enterprises and small enterprises	158.04	1.88	-	0.04	0.04	160.00
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	1295.44	302.22	3.20	1.24	15.16	1617.26
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	1453.48	304.10	3.20	1.28	15.20	1777.26

₹ crores

As at 31 March, 2024	Not due / Unbilled	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues of micro enterprises and small enterprises	101.84	2.72	0.06	0.01	0.08	104.71
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	1064.59	248.87	2.85	1.55	15.19	1333.05
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	19.08	19.08
Total	1166.43	251.59	2.91	1.56	34.35	1456.84

Notes accompanying the Standalone Financial Statements (Contd.)

25. CURRENT- OTHER FINANCIAL LIABILITIES

₹ crores

	As at 31-03-2025	As at 31-03-2024
Interest-free sales tax deferral loans from State Government	0.12	0.12
Interest accrued but not due on borrowings	-	1.67
Dues to subsidiaries (Refer note 44)	1.05	1.06
Capital Creditors	47.32	-
Investor Education and Protection Fund:		
Unclaimed dividend (Refer below note (a))	0.71	0.48
Security deposits	14.80	15.30
Due to directors (Refer note 44)	1.76	0.95
Derivative Instruments (Refer note 47)	0.21	-
Other payables (Refer below note (b))	89.50	108.71
	155.47	128.29

Notes:

- (a) There is no amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31 March, 2025 (as at 31 March, 2024 ₹ Nil).
- (b) Major items pertain to employee related payables including incentives and liability towards fund received as per directions of Enforcement Directorate (Refer note 15(b)).

26. OTHER CURRENT LIABILITIES

₹ crores

	As at 31-03-2025	As at 31-03-2024
Advances from customers (Refer note 28)	362.67	268.26
Billing in excess of contract revenue (Refer note 28)	27.42	3.21
Other payables:		
Statutory liabilities	60.67	21.00
Others	8.95	8.72
	69.62	29.72
	459.71	301.19

Notes accompanying the Standalone Financial Statements (Contd.)

27. SHORT-TERM PROVISIONS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Provision for gratuity (Refer note 41(b))	11.58	9.97
Provision for leave encashment	33.63	28.44
Other provisions (Refer note below)	164.37	154.13
	209.58	192.54

Notes:

(a) Movement in other provisions:

₹ crores

	Warranties		Provision for tax related litigations		Other litigation claims		Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Carrying amount at the beginning of the year	97.59	74.54	54.72	53.16	31.00	30.65	183.31	158.35
Additional provision made during the year (Net of reversal / utilisation)	23.66	23.05	(0.46)	1.56	(3.23)	0.35	19.97	24.96
Carrying amount at the end of the year	121.25	97.59	54.26	54.72	27.77	31.00	203.28	183.31
Non-current (Refer note 22)	38.91	29.18	-	-	-	-	38.91	29.18
Current (Refer note 27)	82.34	68.41	54.26	54.72	27.77	31.00	164.37	154.13
Total	121.25	97.59	54.26	54.72	27.77	31.00	203.28	183.31

(b) Nature of other provisions:

- Product warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is generally expected to be within a period of two years from the date of balance sheet.
- Provision for tax related litigations include liability on account of non-collection of declaration forms and other legal matters related to Sales Tax, Excise Duty, Custom Duty, Service Tax and Goods & Services Tax which are in appeal under the relevant Act / Rules. The above provision represents expected future outflows relating to various tax related matters, timing of which cannot be ascertained. The assumptions used to calculate the provisions are based on past experience of similar matters and professional consultations.
- Provision for other litigation related obligations represents estimated liabilities that are expected to materialise in respect of other matters under litigation. The above provision represents expected future outflows relating to litigation related matters, timing of which cannot be ascertained. The assumptions used to calculate the provisions are based on past experience of similar matters and professional consultations.

Notes accompanying the Standalone Financial Statements (Contd.)

28. REVENUE FROM OPERATIONS

₹ crores

	2024-25	2023-24
Sale of products	9066.17	7434.68
Sale of services	32.45	33.31
Construction contracts	136.68	51.77
	9235.30	7519.76
Other operating income - scrap sales	93.67	90.15
	9328.97	7609.91

Revenue from contracts with customers

₹ crores

	2024-25	2023-24
Revenue reconciliation		
Revenue as per contracted price	9489.55	7745.87
Less: Adjustments:		
Discounts	107.99	95.67
Others (includes liquidated damages)	52.59	40.29
Revenue recognised as per the statement of profit and loss	9328.97	7609.91

₹ crores

	2024-25	2023-24
Revenue recognised in current year from		
Amount included in contract liability at the beginning of the year	189.12	115.57
Performance obligations satisfied in previous periods	-	-

₹ crores

	2024-25	2023-24
Revenue from contracts with customers		
Power Systems Business	3505.94	2595.42
Industrial Systems Business	5823.03	5014.49
Total	9328.97	7609.91

₹ crores

	2024-25	2023-24
Timing of revenue recognition		
Revenue recognised at a point in time	9192.29	7558.14
Revenue recognised over a period of time	136.68	51.77
Total	9328.97	7609.91

₹ crores

	As at 31-03-2025	As at 31-03-2024
Contract balances		
Trade receivables	1878.86	1463.88
Contract assets	0.90	0.70
Contract liabilities:		
Advance from customers	362.67	268.26
Billing in excess of contract revenue	27.42	3.21

Notes accompanying the Standalone Financial Statements (Contd.)

28. REVENUE FROM OPERATIONS (Contd.)

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration and are transferred to trade receivables on completion of milestones and its related invoicing.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company satisfies the performance obligation.

29. OTHER INCOME

	₹ crores	
	2024-25	2023-24
Interest income from:		
Deposits with banks	54.17	40.27
On income tax refund	0.41	15.60
Others	13.55	6.47
Profit on sale of property, plant and equipment	-	5.54
Gain on sale of investments (net)	33.33	18.37
Exchange gain (net)	4.58	6.25
Fair value gain on financial instruments at fair value through profit and loss	0.26	5.43
Other non-operating income:		
Income from business service centers (Refer note 38)	3.41	5.16
Liabilities no longer required written back	39.63	39.62
Miscellaneous income	12.43	8.18
	161.77	150.89

30. COST OF MATERIALS CONSUMED

	₹ crores	
	2024-25	2023-24
Opening inventories	322.46	224.34
Add: Purchases	6591.95	5257.04
Less: Closing inventories	474.80	322.46
	6439.61	5158.92

31. PURCHASES OF STOCK-IN-TRADE

	₹ crores	
	2024-25	2023-24
Purchases of stock-in-trade	359.32	271.57
	359.32	271.57

Notes accompanying the Standalone Financial Statements (Contd.)

32. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ crores

	2024-25	2023-24
Closing inventories:		
Finished goods	181.17	118.32
Work-in-progress	340.60	229.00
Stock-in-trade	31.90	16.73
	553.67	364.05
Opening inventories:		
Finished goods	118.32	68.43
Work-in-progress	229.00	178.28
Stock-in-trade	16.73	16.24
	364.05	262.95
(Increase) / decrease in inventories		
Finished goods	(62.85)	(49.89)
Work-in-progress	(111.60)	(50.72)
Stock-in-trade	(15.17)	(0.49)
Net (increase) / decrease in inventories	(189.62)	(101.10)

33. EMPLOYEE BENEFITS EXPENSE

₹ crores

	2024-25	2023-24
Salaries, wages and bonus	389.77	333.69
Contribution to provident and other funds (Refer note 41(a))	22.35	19.91
Gratuity expenses (Refer note 41(b))	5.65	4.05
Share based payment expense (Refer note 42)	22.90	15.96
Staff welfare expenses	39.55	32.72
	480.22	406.33

34. FINANCE COSTS

₹ crores

	2024-25	2023-24
Interest expenses	5.20	1.65
Interest on lease liabilities (Refer note 38)	0.97	1.03
	6.17	2.68

35. DEPRECIATION AND AMORTISATION EXPENSE

₹ crores

	2024-25	2023-24
Depreciation of property, plant and equipment (Refer note 4)*	72.72	65.07
Amortisation of Intangible assets (Refer note 5)	13.65	12.77
	86.37	77.84

Note:

* Includes depreciation of ROU assets ₹ 6.51 crores (previous year ₹ 5.27 crores).

Notes accompanying the Standalone Financial Statements (Contd.)

36. OTHER EXPENSES

₹ crores

	2024-25	2023-24
Consumption of stores and spares	38.33	34.51
Power and fuel	43.94	39.04
Rent	12.85	9.82
Repairs to buildings	4.54	6.26
Repairs to machinery	28.63	24.37
Insurance	7.09	4.02
Rates and taxes	5.71	9.06
Freight and forwarding	146.46	133.86
Packing materials	65.22	60.12
After sales services including warranties	85.99	62.28
Sales promotion	14.31	13.27
Sub contracting charges	173.95	134.20
Directors' sitting fees	0.39	0.32
Loss on sale of fixed assets (net)	0.63	-
Allowance for doubtful debts and advances (net)	2.16	0.26
Corporate social responsibility expenses (Refer note 40)	17.36	9.00
Donation to trust*	20.00	30.00
Legal and professional charges	98.01	59.72
Miscellaneous expenses (Refer note below)	200.82	168.00
	966.39	798.11

* Donation given to Triumph Electoral Trust.

Note:

Miscellaneous expenses includes the following:

₹ crores

	2024-25	2023-24
Auditors remuneration (excluding Goods and Services Tax)		
Audit fees	0.90	0.81
Limited review fees	0.51	0.48
Certification work	0.01	0.02
Other services	0.12	0.10
Out of pocket expenses	0.23	0.23
	1.77	1.64

Notes accompanying the Standalone Financial Statements (Contd.)

37. CONTINGENT LIABILITIES AND COMMITMENTS

- a) Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books (Refer note 27).
- b) Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note A, Contingent liabilities below.
- c) Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

	₹ crores	
	As at 31-03-2025	As at 31-03-2024
A. Contingent liabilities (Refer notes below):		
(to the extent not provided for)		
(a) Claims against the Company not acknowledged as debts	3.74	4.69
(b) Sales tax / VAT / goods and service tax liability that may arise in respect of matters in appeal	3.94	5.13
(c) Excise duty / customs duty / service tax liability that may arise in respect of matters in appeal	8.78	12.68
(d) Income tax liability that may arise in respect of matters in appeal	0.56	0.69
B. Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	180.12	93.78

Notes:

- (i) From time to time, the Company is involved in claims and legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the financial position, results of operations, or cash flows of the Company.
- (ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at A(a) to A(d) above, pending resolution of the arbitration / appellate proceedings.
- (iii) Sales tax / VAT / goods and service tax cases include disputes pertaining to disallowances of input tax credit and non-submission of various forms with authorities.
- (iv) Excise duty / custom duty / service tax cases include disputes pertaining to inadmissibility of cenvat credit, short payment of service tax on work contracts, refund of excise duty on export of transformers, interest payment on provisional assessment cases, etc.
- (v) Contingent liabilities for Income tax cases pertains to disallowance of expenses, etc.
- (vi) The Company had received Assessment Order dated 27 February, 2024 under 143(3) of the Income Tax Act, 1961, pertaining to financial year 2021-22. As per Assessment Order, tax demand payable is ₹ 188.79 crores. The Company has filed appeal before Commissioner of Income Tax (Appeals). Considering the facts, demand raised is mainly on account of disallowance of claims for settlement of corporate guarantee and non-granting of set-off tax losses. The management strongly believes that the demand is not sustainable, bad in law and will be reversed at appellate levels. The Company has obtained stay on tax demand by paying ₹ 4.89 crores, as per stay order issued by the Deputy commissioner of Income tax.

Refer note 9 for details in relation to assessment of revised income tax returns based on the re-casted / revised accounts.

Notes accompanying the Standalone Financial Statements (Contd.)

38. LEASES

(i) Company as a lessee

The Company has lease contracts for various items of land and buildings used in its operation. Lease of land generally have lease terms between 10 to 99 years while buildings generally have lease terms between 2 to 9 years. The Company's obligation under the lease is secured by the lessor's title to leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts right of use assets and lease liabilities included under financial liabilities and the movements during the year:

Movement in net carrying value of right of use assets

	₹ crores		
	Land	Buildings	Total
Opening balances as at 01-04-2023	62.23	11.01	73.24
Additions	39.33	1.59	40.92
Less: Deletion	-	0.10	0.10
Less: Depreciation	1.43	3.84	5.27
Closing balances as at 31-03-2024	100.13	8.66	108.79
Additions	-	11.29	11.29
Less: Deletion	-	3.60	3.60
Less: Depreciation	1.99	4.52	6.51
Closing balances as at 31-03-2025	98.14	11.83	109.97

Movement in lease liabilities during the year

	₹ crores	
	2024-25	2023-24
Opening Balance	12.71	14.14
Add: Addition	11.29	2.40
Add: Accretion of interest	0.97	1.03
Less: Payments	5.40	4.75
Less: Termination of Lease	3.98	0.11
Closing balance	15.59	12.71

Breakup of lease liabilities

	₹ crores	
	As at 31-03-2025	As at 31-03-2024
Non-current lease liabilities	10.58	8.85
Current lease liabilities	5.01	3.86
Total	15.59	12.71

Notes accompanying the Standalone Financial Statements (Contd.)

38. LEASES (Contd.)

Amounts recognised in the statement of profit and loss

	₹ crores	
	2024-25	2023-24
Other expenses		
Expenses related to short-term leases, low values assets and variable lease rent (included in other expenses)	12.85	9.82
Finance cost		
Interest expense on lease liability	0.97	1.03
Depreciation and amortisation expense		
Depreciation of ROU assets	6.51	5.27

Amounts recognised in the statement of cash flows

	₹ crores	
	2024-25	2023-24
Total cash outflow for leases (includes interest for ₹ 0.97 crores (previous year ₹ 1.03 crores))	5.40	4.75

Contractual maturities of lease liabilities on an undiscounted basis

	₹ crores	
	As at 31-03-2025	As at 31-03-2024
Less than 1 year	6.16	4.64
1 - 5 years	9.92	8.01
More than 5 years	4.88	5.57
Total	20.96	18.22

(ii) Company as a lessor

Amounts recognised in the statement of profit and loss

	₹ crores	
	2024-25	2023-24
Other income:		
Non-operating lease income	3.41	5.16

Note:

Non-operating lease income is in respect of lease of building.

Notes accompanying the Standalone Financial Statements (Contd.)

39. EXPENDITURE ON RESEARCH AND DEVELOPMENT

₹ crores

	2024-25	2023-24
(a) Capital Expenditure:		
Building	0.43	-
Plant and equipments	2.30	0.23
Furnitures and Fixtures	0.12	-
Vehicles	0.14	-
Intangible assets	7.37	1.75
Intangible assets under development*	17.44	12.47
Capital work-in-progress - Plant and machinery	0.04	-
Sub-total (a)	27.84	14.45
(b) Revenue expenditure:		
Raw materials consumed	0.97	-
Employee benefits	19.31	17.18
Depreciation and amortisation	10.44	9.07
Other expenses:		
Consumption of stores and spares	0.81	0.53
Power and fuel	0.09	0.13
Rent	0.05	-
Repairs to building	-	0.02
Repairs to machinery	0.11	0.17
Repairs - others	0.15	0.11
Insurance	-	0.00
Miscellaneous expenses	3.85	6.03
Sub-total (b)	35.78	33.24
Total (a) + (b)	63.62	47.69

(*) During the year, the Company has incurred research and development expenses of capital nature amounting to ₹ 22.09 crores (as at 31 March, 2024 ₹ 12.47 crores) and shown as addition to intangible assets under development. Out of the total amount ₹ 4.65 crores (previous year ₹ Nil) has been capitalised as intangible assets.

Notes accompanying the Standalone Financial Statements (Contd.)

40. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

₹ crores

	2024-25	2023-24
Gross amount required to be spent by the Company during the year	17.36	9.00
Amount approved by Board to be spent during the year	17.36	9.00

₹ crores

	2024-25			2023-24		
Amount spent during the year	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of asset	1.80	-	1.80	1.50	-	1.50
(ii) On purposes other than (i) above	15.77	-	15.77	7.50	-	7.50

₹ crores

	2024-25	2023-24
(i) Amount required to be spent during the year	17.36	9.00
(ii) Amount of expenditure incurred	17.57	9.00
(iii) Excess spent brought forward from previous year	-	-
(iv) (Excess spent) / Shortfall at the end of the year [(iv)=(i)-(ii)-(iii)]	(0.21)	-
(v) Amount carried forward to next year	0.21	-

Note :

The CSR activities were carried out in the areas of environmental sustainability, education, rural sports, healthcare, facilities for senior citizens, measures for reducing social inequalities faced by socially and economically backward groups, promoting gender equality and empowering women, measures for the benefit of dependents of armed forces veterans and restoration of buildings and sites of historical importance and works of art.

41. EMPLOYEE BENEFITS

(a) Defined contribution plans:

Amount of ₹ 22.35 crores (previous year ₹ 19.91 crores) is recognised as an expense and included in employee benefits expense as under:

₹ crores

Benefits (Contribution to)	2024-25	2023-24
Provident fund	16.36	14.06
Superannuation fund	4.04	4.20
Employee state insurance scheme	0.20	0.14
Labour welfare scheme	0.02	0.01
National pension scheme	1.73	1.50
Total	22.35	19.91

(b) Defined benefit plans:

Gratuity:

Under the Gratuity plan operated by the Company, every employee who has completed at least five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per the Payment of Gratuity Act, 1972.

The Company makes annual contributions to the CG Gratuity Fund to invest in insured managed fund, which is defined benefit plan for qualifying employees. The Board of Trustees of the fund is entrusted with responsibility for the administration of the plan assets and for the investment.

Notes accompanying the Standalone Financial Statements (Contd.)

41. EMPLOYEE BENEFITS (Contd.)

The following table summarizes the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the Balance Sheet.

₹ crores

		Gratuity (Funded)	
		2024-25	2023-24
I	Change in present value of defined benefit obligation during the year		
1	Present value of defined benefit obligation at the beginning of the year	64.21	50.12
2	Interest cost	4.63	3.79
3	Current service cost	4.48	3.29
4	Benefits paid	(8.05)	(5.66)
5	Actuarial changes arising from changes in demographic assumptions	(0.17)	0.23
6	Actuarial changes arising from changes in financial assumptions	9.09	4.00
7	Actuarial changes arising from changes in experience adjustments	1.01	8.44
8	Present value of defined benefit obligation at the end of the year	75.20	64.21
II	Change in fair value of plan assets during the year		
1	Fair value of plan assets at the beginning of the year	47.96	40.10
2	Interest Income	3.46	3.04
3	Contributions paid by the employer	16.26	10.02
4	Benefits paid from the fund	(8.05)	(5.66)
5	Return on plan assets excluding interest income	(0.82)	0.46
6	Fair value of plan assets at the end of the year	58.81	47.96
III	Net asset / (liability) recognised in the balance sheet		
1	Present value of defined benefit obligation at the end of the year	75.20	64.21
2	Fair value of plan assets at the end of the year	58.81	47.96
3	Amount recognised in the balance sheet	(16.39)	(16.25)
4	Net (liability) / asset current	(11.58)	(9.97)
5	Net (liability) / asset non-current	(4.81)	(6.28)
IV	Expenses recognised in the statement of profit and loss for the year		
1	Current service cost	4.48	3.29
2	Interest cost on benefit obligation (net)	1.17	0.76
3	Total expenses	5.65	4.05
V	Recognised in other comprehensive income for the year		
1	Actuarial changes arising from changes in demographic assumptions	(0.17)	0.23
2	Actuarial changes arising from changes in financial assumptions	9.09	4.00
3	Actuarial changes arising from changes in experience adjustments	1.01	8.44
4	Return on plan assets excluding interest income	0.82	(0.46)
5	Recognised in other comprehensive income	10.74	12.21
VI	Maturity profile of defined benefit obligation		
1	Within the next 12 months (next annual reporting period)	12.02	9.90
2	Between 2 and 5 years	36.08	30.76
3	Between 6 and 10 years	29.87	25.94
4	More than 10 years	33.54	33.07

Notes accompanying the Standalone Financial Statements (Contd.)

41. EMPLOYEE BENEFITS (Contd.)

₹ crores

		Gratuity (Funded)	
		2024-25	2023-24
VII	Quantitative sensitivity analysis for significant assumption is as below:		
1	Increase/(decrease) on present value of defined benefits obligation at the end of the year		
(i)	One percentage point increase in discount rate	(3.40)	(2.99)
(ii)	One percentage point decrease in discount rate	3.76	3.32
(i)	One percentage point increase in rate of salary increase	3.63	3.29
(ii)	One percentage point decrease in rate of salary increase	(3.35)	(3.02)
(i)	One percentage point increase in employee turnover rate	(0.60)	(0.02)
(ii)	One percentage point decrease in employee turnover rate	0.65	0.02
2	Sensitivity Analysis Method		
	Sensitivity analysis has been determined based on reasonably possible changes of respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.		
VIII	The major categories of plan assets as a percentage of total plan assets		
	Insurer managed funds	100.00%	100.00%
IX	Weighted average duration of the defined benefit obligation (in years)	6	6
X	Actuarial assumptions		
1	Discount rate	6.80% p.a.	7.22% p.a.
2	Salary escalation	9.50% p.a.	7.00% p.a.
3	Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
4	Rate of employee turnover	12.00%p.a.	9.00%p.a.

₹ crores

	2024-25	2023-24
Expected contribution to the defined benefit plan for the next annual reporting period	11.58	9.97

Notes :

- The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at 31 March, 2025 and as at 31 March, 2024. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

(iv) Risk analysis:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Notes accompanying the Standalone Financial Statements (Contd.)

41. EMPLOYEE BENEFITS (Contd.)

(c) Leave Encashment:

The assumptions used for computing accumulated leave encashment on actuarial basis are as follows:

Actuarial assumptions		2024-25	2023-24
1	Discount rate	6.80% p.a.	7.22% p.a.
2	Salary escalation	9.50% p.a.	7.00% p.a.
3	Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
4	Rate of employee turnover	12.00%p.a.	9.00%p.a.

42 STOCK OPTIONS

During the year, 1781380 (previous year 1506770) stock options (net-off cancellations / lapsed) were granted to eligible employees at the rate of one stock option of the Company for every stock option held and outstanding in the Company.

In this regard, the Company has recognised expense amounting to ₹ 22.90 crores (previous year ₹ 15.96 crores) for employees services received during the year, shown under employee benefit expenses (Refer note 33).

The movement of stock options are given below :

Date of grant	Options outstanding as at 01-04-2024	During the year 2024-25			Options outstanding as at 31-03-2025	Options vested but not exercised as at 31-03-2025
		Options granted	Options cancelled / lapsed	Options exercised and allotted		
18-Nov-21	1299020	-	69120	858380	371520	168240
26-Dec-22	453140	-	-	453140	-	-
08-May-23	679710	-	-	179710	500000	500000
08-May-23	416600	-	208300	-	208300	41660
27-Jul-23	416600	-	-	-	416600	83320
30-Dec-23	272400	-	136200	45000	91200	91200
25-Jul-24	-	900000	-	-	900000	-
21-Oct-24	-	715000	-	-	715000	-
28-Jan-25	-	390000	-	-	390000	-
18-Mar-25	-	190000	-	-	190000	-

Date of grant	Options outstanding as at 01-04-2023	During the year 2023-24			Options outstanding as at 31-03-2024	Options vested but not exercised as at 31-03-2024
		Options granted	Options cancelled / lapsed	Options exercised and allotted		
18-Nov-21	1779340	-	278540	201780	1299020	823340
26-Dec-22	453140	-	-	-	453140	453140
08-May-23	-	679710	-	-	679710	-
08-May-23	-	416600	-	-	416600	-
27-Jul-23	-	416600	-	-	416600	-
27-Jul-23	-	271040	271040	-	-	-
30-Dec-23	-	272400	-	-	272400	-

Notes accompanying the Standalone Financial Statements (Contd.)

42 STOCK OPTIONS (Contd.)

Details of stock options granted as at 31 March, 2025 are given below:

Date of grant	Exercise price (₹)	Options granted	Options cancelled / lapsed	Options exercised and allotted	Options vested and outstanding at the end of the year	Options unvested and outstanding at the end of the year	Vesting Period	Weighted average remaining contractual life (in years)
18-Nov-21	156.20	1834100	347660	1114920	168240	203280	1 to 4 Years	5.04
26-Dec-22	251.65	453140	-	453140	-	-	-	-
08-May-23	305.55	679710	-	179710	500000	-	1 Year	4.11
08-May-23	305.55	416600	208300	-	41660	166640	1 to 4 Years	5.81
27-Jul-23	400.45	416600	-	-	83320	333280	1 to 4 Years	6.03
30-Dec-23	454.40	272400	136200	45000	91200	-	1 Year	4.76
25-Jul-24	697.10	900000	-	-	-	900000	1 to 4 Years	7.02
21-Oct-24	819.00	715000	-	-	-	715000	1 to 4 Years	7.26
28-Jan-25	595.45	390000	-	-	-	390000	1 to 4 Years	7.53
18-Mar-25	610.10	190000	-	-	-	190000	1 to 4 Years	7.67

Details of stock options granted as at 31 March, 2024 are given below:

Date of grant	Exercise price (₹)	Options granted	Options cancelled / lapsed	Options exercised and allotted	Options vested and outstanding at the end of the year	Options unvested and outstanding at the end of the year	Vesting Period	Weighted average remaining contractual life (in years)
18-Nov-21	156.20	1834100	278540	256540	823340	475680	1 to 4 Years	4.74
26-Dec-22	251.65	453140	-	-	453140	-	1 Year	4.74
08-May-23	305.55	679710	-	-	-	679710	1 Year	5.11
08-May-23	305.55	416600	-	-	-	416600	1 to 4 Years	6.81
27-Jul-23	400.45	416600	-	-	-	416600	1 to 4 Years	7.03
27-Jul-23	400.45	271040	271040	-	-	-	-	-
30-Dec-23	454.40	272400	-	-	-	272400	1 to 2 Years	6.26

The following table list the input to the Black Scholes model used for the plans for the year ended 31 March, 2025:

Date of grant	Risk free rate (%) p.a.	Expected life (in years)	Expected volatility of share price (%)	Dividend yield	Fair value of the options
18-Nov-21	3.81 - 5.36	1 - 4	47.82 - 56.02	-	31.98 - 73.22
26-Dec-22	6.60	1	35.99	-	43.40
08-May-23	6.82	3.51	48.46	0.49	127.22
08-May-23	6.82 - 6.93	3.51 - 6.51	46.26 - 48.46	0.49	127.22 - 165.75
27-Jul-23	6.93 - 7.01	3.51 - 6.51	46.75 - 57.02	0.37	164.56 - 236.56
30-Dec-23	7.01 - 7.04	3.51 - 4.51	42.77 - 51.54	0.33	175.65 - 224.20
25-Jul-24	6.77 - 6.83	3.50 - 6.50	38.10 - 50.85	0.19	252.88 - 406.34
21-Oct-24	6.60 - 6.70	3.50 - 6.50	36.94 - 50.56	0.16	290.16 - 477.52
28-Jan-25	6.50 - 6.57	3.50 - 6.50	37.27 - 49.39	0.22	210.41 - 339.67
18-Mar-25	6.49 - 6.55	3.50 - 6.50	37.62 - 51.64	0.21	216.84 - 356.63

Notes accompanying the Standalone Financial Statements (Contd.)

43. SEGMENT REPORTING

The Company has the following reportable segments:

Power Systems : Transformer, Switchgear and Turnkey Projects

Industrial Systems : Electric Motors, Alternators, Drives, Traction Electronics and SCADA

Identification of segments:

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements. Operating segments have been identified on the basis of the nature of products / services and have been identified as per the quantitative criteria specified in the Ind AS.

Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallowable expenditure (net of unallocated income).

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallowable assets / liabilities.

Inter segment transfer:

Inter segment prices are normally negotiated amongst segments with reference to the costs, market price and business risks. Profit or loss on inter segment transfers are eliminated at the Company level.

Summary of the segmental information as at and for the year ended 31 March, 2025 is as follows:

₹ crores

	Power Systems	Industrial Systems	Eliminations / Unallocable Expenditure / Assets*	Total
Revenue				
External sales	3505.94	5823.03	-	9328.97
Add : Inter segment sales	3.77	0.16	(3.93)	-
Total revenue	3509.71	5823.19	(3.93)	9328.97
Segment results	668.30	707.09	-	1375.39
Less: Finance costs				6.17
Less: Other unallowable expenditure net of unallowable income				26.94
Profit after finance cost but before exceptional items and tax				1342.28
Exceptional items (net)				-
Tax expense				367.82
Profit for the year				974.46
Other information:				
Segment assets	1996.58	1951.92	2871.82	6820.32
Segment liabilities	1336.30	1162.68	252.76	2751.74
Capital expenditure	168.60	77.71	7.25	253.56
Depreciation and amortisation	37.61	40.12	8.64	86.37
Non-cash expenses / (reversal) other than depreciation and amortisation	(5.99)	(4.74)	(2.54)	(13.27)

Notes accompanying the Standalone Financial Statements (Contd.)

43. SEGMENT REPORTING (Contd.)

Summary of the segmental information as at and for the year ended 31 March, 2024 is as follows:

₹ crores

	Power Systems	Industrial Systems	Eliminations / Unallocable Expenditure / Assets*	Total
Revenue				
External sales	2595.42	5014.49	-	7609.91
Add: Inter segment sales	3.06	0.01	(3.07)	-
Total revenue	<u>2598.48</u>	<u>5014.50</u>	<u>(3.07)</u>	<u>7609.91</u>
Segment results	416.28	748.07	-	1164.35
Less: Finance costs				2.68
Less: Other unallowable expenditure net of unallowable income				15.22
Profit after finance cost but before exceptional items and tax				<u>1146.45</u>
Exceptional items (net)				142.49
Tax expense				284.58
Profit for the year				<u><u>1004.36</u></u>
Other information:				
Segment assets	1509.22	1462.86	2452.70	5424.78
Segment liabilities	1096.14	901.45	181.75	2179.34
Capital expenditure	61.05	129.07	5.35	195.47
Depreciation and amortisation	33.55	34.69	9.60	77.84
Non-cash expenses / (reversal) other than depreciation and amortisation	(3.63)	(0.26)	0.01	(3.88)

(*) Unallocable assets comprise assets and liabilities which cannot be allocated to the segments, which majorly includes investments, fixed deposits with banks and tax assets / liabilities.

Geographical Information:

₹ crores

	2024-25			2023-24		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue from contracts with customers	8821.46	507.51	9328.97	7055.33	554.58	7609.91

Notes:

- During the year ended 31 March, 2025 and 31 March, 2024 revenues from transactions with a single external customer did not amount to 10% or more of the Company's revenues from external customers.
- The revenue information above is based on the locations of the customers.

₹ crores

	As at 31-03-2025			As at 31-03-2024		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Non-current assets	1141.06	-	1141.06	921.31	-	921.31

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, intangible assets, intangible assets under development and other non-current assets.

Notes accompanying the Standalone Financial Statements (Contd.)

44 RELATED PARTY DISCLOSURES

(a) List of related parties

(i) Holding company:

Tube Investments of India Limited

(ii) Subsidiaries and associate:

Sr. No.	Name of the Related Parties	Country of Incorporation	% Equity Interest	
			As at 31-03-2025	As at 31-03-2024
A)	Subsidiaries:			
1	CG Power Solutions Limited (dissolved w.e.f. from 10 November, 2023)	India	-	-
2	CG Adhesive Products Limited (formerly known as "CG-PPI Adhesive Products Limited")	India	83.59	83.59
3	CG Power Equipments Limited	India	100.00	100.00
4	CG Semi Private Limited (incorporated w.e.f. 08 March, 2024)	India	92.34	100.00
5	G. G. Tronics India Private Limited (subsidiary w.e.f. 20 August, 2024)	India	55.60	-
6	Axiro Semiconductor Private Limited (incorporated w.e.f. 29 October, 2024)	India	100.00	-
7	CG International Holdings Singapore Pte. Limited	Singapore	100.00	100.00
8	CG Sales Network Malaysia Sdn. Bhd.	Malaysia	100.00	100.00
9	CG International B.V.	The Netherlands	100.00	100.00
10	CG Power Solutions UK Limited (dissolved w.e.f. 02 June, 2023)	United Kingdom	-	-
11	CG Industrial Holdings Sweden AB	Sweden	100.00	100.00
12	CG Drives & Automation Sweden AB	Sweden	100.00	100.00
13	CG Drives & Automation Germany GmbH	Germany	100.00	100.00
14	CG Drives & Automation Netherlands B.V.	The Netherlands	100.00	100.00
15	CG DE Sub, LLC (formerly known as QEI, LLC)	USA	100.00	100.00
16	CG Power Americas, LLC	USA	100.00	100.00
17	Axiro Semiconductor Inc. (incorporated w.e.f. 23 December, 2024)	USA	100.00	-
18	Axiro Semiconductor Turkey Araştırma ve Geliştirme A.Ş. (incorporated w.e.f. 07 March, 2025)	Turkey	100.00	-
19	Axiro Semiconductor (Shenzhen) Co., Ltd. (incorporated w.e.f. 20 March, 2025)	China	100.00	-
20	PT Crompton Prima Switchgear Indonesia	Indonesia	51.00	51.00
B)	Associate:			
1	Chola Foundation (incorporated w.e.f. 11 December, 2024) (significant influence to the extent of 25%)	India	33.33	-

Notes accompanying the Standalone Financial Statements (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

(iii) Key Management Personnel:

1	Amar Kaul	- Managing Director & CEO (Appointed w.e.f. 25 July, 2024)
2	Natarajan Srinivasan	- Managing Director (Ceased w.e.f. 24 July, 2024)
3	Susheel Todi	- Chief Financial Officer
4	Sanjay Kumar Chowdhary	- Company Secretary and Compliance Officer (Appointed w.e.f. 09 May, 2023)
5	P Varadarajan	- Company Secretary and Compliance Officer (Ceased w.e.f. 08 May, 2023)

Non Executive Directors:

1	Vellayan Subbiah	- Chairman, Non-Independent Non-Executive Director
2	M A M Arunachalam	- Non-Independent Non-Executive Director
3	P S Jayakumar	- Independent Non-Executive Director
4	Sasikala Varadachari	- Independent Non-Executive Director (Ceased w.e.f. 17 September, 2024)
5	Kalyan Kumar Paul	- Non-Independent Non-Executive Director (Ceased w.e.f. 10 September, 2024)
6	Sriram Sivaram	- Independent Non-Executive Director
7	Mammen Chally	- Independent Non-Executive Director (Appointed w.e.f. 28 January, 2025)
8	Vijayalakshmi R Iyer	- Independent Non-Executive Director

(iv) Other Related Parties (with whom the Company has transactions):

1	Shanthi Gears Limited	- Fellow subsidiary
2	Celestial E-Trac Private Limited (Merged with TI Clean Mobility Private Limited w.e.f. 1 April, 2023)	- Fellow subsidiary
3	TI Clean Mobility Private Limited (w.e.f. 1 April, 2023)	- Fellow subsidiary
4	3Xper Innoventure Limited	- Fellow subsidiary

(v) Post Employment Benefit Entity:

1	CG Gratuity Fund
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Notes accompanying the Standalone Financial Statements (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

(b) The following transactions were carried out with the related parties (Refer note 1 below):

₹ crores

Sr. No.	Nature of transaction / relationship	2024-25	2023-24
1	Purchase of goods and services		
	Holding company		
	Tube Investments of India Limited	0.31	0.04
		0.31	0.04
	Subsidiaries		
	CG Adhesive Products Limited	14.26	8.35
	CG Drives & Automation Sweden AB	2.04	2.72
		16.30	11.07
	Other Related Party		
	Shanthi Gears Limited	2.57	3.12
		2.57	3.12
	Total	19.18	14.23
2	Sales of goods and services		
	Holding company		
	Tube Investments of India Limited	2.39	2.83
		2.39	2.83
	Subsidiaries		
	CG Drives & Automation Sweden AB	9.81	7.22
	CG Drives & Automations Germany GmbH	3.88	9.47
	CG Adhesive Products Limited	0.00	-
	G.G. Tronics India Private Limited	1.37	-
		15.06	16.69
	Other related parties		
	Shanthi Gears Limited	1.39	0.84
	TI Clean Mobility Private Limited	0.24	-
	3Xper Innoventure Limited	0.34	-
		1.97	0.84
	Total	19.42	20.36
3	Rent Paid		
	Subsidiary		
	CG Adhesive Products Limited	0.21	0.21
	Total	0.21	0.21
4	Interest expenses		
	Subsidiary		
	CG Adhesive Products Limited	0.36	0.36
	Total	0.36	0.36
5	Dividend paid		
	Holding company		
	Tube Investments of India Limited	115.24	115.24
	Total	115.24	115.24

Notes accompanying the Standalone Financial Statements (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

₹ crores

Sr. No.	Nature of transaction / relationship	2024-25	2023-24
6	Investment / acquisition in equity shares		
	Subsidiaries		
	CG Adhesive Products Limited	-	0.21
	CG Semi Private Limited	360.53	0.01
	G.G. Tronics India Private Limited#	146.38	-
	Axiro Semiconductor Private Limited	350.05	-
		856.96	0.22
	Associate		
	Chola Foundation	0.01	-
		0.01	-
	Total	856.97	0.22
7	Payment to Key Management Personnel		
	Salaries, commission and perquisites*	27.49	21.11
	Sitting fees and commission to Non-executive Directors	2.15	1.37
	Dividend paid	0.03	0.03
	Total	29.67	22.51
8	Other expenses		
	Holding company		
	Tube Investments of India Limited	0.38	-
		0.38	-
	Subsidiary		
	CG Adhesive Products Limited	-	0.11
		-	0.11
	Total	0.38	0.11
9	Brand royalty Income		
	Subsidiaries		
	CG Drives & Automation Sweden AB	1.97	1.60
	CG Drives & Automation Netherlands B.V.	0.87	0.89
	CG Drives & Automation Germany GmbH	1.83	1.87
	Total	4.67	4.36
10	Other Income		
	Subsidiary		
	CG Drives & Automation Sweden AB	0.64	0.89
	Total	0.64	0.89
11	Write off of investment and loan and advances		
	Subsidiaries		
	CG International B.V.	738.21	-
	CG Power Solutions Limited	-	0.43
	Total	738.21	0.43
12	Reversal of provision against loan and advances		
	Subsidiaries		
	CG International B.V.	738.98	122.74
	CG Power Solutions Limited	-	0.42
	Total	738.98	123.16

Notes accompanying the Standalone Financial Statements (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

₹ crores

Sr. No.	Nature of transaction / relationship	2024-25	2023-24
13	Provision against advances		
	Subsidiary		
	CG Power Solutions Limited	-	0.01
	Total	-	0.01
14	Reversal of impairment of provision against Investments		
	Subsidiaries		
	CG International B.V.	7.58	86.81
	CG International Holdings Singapore Pte. Limited	-	17.01
	Total	7.58	103.82
15	Expenditure incurred on behalf of		
	Subsidiaries		
	CG Semi Private Limited	-	34.19
	Axiro Semiconductor Private Limited	4.61	-
	G.G. Tronics India Private Limited	0.72	-
	CG Adhesive Products Limited	0.05	-
	CG Drives & Automation Sweden AB	1.13	-
	Total	6.51	34.19
16	Loans given during the year[^]		
	Subsidiaries		
	CG Semi Private Limited	20.00	-
	Axiro Semiconductor Private Limited	10.00	-
	Total	30.00	-
17	Interest Income		
	Subsidiaries		
	CG Semi Private Limited	0.15	-
	Axiro Semiconductor Private Limited	0.02	-
	Total	0.17	-
18	Loans repaid during the year		
	Subsidiaries		
	CG Semi Private Limited	20.00	-
	Axiro Semiconductor Private Limited	10.00	-
	Total	30.00	-

* Remuneration does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

In accordance with share subscription agreement, the Company has converted 14637704 Compulsory convertible preference shares into 129837 equity shares amounting to ₹ 146.38 crores.

[^] Unsecured loan given for meeting working capital needs. The interest on this loan is chargeable at a rate of 9.50% per annum.

Notes accompanying the Standalone Financial Statements (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

(c) Amount due to / from related parties :

₹ crores

Sr. No.	Nature of balance / relationship	As at 31-03-2025	As at 31-03-2024
1.	Trade payable		
	Holding company		
	Tube Investments of India Limited	-	0.05
	(A)	-	0.05
	Non-current	-	-
	Current	-	0.05
		-	0.05
	Subsidiaries		
	CG Adhesive Products Limited	4.63	1.95
	CG Drives & Automation Sweden AB	1.79	3.12
	CG Power Americas, LLC	6.02	5.85
	(B)	12.44	10.92
	Non-current	-	-
	Current	12.44	10.92
		12.44	10.92
	Other related party		
	Shanthi Gears Limited	-	0.77
	(C)	-	0.77
	Non-current	-	-
	Current	-	0.77
		-	0.77
	Total (A+B+C)	12.44	11.74
2.	Trade receivable (net of provision)		
	Holding company		
	Tube Investments of India Limited	0.00	0.39
	(A)	0.00	0.39
	Non-current	-	-
	Current	0.00	0.39
		0.00	0.39
	Subsidiaries		
	CG Drives & Automation Sweden AB	3.46	2.97
	CG Drives & Automation Germany GmbH	0.51	2.66
	CG Power Americas, LLC	0.22	0.22
	G.G. Tronics India Private Limited	0.66	-
	(B)	4.85	5.85
	Non-current	-	-
	Current	4.85	5.85
		4.85	5.85
	Other related parties		
	Shanthi Gears Limited	0.33	0.16
	TI Clean Mobility Private Limited	-	0.01
	(C)	0.33	0.17
	Non-current	-	-
	Current	0.33	0.17
		0.33	0.17
	Total (A+B+C)	5.18	6.41

Notes accompanying the Standalone Financial Statements (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

₹ crores

Sr. No.	Nature of balance / relationship	As at 31-03-2025	As at 31-03-2024
3.	Loans and advances payable		
	Subsidiaries		
	CG Power Americas, LLC	1.05	1.05
	CG Adhesive Products Limited (including accrued interest ₹ 1.99 crores, as at 31 March, 2024 ₹ 1.67 crores)	4.68	4.36
	CG Semi Private Limited	-	0.01
	(A)	5.73	5.42
	Other related party		
	Shanthi Gears Limited	0.10	0.06
	(B)	0.10	0.06
	Non-current	4.68	-
	Current	1.15	5.48
	Total (A+B)	5.83	5.48
4.	Loans and advances receivable and other financial assets (net)		
	Subsidiaries		
	CG International Holdings Singapore Pte. Limited	19.44	19.44
	CG Drives & Automation Netherlands B.V	0.32	0.17
	CG Drives & Automation Germany GmbH	0.49	0.50
	CG Drives & Automation Sweden AB	1.82	0.55
	CG International B.V.	1178.06	1917.04
	CG Semi Private Limited	-	34.19
	G.G. Tronics India Private Limited	0.25	-
	(A)	1200.38	1971.89
	Less: Provision against loans and advances		
	CG International Holdings Singapore Pte. Limited	19.44	19.44
	CG International B.V.	1178.06	1917.04
	(B)	1197.50	1936.48
	Non-current	-	-
	Current	2.88	35.41
	(A-B)	2.88	35.41
5	Due to Key Management Personnel		
	Non-executive Director's commission	1.76	0.95
		1.76	0.95
	Non-current	-	-
	Current	1.76	0.95
		1.76	0.95

Notes accompanying the Standalone Financial Statements (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

(d) Compensation of Key Management Personnel of the Company:

₹ crores		
Nature of transaction	2024-25	2023-24
Short-term employee benefits	16.39	10.88
Post-employment benefits	0.63	0.51
Fair value cost of stock option granted	10.47	9.72
Sitting fees and commission to Non-executive Directors	2.15	1.37
Total compensation paid to Key Management Personnel	29.64	22.48

Notes:

- The transactions with related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. The Company mutually negotiates and agrees transaction value and payment terms with the related parties by benchmarking the same to transactions with non-related parties. Outstanding trade and other receivable / trade and other payable balances are unsecured, interest free and require settlement in cash. No security has been received against these receivables / has been given against these payables. As at 31 March, 2025, the Company has credit impairment of trade receivables relating to amounts owed by related parties amounting to ₹ 63.40 crores (as at 31 March, 2024 ₹ 63.40 crores) (Refer note 13).
- The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (CG Gratuity Fund). During the year, the Company contributed ₹ 16.26 crores (previous year ₹ 10.02 crores).
- Following subsidiaries are under liquidation process:
 - CG Sales Networks Malaysia Sdn. Bhd.
 - PT Crompton Prima Switchgear Indonesia
- Investment in subsidiaries and associate has been disclosed in Note 6.

45. EXCEPTIONAL ITEMS

₹ crores		
	2024-25	2023-24
Reversal of provision against investment and loans and advances given to subsidiaries (Refer note (a) below)	738.21	186.94
Write off of investment and loans and advances given to subsidiary (Refer note (a) below)	(738.21)	-
Reversal / (provision) towards other litigations (Refer note (b) below)	-	(42.00)
Compensation to employees pursuant to voluntary retirement scheme (Refer note (c) below)	-	(2.45)
Total	-	142.49

Notes:

- During the year, Company has written off investment of ₹ 7.58 crores and loans and advances of ₹ 730.63 crores given to subsidiary CG International B.V. The Company has also reversed the provision of equivalent amount made during the earlier year. (Previous year, reversal of loans and advances on receipt of ₹ 83.12 crores from subsidiary CG International B.V. and reversal of impairment of investment of ₹ 103.82 crores in its subsidiaries CG International B.V. & CG International Holdings Singapore Pte. Limited (Refer note 44).
- During the previous year, the Company has made payment towards settlement of litigations of ₹ 42.00 crores.
- During the previous year, the Company has made payment towards compensation to employees pursuant to voluntary retirement scheme for ₹ 2.45 crores.

Notes accompanying the Standalone Financial Statements (Contd.)

46. FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. The Company has not disclosed the fair value of financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, non-current financial assets - loans, current financial assets - others, current and non-current financial liabilities - borrowings, trade payables and other financial liabilities because their carrying amounts are a reasonable approximation of fair value and hence these have not been categorised in any level in the table given below. Further, for financial assets, the Company has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.
2. The fair values of the quoted investments / units of mutual fund schemes are based on market price / net asset value at the reporting date.
3. The fair values for loans given are calculated based on discounted cash flows using current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these loans given. Accordingly, fair value of such instruments are not materially different from their carrying values.
4. Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values.
5. The Company has carried all other financial assets and other financial liabilities, other than those disclosed in the table below at amortised cost.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

₹ crores

		Carrying amount	Fair value		
	Note No.	As at 31-03-2025	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss:					
Non-current investments*	6	0.75	0.69	-	0.06
Current investments	12	156.29	156.28	-	0.01
Total		157.04	156.97	-	0.07
Financial liabilities at fair value through profit and loss:					
Derivative instruments	25	0.21	-	0.21	-
Total		0.21	-	0.21	-

₹ crores

		Carrying amount	Fair value		
	Note No.	As at 31-03-2024	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss:					
Non-current investments*	6	0.75	0.69	-	0.06
Current investments	12	587.70	587.69	-	0.01
Derivative instruments	16	0.69	-	0.69	-
Total		589.14	588.38	0.69	0.07

* Excludes investment in subsidiaries and associate measured at cost.

During the reporting period ending 31 March, 2025 and 31 March, 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Notes accompanying the Standalone Financial Statements (Contd.)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to certain financial risks namely credit risk, market risk and liquidity risk. The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risk such as: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include foreign currency receivables, payables, loans and borrowings and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company has managed its interest rate risk by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Foreign currency risk

The Company's functional currency is Indian Rupee. The Company undertakes transactions denominated in foreign currencies and consequently the Company is exposed to foreign exchange risk. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

Unhedged foreign currency exposure as at 31 March, 2025

₹ crores

	USD	Euro	JPY	CHF	Others	Total
Assets	48.05	65.88	-	-	4.04	117.97
Liabilities	(105.23)	(50.67)	(0.51)	(0.11)	(1.49)	(158.01)

Unhedged foreign currency exposure as at 31 March, 2024

₹ crores

	USD	Euro	JPY	CHF	Others	Total
Assets	54.16	68.74	-	-	6.19	129.09
Liabilities	(111.02)	(30.54)	(0.84)	(1.23)	(2.00)	(145.63)

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit or loss before tax:

₹ crores

	2024-25		2023-24	
	1% increase	1% decrease	1% increase	1% decrease
USD	(0.57)	0.57	(0.57)	0.57
Euro	0.15	(0.15)	0.38	(0.38)
JPY	(0.01)	0.01	(0.01)	0.01
CHF	(0.00)	0.00	(0.01)	0.01
Others	0.03	(0.03)	0.04	(0.04)
Increase / (decrease)	(0.40)	0.40	(0.17)	0.17

Notes accompanying the Standalone Financial Statements (Contd.)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

1% increase or decrease in foreign exchange rates will have the following impact on equity:

₹ crores

	2024-25		2023-24	
	1% increase	1% decrease	1% increase	1% decrease
USD	(0.42)	0.42	(0.44)	0.44
Euro	0.11	(0.11)	0.30	(0.30)
JPY	(0.00)	0.00	(0.01)	0.01
CHF	(0.00)	0.00	(0.01)	0.01
Others	0.02	(0.02)	0.03	(0.03)
Increase / (decrease)	(0.29)	0.29	0.13	0.13

Foreign exchange forward contracts

Details of foreign exchange forward contracts entered by the company and outstanding as at balance sheet date:

₹ crores

	As at 31-03-2025	As at 31-03-2024
Forward contracts - sold (USD / INR)	5.12	8.34
Forward contracts - sold (EUR / INR)	7.13	61.12

The fair value of company's foreign exchange forward contracts position recorded under financial assets and financial liabilities are as follows:

₹ crores

	As at 31-03-2025		As at 31-03-2024	
	Assets	Liabilities	Assets	Liabilities
Forward contracts	-	0.21	0.69	-

Credit risk

Credit risk refers to the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans, foreign exchange transactions and other financial instruments. Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are generally set to manage credit risk. General payment terms include credit period ranging from 45 to 90 days and where applicable, mobilisation advance, progress payments and certain retention money to be released at the end of the project.

Where the loans or receivables are impaired, the Company continues to engage in enforcement activity to attempt to recover the receivable due.

The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans given, other financial assets and financial guarantees.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon or in case where settlement is agreed, the settlement amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided except as otherwise stated in respect of guarantees where settlement is agreed.

Notes accompanying the Standalone Financial Statements (Contd.)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Exposure to credit risk

₹ crores

	As at 31-03-2025	As at 31-03-2024
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Investments in Government or trust securities	0.41	0.43
Investments in Debentures or bonds	0.05	0.05
Other non-current investments	0.29	0.27
Non-current financial assets - others	10.44	11.13
Cash and cash equivalents and other bank balances	795.93	781.14
Current financial assets - others	62.68	58.51
Current financial assets - investments	156.29	587.70
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	1990.10	1620.64

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of the trade receivables (gross of provision) (current as well as non-current) has been considered from the date the invoice falls due.

₹ crores

	Amount
As at 31-03-2025	
Up to 3 months	1705.66
3 to 6 months	65.70
More than 6 months	218.74
	1990.10
As at 31-03-2024	
Up to 3 months	1379.28
3 to 6 months	34.75
More than 6 months	206.61
	1620.64

The following table summarizes the change in the loss allowances for trade receivables measured using life-time expected credit loss model:

₹ crores

	Amount
As at 01-04-2023	174.74
Provided during the year	6.18
Amounts written off	(18.25)
Reversals of provision	(5.91)
As at 31-03-2024	156.76
Provided during the year	5.08
Amounts written off	(42.67)
Reversals of provision	(7.93)
As at 31-03-2025	111.24

No significant changes in estimation techniques or assumptions were made during the reporting period.

Notes accompanying the Standalone Financial Statements (Contd.)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Liquidity risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ crores

As at 31 March, 2025	Less than 1 year	1 to 5 years	Over 5 years	Total
Interest-free sales tax deferral loans from State Government	0.12	-	-	0.12
Deposits payable	-	25.63	0.44	26.07
Long term borrowings	-	2.69	-	2.69
Interest accrued on long term borrowings	-	1.99	-	1.99
Trade payables	1777.26	-	-	1777.26
Other financial liabilities	155.35	-	-	155.35
Lease liabilities	6.16	9.92	4.88	20.96

₹ crores

As at 31 March, 2024	Less than 1 year	1 to 5 years	Over 5 years	Total
Interest-free sales tax deferral loans from State Government	0.12	-	-	0.12
Deposits payable	-	0.87	10.00	10.87
Short-term borrowings	2.69	-	-	2.69
Trade payables [#]	1456.84	-	-	1456.84
Other financial liabilities	128.17	-	-	128.17
Lease liabilities	4.64	8.01	5.57	18.22

[#] Includes disputed Trade payable of ₹ 19.08 crores (Refer note 24).

General credit terms for the trade payables are in the range of 30 to 180 days. The Company has access to credit facilities to mitigate any short-term liquidity risk.

Collaterals:

The Company has provided a charge over its current assets as primary security for the banking facilities extended to the Company.

48. CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Gearing ratio

The gearing ratio at the end of the reporting period is as follows:

₹ crores

	As at 31-03-2025	As at 31-03-2024
Total debt	2.81	2.81
Equity	4068.58	3245.44
Total debt and Equity	4071.39	3248.25
Gearing ratio	0.07%	0.09%

No changes were made in objectives, policies or process for managing capital during the year ended 31 March, 2025 and 31 March, 2024. There have been no breaches in the financial covenant of any borrowing.

Notes accompanying the Standalone Financial Statements (Contd.)

49. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ crores

	As at 01-04-2024	Cash inflows / (outflows)	Effect of reclassification	Recognition of lease liabilities (net)	Finance cost charged during the year	As at 31-03-2025
Non-current financial liabilities - borrowings:						
Unsecured loans						
Others	-	-	2.69	-	-	2.69
Non-current other financial liabilities:						
Others	-	-	1.67	-	0.32	1.99
Current financial liabilities - borrowings:						
Unsecured loans						
Others	2.69	-	(2.69)	-	-	-
Current - other financial liabilities:						
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	0.12
Interest accrued but not due on borrowings	1.67	-	(1.67)	-	-	-
Others	-	(2.68)	-	-	2.68	-
Lease liabilities	12.71	(5.40)	-	7.31	0.97	15.59
Total	17.19	(8.08)	-	7.31	3.97	20.39

₹ crores

	As at 01-04-2023	Cash inflows / (outflows)	Effect of reclassification	Recognition of lease liabilities (net)	Finance cost charged during the year	As at 31-03-2024
Non-current financial liabilities - borrowings:						
Unsecured loans						
Others	2.87	(0.18)	(2.69)	-	-	-
Current financial liabilities - borrowings:						
Unsecured loans						
Others	-	-	2.69	-	-	2.69
Current - other financial liabilities:						
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	0.12
Interest accrued but not due on borrowings	1.35	-	-	-	0.32	1.67
Others	-	(0.88)	-	-	0.88	-
Lease liabilities	14.14	(4.75)	-	2.29	1.03	12.71
Total	18.48	(5.81)	-	2.29	2.23	17.19

Non-cash investing activities:

- (a) Fair value gain on financial instruments at fair value through profit and loss ₹ 0.26 crores (previous year ₹ 5.43 crores).
- (b) Addition to right of use assets ₹ 11.29 crores (previous year ₹ 2.40 crores).

Notes accompanying the Standalone Financial Statements (Contd.)

50. EARNINGS PER SHARE

		2024-25	2023-24
Face value of equity share	₹	2.00	2.00
Weighted average number of Equity Shares			
- Basic	Nos.	1528289183	1527249399
- Diluted	Nos.	1529443915	1528604000
Profit for the year	₹ crores	974.46	1004.36
Earnings per share			
- Basic	₹	6.38	6.58
- Diluted	₹	6.37	6.57
Profit used as the numerators in calculating basic and diluted earnings per share		974.46	1004.36
Weighted average number of equity shares used as the denominator in calculating basic earnings per share		1528289183	1527249399
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share*		1529443915	1528604000

*Current year and previous year, the dilutive impact is due to employee stock options granted.

51. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

Loans given and investments made are given under the respective heads and related notes.

Notes accompanying the Standalone Financial Statements (Contd.)

52. RATIOS

The following are analytical ratios for the year ended 31 March, 2025 and 31 March, 2024

₹ crores

Sr. No.	Particulars	Numerator	Denominator	31 March, 2025	31 March, 2024	Variance	Explanation on variance of more than 25%
1	Current Ratio (In times)	Current assets	Current liabilities	1.57	1.80	(12.78)%	-
2	Debt Equity Ratio (In times)	Total Debt	Shareholder's Equity	0.00	0.00	-	-
3	Debt service coverage ratio (In times)	Earnings available for debt service = Net profit after tax + Non cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Scheduled principal repayments (excluding prepayments of debt)	89.71	145.27	(38.25)%	The ratio has decreased on account of increase in interest cost and reduction in earnings.
4	Return on Equity Ratio (%)	Net profit after taxes	Average shareholder's equity	26.65%	35.39%	(24.70)%	-
5	Inventory Turnover Ratio (In times)	Cost of goods sold	Average Inventory	7.67	9.03	(15.06)%	-
6	Trade Receivable Turnover Ratio (In times)	Revenue	Average Trade receivable	5.58	5.65	(1.24)%	-
7	Trade Payable Turnover Ratio (In times)	Net Credit Purchases (Purchase of raw materials and stock-in-trade)	Average Trade payable	4.30	4.12	4.37%	-
8	Net Capital Turnover Ratio (In times)	Revenue	Working Capital	6.20	4.49	38.08%	Increase in revenue, trade receivables, inventories and trade payables has contributed to the change in turnover ratio.
9	Net Profit Ratio (%)	Net Profit after tax	Revenue	10.45%	13.20%	(20.84)%	-
10	Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed (Tangible net worth + Debt)	33.34%	35.89%	(7.11)%	-
11	Return on Investment (%)	Interest income	Average Investment	7.79%	6.75%	15.41%	-

Notes accompanying the Standalone Financial Statements (Contd.)

53. OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (iv) Following are the details of the funds invested by the Company to Intermediaries for further advancing to the Ultimate beneficiaries:

₹ crores

Name of the intermediary in which the funds are invested	Date of funds invested	Amount of funds for onward investment	Date on which funds are further advanced / invested by intermediaries to other intermediaries or ultimate beneficiaries	Amount of fund further advanced / invested by such intermediaries to other intermediaries or ultimate beneficiaries	Ultimate beneficiary
Axiro Semiconductor Private Limited	25 March, 2025	310.00	28 March, 2025	278.04	Axiro Semiconductor Inc.

The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Details of each intermediary / ultimate beneficiary:

Name of entity	Registered address	Government identification number	Relationship with the Company
Axiro Semiconductor Private Limited	6 th Floor, CG house, Dr. Annie Besant Road, Worli, Mumbai – 400 030, India	U26103MH2024PTC434243	Subsidiary
Axiro Semiconductor Inc.	850 New Burton Road, Suite 201, City of Dover, County of Kent, Delaware 19904	10046373	Step down subsidiary

- (v) The Company has not received any fund from any persons or entities, including foreign entities (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not made any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provision of the Income Tax Act, 1961).
- (vii) The Company does not have any transactions with companies which has been struck off by ROC under Section 248 of the Companies Act, 2013.
- (viii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

Notes accompanying the Standalone Financial Statements (Contd.)

54. TRANSFER FROM GENERAL RESERVE TO RETAINED EARNINGS

The Board of Directors of the Company, at its Meeting held on 19 October, 2022 had approved a Scheme of Arrangement ("Scheme") under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act"). The Scheme inter-alia provides for capital reorganization of the Company, whereby it is proposed to transfer ₹ 400 Crores from the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date i.e. the effective date of the scheme mentioned in the Scheme. The Scheme was subject to receipt of regulatory approvals / clearances from the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and such other approval / clearances, as may be applicable. BSE was appointed as the Designated Stock Exchange by the Company to obtain the No Objection Certificate ("NOC") from SEBI under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. BSE had intimated the Company that it can re-submit the Scheme with revised rationale. After evaluation, the Company has decided not to proceed with the Scheme.

55. STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are no standards of accounting or any addendum thereto, prescribed by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013, which are issued but are not yet effective as at 31 March, 2025.

56. UPDATES ON INVESTIGATION FOR PAST YEARS

The Company is fully co-operating with the ongoing investigation by Serious Fraud Investigation Office ("SFIO") and other regulatory authorities on the affairs of the Company pertaining to past period and against erstwhile promoters and erstwhile key managerial personnel relating to transactions that took place when the Company was under the control of the erstwhile promoters / management. In respect to this there is no impact on current year financials of the Company.

57. The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that –

- a) in respect of SAP applications, the audit trail feature was not enabled for changes made (if any) by users with privileged / administrative access rights to the SAP applications and the underlying database; and
- b) in respect of other accounting software used for payroll processing and approval of discounts, the audit trail feature was not enabled at the database level to log any direct changes to data for the period from 1 April, 2024 to 17 February, 2025 and from 1 April, 2024 to 3 May, 2024, respectively.

Further no instance of audit trail feature being tampered with was noted in respect of accounting software where the audit trail has been enabled.

Additionally, the audit trail of relevant prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the relevant year.

58. Amounts shown as ₹ 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand).

For and on behalf of the Board

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Aravind K

Partner

Membership No. 221268

Mumbai : 06 May, 2025

Amar Kaul
Managing Director & CEO

(DIN : 07574081)

Susheel Todi
Chief Financial Officer

Mumbai : 06 May, 2025

Vellayan Subbiah

Chairman

(DIN : 01138759)

Sanjay Kumar Chowdhary

Company Secretary

FORM AOC - I

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures
Part 'A' : Subsidiaries

INFORMATION IN RESPECT OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31 MARCH, 2025

Sr. No.	Name of Subsidiary	Date of Acquisition / Incorporation	Reporting year of the subsidiary ended on	Currency	Exchange Rate			Capital		Total Assets	Total Liabilities	Investments (except investments in subsidiaries)	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed Dividend	% of Shareholding	Country of Incorporation
					Closing	Average		Equity Share Capital	Preference Share Capital										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	CG Adhesive Products Limited (formerly known as "CG-PPI Adhesive Products Limited)	04-Nov-88	31-Mar-25	INR	1.00	1.00	3.90	-	28.44	40.46	8.12	-	41.33	7.63	1.87	5.76	-	83.59%	India
2	CG Power Equipments Limited	19-Sep-14	31-Mar-25	INR	1.00	1.00	3.18	-	(3.18)	0.00	0.00	-	-	-	-	-	-	100.00%	India
3	CG Semi Private Limited	08-Mar-24	31-Mar-25	INR	1.00	1.00	390.47	-	(25.56)	421.49	56.58	164.82	-	(16.12)	0.85	(16.97)	-	92.34%	India
4	G.G. Tonics India Private Limited	20-Aug-24	31-Mar-25	INR	1.00	1.00	4.95	-	197.31	282.61	60.35	60.59	91.35	3.75	(0.97)	4.72	-	55.60%	India
5	Axiro Semiconductor Private Limited	29-Oct-24	31-Mar-25	INR	1.00	1.00	350.05	-	(6.04)	351.23	7.22	55.09	-	(5.98)	0.06	(6.04)	-	100.00%	India
6	CG Sales Network Malaysia Sdn. Bhd.	30-Sep-13	31-Mar-25	MYR	19.37	19.43	0.40	-	1.08	1.53	0.05	-	-	-	-	-	-	100.00%	Malaysia
7	CG International Holdings Singapore Pte. Limited	06-Jun-11	31-Mar-25	EUR	92.40	91.51	206.20	-	(305.83)	74.61	174.24	-	-	9.41	-	9.41	-	100.00%	Singapore
8	PT Crompton Prima Switchgear Indonesia	07-May-14	31-Dec-24	IDR	0.0055	0.0050	39.95	-	(64.74)	146.49	171.28	-	-	-	-	-	-	51.00%	Indonesia
9	CG International B.V.	01-Apr-05	31-Mar-25	EUR	92.40	91.51	1384.88	-	(3189.58)	218.72	2023.42	-	7.67	0.31	(0.93)	1.24	-	100.00%	The Netherlands
10	CG Drives & Automation Netherlands B.V.	10-Jun-11	31-Mar-25	EUR	92.40	91.51	5.49	-	35.78	75.17	33.90	-	88.14	4.09	0.93	3.16	-	100.00%	The Netherlands
11	CG Industrial Holdings Sweden AB	10-Jun-11	31-Mar-25	SEK	8.52	8.28	119.32	-	54.97	266.38	92.09	-	-	(0.19)	-	(0.19)	-	100.00%	Sweden
12	CG Drives & Automation Sweden AB	10-Jun-11	31-Mar-25	SEK	8.52	8.28	21.84	-	203.68	306.76	81.24	-	302.57	17.49	1.09	16.40	-	100.00%	Sweden
13	CG Drives & Automation Germany GmbH	10-Jun-11	31-Mar-25	EUR	92.40	91.51	0.24	-	40.87	77.28	36.17	-	201.19	15.17	4.77	10.40	-	100.00%	Germany
14	CG Power Americas, LLC	08-Jan-16	31-Mar-25	USD	85.78	86.12	-	-	(105.32)	152.50	257.82	-	-	6.78	1.86	4.92	-	100.00%	USA
15	CG DE Sub, LLC (formerly known as "QEI, LLC")	15-Apr-15	31-Mar-25	USD	85.78	86.12	-	-	-	-	-	-	-	-	-	-	-	100.00%	USA
16	Axiro Semiconductor Inc.	23-Dec-24	31-Mar-25	USD	85.78	86.12	278.79	-	(0.52)	278.79	0.52	-	-	(0.52)	-	(0.52)	-	100.00%	USA
17	Axiro Semiconductor (Shenzhen) Co., Ltd.	20-Mar-25	31-Mar-25	CNY	11.79	11.72	-	-	-	0.03	0.03	-	-	-	-	-	-	100.00%	China
18	Axiro Semiconductor Turkey Araştırma ve Geliştirme A.Ş.	07-Mar-25	31-Mar-25	TRY	2.26	2.26	-	-	-	-	-	-	-	-	-	-	-	100.00%	Turkey

₹ Crores

FORM AOC - I

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures
Part 'A' : Subsidiaries

INFORMATION IN RESPECT OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31 MARCH, 2025 (Contd.)

Notes:

1 Name of the subsidiaries which are yet to commence the operations

CG Semi Private Limited
Axiro Semiconductor Private Limited
Axiro Semiconductor Inc.
Axiro Semiconductor Turkey Araştırma ve Geliştirme A.Ş.
Axiro Semiconductor (Shenzhen) Co., Ltd.

2 Name of the subsidiaries which have been liquidated or sold during the year

Nil

3 Name of the subsidiaries which have been demerged during the year

Nil

4 Name of the subsidiaries ceased to be subsidiaries on account of loss of control during the year

Nil

5 Name of the subsidiaries merged during the year

Nil

For and on behalf of the Board

Amar Kaul
Managing Director & CEO
(DIN : 07574081)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Todi
Chief Financial Officer
Mumbai : 06 May, 2025

Sanjay Kumar Chowdhary
Company Secretary

FORM AOC - I

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures

Part 'B' : Associates and Joint Ventures

INFORMATION IN RESPECT OF ASSOCIATE COMPANIES AND JOINT VENTURES FOR THE YEAR ENDED 31 MARCH, 2025

Sr. No	Name of Associate / Joint Venture	Date of Acquisition / Incorporation	Latest Audited Balance Sheet Date	Share of Associate / Joint Venture held by company on the year end			Description of How there is significant influence	Reason why the Associate / Joint Venture is not consolidated	Networth attributable to shareholding as per latest audited balance sheet	Profit / (loss) for the year	
				Number of Shares held	Amount of Investment in Associate / Joint Venture	Extent of Holding %				Considered in Consolidation	Not considered in Consolidation
1	Chola Foundation	11-Dec-24	31-Mar-25	5	6	7	8	9	10	11	12
1.				Not Applicable	0.01	33.33	Controls 25% of voting power	Company does not have control as per Ind AS 110.	1.14	-	1.13

₹ Crores

Notes:

1. Name of the associates or joint ventures which are yet to commence the operations - NIL
2. Name of the associates which have been liquidated or sold during the year - NIL

For and on behalf of the Board

Amar Kaul
Managing Director & CEO
(DIN : 07574081)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Toddi

Chief Financial Officer
Mumbai : 06 May, 2025

Sanjay Kumar Chowdhary
Company Secretary

A stylized world map composed of a grid of small dots is positioned in the upper half of the page. Below the map, a series of concentric, light green circles are centered on the text. At the bottom of the page, a blue wireframe graphic of a hand is shown, with the index finger pointing upwards towards the text.

**CONSOLIDATED
FINANCIALS
2024-2025**

Independent Auditor’s Report To the Members of CG Power and Industrial Solutions Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of CG Power and Industrial Solutions Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associate comprising of the consolidated Balance sheet as at March 31, 2025, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2025, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements’ section of our report. We

are independent of the Group and its associate in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 27 of the consolidated financial statements)	
The Holding Company has two operating segments, namely, Power and Industrial Segment.	Our audit procedures amongst others included the following:
The type of customers varies across these segments, ranging from Large Government companies / corporations to Original Equipment Manufacturers and Industrial Customers etc.	- We read the Group’s accounting policy for timing of revenue recognition and assessed compliance in terms of Ind AS 115- Revenue from Contracts with Customers. - We performed walkthroughs of the Holding Company’s revenue processes, including design and implementation of controls and tested the design and operating effectiveness of such controls in relation to revenue recognition.



Independent Auditor's Report to the Members of CG Power and Industrial Solutions Limited (Contd.)

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 27 of the consolidated financial statements) (Contd.) Majority of the Group's revenue is contributed by the Holding Company which is from sale of goods which are recognized at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers within each of the operating segments, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition. Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.	- On a sample basis, we tested the underlying contracts with customers, purchase orders issued by customers and sales invoices raised by the Holding Company (as may be applicable) to determine the timing of transfer of control along with pricing terms and the timing of the revenue recognition in respect of such contracts. - We compared revenue with historical trends and where appropriate, conducted further enquiries and testing. - On a sample basis, we analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc. for those transactions. - We assessed the disclosures for compliance with applicable accounting standards in the consolidated financial statements.
Claims and exposures relating to taxation and other litigations (as described in Note 36 of the consolidated financial statements) The Group has uncertainties related to litigations on account of tax losses adjusted against taxable income in earlier years and other disputed legal claims. The tax losses of the Holding Company were primarily on account of write off of receivable balances in relation to various transactions in earlier years which are under investigations by regulatory authorities. Basis legal advice, management has considered these write-offs as an allowable expense in the computation of current tax of the Holding Company in the relevant years. Due to associated uncertainties related to the outcome of these taxation and other litigations, significant judgement is involved in the assessment of potential financial impact and application of material judgement in interpretation of relevant laws. Accordingly, this has been considered as a Key Audit Matter.	Our audit procedures amongst others included the following: - We understood the process and assessed the internal control environment relating to the identification, assessment of the likely outcome of uncertain positions in respect of tax and other legal matters, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities. - We obtained details of tax and other disputed legal matters from the Holding Company's management and assessed Holding Company management's position through discussions on both the probability of success in significant cases and the magnitude of any potential loss. - We involved tax specialists to assist us in evaluating tax positions taken by management of Holding Company including evaluation of deductions claimed by the Holding Company in respect of receivable balances written off in earlier years as per the applicable provisions of the Income Tax Act in India and relevant judicial precedents, wherever available and assessed the likelihood of the potential financial exposure. - We obtained and read the Holding Company's correspondences with tax authorities and legal counsel's advice obtained by the Holding Company. - We circulated legal confirmation for material litigations to external legal counsel and reviewed their assessment and had a discussion with the senior management of the Holding Company regarding their assessment. - We assessed the relevant disclosures made in the consolidated financial statements for compliance with the requirements of Ind AS.

Independent Auditor’s Report to the Members of CG Power and Industrial Solutions Limited (Contd.)

Key audit matters	How our audit addressed the key audit matter
Accounting for Business Combination – Acquisition of G.G. Tronics India Private Limited (as described in Note 56 of the consolidated financial statements)	
During the year ended March 31, 2025, G.G. Tronics India Private Limited became a subsidiary of the Holding Company in the manner more fully described in Note 56 to the consolidated financial statements. The Holding Company determined the acquisition to be a business combination in accordance with Ind AS 103 ‘Business Combinations’ which requires the identified assets and liabilities to be recognized at fair value at the date of acquisition. The accounting for this transaction includes the identification and valuation of net assets acquired and liabilities assumed, and the consequent allocation of the purchase price to the assets and liabilities arising from this transaction, and management’s use of external valuation experts and estimates and assumptions for this purpose. For the year ended March 31, 2025, the Holding Company has finalized the accounting for this business combination in accordance with the requirements of Ind AS 103. Considering the complex accounting and the significant estimates and judgements involved, we have considered this as key audit matter.	Our audit procedures amongst others included the following: • We obtained and read the Shareholders Agreement, Share Purchase Agreement and Share Subscription Agreement, along with other relevant agreements in relation to this acquisition and evaluated the value of the consideration transferred as a part of the acquisition. • We understood and assessed the design and tested the operating effectiveness of the key controls over the accounting of business combination. • We evaluated the competence and objectivity of the management’s expert engaged for the valuation of tangible and intangible assets, obtained an understanding of the work of management’s expert and assessed the appropriateness of the resultant goodwill computed in accordance with Ind AS 103, by the management, based on such valuation. • We reviewed (including through the use of auditor’s experts where required) the valuation of tangible assets, intangible assets including Goodwill arising from the acquisition and assessed the reasonableness of the underlying key estimates and assumptions used in determining the fair value of assets and liabilities as at the acquisition date. • We examined the computation of goodwill derived based on acquisition date fair values, provided by the management. • We assessed the disclosures in the consolidated financial statements in accordance with the requirements of Ind AS.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors/ Trustees of the companies and entities (as applicable) included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of



Independent Auditor's Report to the Members of CG Power and Industrial Solutions Limited (Contd.)

appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors / Trustees of the companies and entities (as applicable) included in the Group and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors / Trustees of the companies and entities (as applicable) included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report to the Members of CG Power and Industrial Solutions Limited (Contd.)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements and other financial information, in respect of 6 subsidiaries, which are part of continued operations of the Group, whose financial statements include total assets of ₹ 1,191.28 crores as at March 31, 2025, and total revenues of ₹ 643.58 crores and net cash inflows of ₹ 29.03 crores for the year ended on that date. We did not audit the financial statements and other financial information, in respect of 1 subsidiary, which is part of discontinued operations of the Group, whose financial statements include total assets of ₹ 0.00 crore as at March 31, 2025, and total revenues of ₹ Nil crore and net cash inflows of ₹ Nil crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of ₹ Nil crore for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.
- (b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 5 subsidiaries, part of continued operations of the Group, whose financial statements and other financial information reflect total assets of ₹ 302.63 crores as at

March 31, 2025, and total revenues of ₹ 88.14 crores and net cash inflows of ₹ 11.66 crores for the year ended on that date. The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 3 subsidiaries, part of discontinued operations of the Group, whose financial statements and other financial information reflect total assets of ₹ 73.31 crores as at March 31, 2025, and total revenues of ₹ Nil crore and net cash inflows of ₹ Nil crore for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India and to the extent applicable, as noted in the 'Other Matters' paragraph, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

Independent Auditor's Report to the Members of CG Power and Industrial Solutions Limited (Contd.)

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except with respect to one subsidiary, where the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on daily basis as explained in Note 55 to the consolidated financial statements, and for the matters stated in the paragraph (i) (vi) below on reporting under Rule 11(g);
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i) (vi) below on reporting under Rule 11(g);
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of such subsidiary companies incorporated in India and to the extent applicable, as noted in the 'Other Matter' paragraph, refer to our separate Report in "Annexure 1" to this report;
- (h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Holding Company, its subsidiaries incorporated in India, to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act, where applicable;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements — Refer Note 36 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2025;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India, where applicable, during the year ended March 31, 2025;
 - iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the Note 50 (iii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or

Independent Auditor's Report to the Members of CG Power and Industrial Solutions Limited (Contd.)

otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the Note 50 (iii) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v. The interim dividend declared and paid during the year by the Holding Company is in accordance with Section 123 of the Act. No dividend has been declared or paid during the year by the subsidiaries incorporated in India.
- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except for the instances mentioned below:
- (a) in relation to the Holding Company, that audit trail feature is not enabled for changes made (if any) by users with privileged/ administrative access rights in respect of SAP applications and for direct changes to data when using certain access rights in respect of other accounting software used for payroll processing and approval of discounts for the period from April 1, 2024 to February 17, 2025 and from April 1, 2024 to May 3, 2024, respectively, as described in Note 54 (a) to the consolidated financial statements;
- (b) in relation to one subsidiary, as described in Note 54 (b) (i) to the consolidated financial statements, with regard to one software, the audit trail feature has operated only for part of the period ending March 31, 2025 for the relevant transactions recorded in the software.
- (c) in relation to one subsidiary, as described in Note 54 (b) (ii) to the consolidated financial statements, the subsidiary has used accounting software for maintaining its books of account which does not have the feature of recording audit trail (edit log) facility.



Independent Auditor's Report to the Members of CG Power and Industrial Solutions Limited (Contd.)

- (d) in relation to one subsidiary, as described in Note 54 (b) (iii) to the consolidated financial statements, the audit trail feature was not enabled at the database level to log any direct changes for the accounting software used for maintaining the books of account.

Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with in respect of the accounting software where the audit trail has been enabled.

Additionally, the audit trail of relevant prior year has been preserved by the Holding Company and subsidiaries as per the statutory requirements for record retention to the extent it was enabled and recorded in the relevant year and in relation to two subsidiaries, where

this is the first period since the incorporation of these two subsidiaries, reporting in relation to preservation of audit trail as per statutory requirements for record retention is not applicable for the period ended March 31, 2025.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Aravind K

Partner

Membership Number: 221268

UDIN: 25221268BMOUGN3820

Place of Signature: Mumbai

Date: May 6, 2025

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of CG Power and Industrial Solutions Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of CG Power and Industrial Solutions Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated

financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of CG Power and Industrial Solutions Limited (Contd.)

Opinion

In our opinion, the Group which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far

as it relates to these 3 subsidiaries which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Aravind K

Partner

Membership Number: 221268

UDIN: 25221268BMOUGN3820

Place of Signature: Mumbai

Date: May 6, 2025

Consolidated Balance Sheet as at 31 March, 2025

₹ crores

	Note No.	As at 31-03-2025	As at 31-03-2024
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	934.96	852.61
(b) Capital work-in-progress	4	355.18	65.87
(c) Goodwill	5	281.06	163.76
(d) Other intangible assets	5	263.00	42.53
(e) Intangible assets under development	5	30.49	27.91
(f) Financial assets			
(i) Investments	6	0.76	0.75
(ii) Other financial assets	7	18.32	11.64
(g) Current tax assets		101.22	115.53
(h) Deferred tax assets (net)	8	4.48	156.30
(i) Other non-current assets	9	102.96	4.91
		2092.43	1441.81
(2) Current assets			
(a) Inventories	10	1136.71	750.71
(b) Financial assets			
(i) Investments	11	436.78	587.70
(ii) Trade receivables	12	2009.20	1534.19
(iii) Cash and cash equivalents	13	409.51	199.84
(iv) Bank balances other than (iii) above	14	849.61	654.57
(v) Other financial assets	15	182.52	136.21
(c) Other current assets	16	227.00	247.53
		5251.33	4110.75
(3) Assets classified as held for sale and discontinued operations	42	73.31	73.18
TOTAL ASSETS		7417.07	5625.74
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	305.78	305.47
(b) Other equity	18	3538.17	2711.97
		3843.95	3017.44
Non-controlling interest		193.68	1.33
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	0.26	-
(ii) Lease liabilities	37	26.97	11.91
(iii) Other financial liabilities	20	26.17	10.96
		53.40	22.87
(b) Provisions	21	47.84	35.46
(c) Deferred tax liabilities (net)	8	88.23	0.56
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	0.08	-
(ii) Lease liabilities	37	13.66	5.53
(iii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and	23	162.34	104.87
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	1707.70	1379.38
(iv) Other financial liabilities	24	460.48	368.65
		2344.26	1858.43
(b) Other current liabilities	25	534.67	373.63
(c) Provisions	26	215.94	196.85
(d) Current tax liabilities		30.83	54.90
(3) Liabilities associated with group of assets classified as held for sale and discontinued operations	42	64.27	64.27
TOTAL EQUITY AND LIABILITIES		7417.07	5625.74
SUMMARY OF MATERIAL ACCOUNTING POLICIES	2		

The accompanying notes form an integral part of consolidated financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Aravind K
Partner
Membership No. 221268
Mumbai : 06 May, 2025

Amar Kaul
Managing Director & CEO
(DIN : 07574081)

Susheel Todi
Chief Financial Officer
Mumbai : 06 May, 2025

For and on behalf of the Board
Vellayan Subbiah
Chairman
(DIN : 01138759)

Sanjay Kumar Chowdhary
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March, 2025

₹ crores

	Note No.	2024-25	2023-24
Income			
Revenue from operations	27	9908.66	8045.98
Other income	28	162.17	106.26
Total income		10070.83	8152.24
Expenses			
Cost of materials consumed	29	6762.31	5387.04
Purchases of stock-in-trade	30	359.32	271.57
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(195.44)	(106.46)
Employee benefits expense	32	612.77	508.14
Finance costs	33	7.09	2.54
Depreciation and amortisation expense	34	111.84	94.89
Other expenses	35	1064.97	857.62
Total expenses		8722.86	7015.34
Profit before share of profit / (loss) of associate, exceptional items and tax		1347.97	1136.90
Share of profit / (loss) of associate		-	-
Profit before exceptional items and tax		1347.97	1136.90
Exceptional items (net)	43	-	21.48
Profit before tax		1347.97	1158.38
Tax expense:			
Current tax	8	185.24	6.81
Deferred tax (net)	8	189.75	280.45
		374.99	287.26
Profit from continuing operations after tax		972.98	871.12
Profit from discontinued operations before tax	42	-	555.69
Tax expense on discontinued operations	8	-	(0.80)
Profit from discontinued operations after tax		-	556.49
Profit for the year		972.98	1427.61
Attributable to:			
Equity holders of the parent		974.60	1427.01
Non-controlling interests		1.62	(0.60)
Other comprehensive income:		972.98	1427.61
A (i) Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement gain / (loss) on defined benefit plans		(10.94)	(12.25)
(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss		2.98	2.68
B (i) Items that will be reclassified subsequently to profit or loss			
(a) Exchange differences on translating the financial statements of foreign operations		7.41	1.61
(b) Net movement on effective portion of cash flow hedges		(4.45)	-
Total other comprehensive income for the year		(5.00)	(7.96)
Attributable to:			
Equity holders of the parent		(4.59)	(7.96)
Non-controlling interests		0.41	0.00
		(5.00)	(7.96)
Total comprehensive income for the year		967.98	1419.65
Attributable to:			
Equity holders of the parent		970.01	1419.05
Non-controlling interests		2.03	(0.60)
		967.98	1419.65
Earnings per share for continuing operations	47		
Basic (₹)		6.38	5.70
Diluted (₹)		6.37	5.69
(Face value of ₹ 2 each)			
Earnings per share for discontinued operations	47		
Basic (₹)		-	3.64
Diluted (₹)		-	3.64
(Face value of ₹ 2 each)			
Earnings per share for total operations	47		
Basic (₹)		6.38	9.34
Diluted (₹)		6.37	9.33
(Face value of ₹ 2 each)			
SUMMARY OF MATERIAL ACCOUNTING POLICIES	2		

The accompanying notes form an integral part of consolidated financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Aravind K

Partner

Membership No. 221268

Mumbai : 06 May, 2025

Amar Kaul
Managing Director & CEO
(DIN : 07574081)

Susheel Todi
Chief Financial Officer

Mumbai : 06 May, 2025

For and on behalf of the Board
Vellayan Subbiah
Chairman
(DIN : 01138759)

Sanjay Kumar Chowdhary
Company Secretary

Consolidated Statement of Cash Flows for the year ended 31 March, 2025

₹ crores

	2024-25	2023-24
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	1347.97	1158.38
Adjustments for:		
Depreciation and amortisation expense	111.84	94.89
Allowances for doubtful receivables (net)	2.49	0.25
Bad debts written off / (reversal) (net)	(15.43)	(4.14)
(Gain) / loss arising on financial instruments designated as FVTPL	(3.88)	(5.43)
Finance costs	7.09	2.54
Interest income	(71.75)	(63.28)
Share based payment expense	22.90	15.96
Profit on sale of investments (net)	(36.10)	(18.59)
Unrealised exchange (gain) / loss (net)	0.60	1.56
Unrealised exchange gain / (loss) on consolidation (net)	7.41	1.61
(Profit) / loss on sale of property, plant and equipment (net)	0.54	(5.54)
(Profit) / loss on modification on lease	(0.38)	-
Liabilities no longer required written back	(31.28)	-
Payment towards settlement of litigation	-	(2.45)
Exceptional items (net)	-	(21.48)
	(5.95)	(4.10)
Operating profit before working capital changes	1342.02	1154.28
Adjustments for:		
(Increase) / Decrease in trade receivables	(437.62)	(239.23)
(Increase) / Decrease in other non-current financial assets and non-current assets	(14.26)	1.69
(Increase) / Decrease in other current financial assets and current assets	14.71	(24.81)
(Increase) / Decrease in inventories	(325.30)	(209.53)
Increase / (Decrease) in trade payables	346.85	228.21
Increase / (Decrease) in other non-current financial liabilities	14.89	9.11
Increase / (Decrease) in other current financial liabilities and current liabilities	183.49	90.85
Increase / (Decrease) in non-current and current provisions	16.08	26.65
	(201.16)	(117.06)
Cash (used in) / from operations	1140.86	1037.22
Income tax refund / (paid) (net)	(196.44)	(3.16)
Net cash flow (used in) / from continuing operating activities	944.42	1034.06
Net cash flow (used in) / from discontinued operating activities	-	(6.27)
Net cash flow (used in) / from continuing and discontinued operating activities	(A) 944.42	1027.79

Consolidated Statement of Cash Flows for the year ended 31 March, 2025 (Contd.)

₹ crores

	2024-25	2023-24
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	1.90	11.48
Proceeds from sale of investments	4785.03	1220.55
Interest received	68.01	42.36
Investment in associate	(0.01)	-
Purchase of property, plant and equipment (including capital work-in- progress, capital advances and capital creditors) and intangible assets (including under development)	(427.32)	(234.27)
Purchase of investments	(4594.13)	(1784.00)
Bank balances other than cash and cash equivalents (net)	(194.87)	(631.40)
Consideration for acquisition of equity shares in G.G.Trionics India Private Limited from its erstwhile promoters (net of cash acquired)	(171.53)	-
Deposit in relation to bidding process for proposed acquisition	(28.68)	-
Unrealised exchange gain / (loss) on consolidation (net)	(6.48)	(1.49)
Net cash flow (used in) / from continuing investing activities	(568.08)	(1376.77)
Net cash flow (used in) / from discontinued investing activities	-	83.20
Net cash flow (used in) / from continuing and discontinued investing activities (B)	(568.08)	(1293.57)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	32.35	3.15
Subscription of equity in subsidiary by non-controlling Interest	29.93	-
Repayment of borrowings	(15.68)	-
Payment of lease liabilities	(11.23)	(6.57)
Finance costs paid	(3.24)	(0.91)
Dividend paid	(198.75)	(198.55)
Payment towards settlement of litigation with Asset Reconstruction Company	-	(42.00)
Payment towards purchase of non-controlling interest	-	(0.21)
Net cash flow (used in) / from continuing financing activities	(166.62)	(245.09)
Net cash flow (used in) / from discontinued financing activities	-	(0.64)
Net cash flow (used in) / from continuing and discontinued financing activities (C)	(166.62)	(245.73)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	209.72	(511.51)
Cash and cash equivalents at beginning of the year	200.40	711.91
Cash and cash equivalents at end of the year	410.12	200.40
Cash and cash equivalents from continuing operations (Refer note 13)	409.51	199.84
Cash and cash equivalents from discontinued operations	0.61	0.56
Cash and cash equivalents from continuing and discontinued operations	410.12	200.40

1. Refer note 46 in respect of disclosure for changes in liabilities arising from financing activities.
2. The consolidated statement of cash flows has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

The accompanying notes form an integral part of consolidated financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Aravind K

Partner

Membership No. 221268

Mumbai : 06 May, 2025

Amar Kaul
Managing Director & CEO

(DIN : 07574081)

Susheel Todi
Chief Financial Officer

Mumbai : 06 May, 2025

For and on behalf of the Board
Vellayan Subbiah

Chairman

(DIN : 01138759)

Sanjay Kumar Chowdhary
Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31 March, 2025

(A) EQUITY SHARE CAPITAL

For the year ended 31 March, 2025

	₹ crores
Balance as at 01-04-2024	305.47
Changes in equity share capital during the year*	0.31
Balance as at 31-03-2025	305.78

For the year ended 31 March, 2024

	₹ crores
Balance as at 01-04-2023	305.43
Changes in equity share capital during the year*	0.04
Balance as at 31-03-2024	305.47

* Refer note 17

(B) OTHER EQUITY

For the year ended 31 March, 2025

	Reserves and Surplus						Items of Other Comprehensive Income (OCI)			Total Other Equity	Non-Controlling Interest (NCI)
	Retained Earnings	General Reserve	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium	Share Options Outstanding Account	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedge		
Balance as at 01 April, 2024	909.43	418.46	671.65	3.58	12.95	720.75	21.31	(46.16)	-	2711.97	1.33
Profit for the year	974.60	-	-	-	-	-	-	-	-	974.60	(1.62)
Other comprehensive income for the year	(7.89)	-	-	-	-	-	-	-	-	(7.89)	(0.07)
- Remeasurement loss on defined benefit plans	-	-	-	-	-	-	-	7.41	-	7.41	-
- Foreign currency translation differences	-	-	-	-	-	-	-	-	(4.11)	(4.11)	(0.34)
- Net movement in effective portion of cash flow hedge	-	-	-	-	-	32.04	22.90	-	-	54.94	-
Employee stock options	-	-	-	-	-	-	-	-	-	-	29.93
Subscription of equity in subsidiary by NCI	-	-	-	-	-	-	-	-	-	-	164.45
Non-controlling interest related to business combination (refer note 56)	-	-	-	-	-	-	-	-	-	-	-
Transfer to securities premium and retained earning from share options outstanding account	1.98	-	-	-	-	8.49	(10.47)	-	-	-	-
Dividend paid during the year	(198.75)	-	-	-	-	-	-	-	-	(198.75)	-
Balance as at 31 March, 2025	1679.37	418.46	671.65	3.58	12.95	761.28	33.74	(38.75)	(4.11)	3538.17	193.68

Consolidated Statement of Changes in Equity for the year ended 31 March, 2025 (Contd.)

(B) OTHER EQUITY (Contd.)

For the year ended 31 March, 2024

	Reserves and Surplus						Items of Other Comprehensive Income (OCI)		Total Other Equity	Non-Controlling Interest (NCI)
	Retained Earnings	General Reserve	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium	Share Options Outstanding Account	Foreign Currency Translation Reserve	Effective Portion of Cash Flow Hedge	
Balance as at 01 April, 2023	(309.47)	418.46	671.65	3.58	12.95	716.99	6.02	(35.05)	(0.05)	1485.08
Profit for the year	1427.01	-	-	-	-	-	-	-	-	1427.01
Other comprehensive income for the year										
- Remeasurement loss on defined benefit plans	(9.57)	-	-	-	-	-	-	-	-	(9.57)
- Foreign currency translation differences	-	-	-	-	-	-	-	1.61	-	1.61
Employee stock options	-	-	-	-	-	3.11	15.96	-	-	19.07
Effect of stake acquired from non-controlling interest	(0.01)	-	-	-	-	-	-	-	-	(0.20)
Transfer to securities premium and retained earning from share options outstanding account	0.02	-	-	-	-	0.65	(0.67)	-	-	-
Transferred to statement of profit and loss / retained earning on account of deconsolidation / liquidation of subsidiaries	-	-	-	-	-	-	-	(12.72)	0.05	(12.67)
Dividend paid during the year	(198.55)	-	-	-	-	-	-	-	-	(198.55)
Balance as at 31 March, 2024	909.43	418.46	671.65	3.58	12.95	720.75	21.31	(46.16)	-	2711.97

The accompanying notes form an integral part of consolidated financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Aravind K

Partner

Membership No. 221268

Mumbai : 06 May, 2025

Amar Kaul

Managing Director & CEO

(DIN : 07574081)

For and on behalf of the Board

Vellayan Subbiah

Chairman

(DIN : 01138759)

Susheel Todi

Chief Financial Officer

Mumbai : 06 May, 2025

Sanjay Kumar Chowdhary

Company Secretary

Notes accompanying the Consolidated Financial Statements

1. CORPORATE INFORMATION:

CG Power and Industrial Solutions Limited (the 'Company' or 'Parent') with CIN No: L99999MH1937PLC002641, is a Public Limited Company incorporated and domiciled in India. The Company is listed on Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE'). The registered office is located at 6th Floor, CG house, Dr. Annie Besant Road, Worli, Mumbai – 400 030, India.

The Company, its Subsidiaries (collectively the 'Group') and its Associate is a global enterprise providing end-to-end solutions to utilities, industries and consumers for the management and application of efficient and sustainable electrical energy and semiconductor business. It offers products, services and solutions in three main business segments, viz. Power Systems, Industrial Systems and Semiconductors for the year ended 31 March, 2025.

The consolidated financial statements of the Group for the year ended 31 March, 2025 were authorised for issue in accordance with a resolution of the directors on 06 May, 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES:

2.1 Basis of preparation:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III of the Companies Act, 2013. The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and financial liabilities measured at fair value.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

The consolidated financial statements are presented in Indian Rupees ('₹') and all values are rounded to the nearest crores, except when otherwise indicated.

2.2 Basis of consolidation:

The Group consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiaries and its associate. Control exists when the Parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The entities are consolidated from the date control commences until the date control ceases.

The consolidated financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Profit or loss on each component of other comprehensive income ('OCI') are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March. When the end of the reporting period of the subsidiary is different from that of a Parent Company, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent Company to enable the Parent Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity while any resultant gain or loss including cumulative translation difference is recognised in the consolidated statement of profit and loss. Any investment retained is recognised at fair value.



Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

Changes in the Group's holding that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's holding and the non-controlling interests are adjusted to reflect the changes in their relative holding. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Parent.

Joint Ventures are entities over which the Group has joint control. Associates are entities over which the Group has significant influence but not control. Investments in Joint Ventures and Associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in Joint Ventures and Associates includes goodwill identified on acquisition.

2.3 Property, plant and equipment:

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, net of trade discounts and rebates, directly attributable costs of bringing the asset to its working condition for its intended use and capitalised borrowing costs. When significant parts of the plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Subsequent expenditure related to an item of property, plant and equipment is capitalised only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date and stated at cost, net of accumulated impairment loss, if any. Once it becomes available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in the consolidated statement of profit and loss when the asset is derecognised.

Depreciation is provided on straight-line method over the useful lives of assets. Depreciation commences when an asset is ready for its intended use. The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, where the useful lives was determined by technical evaluation. Freehold land is not depreciated. Depreciation on additions to / deductions from assets is provided on pro-rata basis with reference to the date of addition / deletion.

The range of useful lives of the property, plant and equipment are as follows:

- Plant and machinery – 1 to 21 years
- Furniture and fittings – 1 to 15 years
- Office equipments – 1 to 15 years
- Buildings – 3 to 60 years
- Vehicles – 1 to 8 years

Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the useful life of the building.

In other cases, buildings constructed on leasehold land are amortised over the primary lease period of the land.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

Subsidiaries incorporated outside India:

Depreciation has been provided as per useful life permissible by the GAAPs of the respective countries. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

On transition to Ind AS, the Group has elected to continue with the carrying value as per the previous GAAP for Plant and machinery, Furniture and fittings, Office equipments and Vehicles as its deemed cost. Also, the Group has elected to measure Freehold land, Leasehold Land and Buildings at its fair value and considered it as deemed cost as on the date of transition to Ind AS.

2.4 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

Intangible assets are amortised as follows:

- Computer software : Over a period of five to six years;
- Technical know-how : Over a period of five years (from the date of availability for its use);
- Commercial rights : Over a period of ten years;
- Brand name and customer lists : Over a period of ten years; and
- Other intangible assets : Over a period of three to fifteen years;



Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

Research and development expenditure:

Revenue expenditure on research activities is expensed under the respective heads of account in the period in which it is incurred.

Development expenditures on an individual project are recognised as intangible asset, if all of the following criteria can be demonstrated:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) the Group has intention to complete the development of intangible asset and use or sell it;
- (iii) the Group has ability to use or sell the intangible asset;
- (iv) the manner in which the probable future economic benefit will be generated
- (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) the Group has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over a period of five years. During the period of development, the asset is tested for impairment annually.

On transition to Ind AS, the Group has elected to continue with the carrying value as per the previous GAAP for all intangible assets as its deemed cost.

2.5 Impairment of non-financial assets:

At the end of each reporting period, the Group assesses whether there is an indication that an asset may be impaired and also whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and the impairment loss is recognised in the consolidated statement of profit and loss, when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of the cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's (CGU's) fair value less cost to sell and the value in use.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2.6 Inventories:

Inventories are valued as under:

- Raw materials, packing materials, construction materials, stores and spares, loose tools and traded goods at lower of cost and net realisable value. Cost is determined on a weighted average basis.
- Work-in-progress and finished goods (manufacturing) at lower of cost and net realisable value. Cost includes an appropriate share of production overheads based on normal operating capacity. Finished goods cost is determined on a weighted average basis.

The cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition, excluding borrowings costs. Obsolete and slow moving items of inventories are valued at cost or net realisable value, whichever is lower. Goods and Materials in transit are valued at actual cost incurred up to the reporting date. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

2.7 Cash and cash equivalents:

Cash and cash equivalents in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.8 Foreign currency transactions:

Initial recognition:

Transactions in foreign currencies entered are initially accounted at the exchange rates prevailing on the date of the transaction.

Measurement as at balance sheet date:

Foreign currency monetary items that are outstanding at the balance sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions.

Treatment of exchange differences:

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities are recognised as income or expense in the consolidated statement of profit and loss.

Consolidation of subsidiaries incorporated outside India:

The translation of financial statements of the foreign subsidiaries from their respective functional currencies to the presentation currency (₹) is performed for assets and liabilities using the exchange rates prevailing at the reporting date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in foreign currency translation reserves under OCI.

When a subsidiary is disposed of, in full, accumulated foreign currency translation reserves of subsidiary is transferred to the consolidated statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Any goodwill arising on acquisition / business combination of a foreign operation are translated at exchange rate prevailing at the reporting date.

2.9 Revenue recognition:

(a) Revenue from sale of goods and services:

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services is recognised when services are rendered.

Revenue is recognised at an amount of transaction price that reflects the consideration to which the Group expects to be entitled for satisfaction of performance obligation i.e. exchange of goods or services. Transaction price is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items in a contract when they are highly probable to be provided. The variable consideration is estimated at contract inception updated thereafter at each reporting date or until crystallisation of the amount. Liquidated damages are recognised as a part of variable consideration. In contracts where freight is arranged by the Group and recovered from the customers, the same is treated as separate performance obligation and revenue is recognised when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their standalone selling prices.

However, Goods and Services Tax (GST) are not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

(b) Revenue from construction contracts:

Performance obligations with reference to construction contracts are satisfied over a period of time, and accordingly, revenue from such contracts is recognised based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, and price variations / escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and generally when it is agreed with customer. Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognised in the period in which estimates are revised.

(c) Dividend and interest income:

Dividend income is accounted for when the shareholder's right to receive the same is established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is recognised taking into account the amount outstanding and the effective interest rate.

(d) Rental income:

Rental income arising from leases is accounted for on a straight-line basis over the lease terms and is included in other income in the consolidated statement of profit and loss.

2.10 Employee benefits:

I. Short-term employee benefits

All employee benefits payable wholly within twelve months after the end of the annual reporting period in which the employees render the related services, are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives, the expected cost of bonus, ex-gratia etc. are recognised during the period in which the employee renders related service.

Compensation to employees of certain subsidiaries consist of pension plan, which are either fee or benefit based.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amounts of the benefits expected in exchange for the related services.

II. Post-employment benefits

(A) Defined contribution scheme:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

i) Provident fund:

The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

ii) Superannuation:

Contributions as a percentage of eligible employees' salary are made to Superannuation Funds administered by trustees and managed by Insurance Company. There is no liability for future Superannuation Fund benefits other than the annual contribution and such contributions are recognised as an expense in the year in which the services are rendered.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

iii) National pension scheme:

Contributions as a percentage of eligible employees' salary are made to National pension scheme administrated by the Pension Fund Regulatory and Development Authority (PFRDA). Such contributions are recognised as an expense in the year in which the services are rendered.

iv) Employee state insurance scheme and Labour welfare scheme:

Contributions to Employees state insurance scheme and Labour welfare scheme are recognised as expense in the year in which the services are rendered.

(v) Family pension

Contribution to Family pension scheme is related to employees of subsidiaries incorporated outside India. Such contributions are recognised as an expense in the year in which the services are rendered.

(B) Defined benefit plans:

(i) Gratuity:

Gratuity is a defined benefit obligation plan operated by the Parent Company and its subsidiaries incorporated in India for its employees. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with CG Gratuity Fund and fund of respective subsidiaries. Remeasurements, comprising of actuarial gains and losses are recognised in full in other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit or loss subsequently.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with the actuarial valuations being carried out at the end of each annual reporting period.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss. Past service cost is recognised in the consolidated statement of profit and loss in the period of plan amendment or when the Group recognised related re-structuring costs.

The Group recognises the following changes in the net defined benefit obligation under employee benefit expenses in profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and settlements;
- net interest expense or income.

III. Leave encashment:

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company and its Indian subsidiaries treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognised in full in the consolidated statement of profit and loss.

Overseas subsidiaries provide liability in respect of compensated absences for employees as per respective local entity's policies. The same is measured based on the accrual basis as the payment is required to be made within next twelve months.

IV. Termination benefits:

Termination benefits are recognised as an expense when the Group can no longer withdraw the offer of the termination benefits or when the Group recognises any related restructuring costs whichever is earlier.

Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

2.11 Share based payments (Employee stock option scheme):

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in stock options outstanding account in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The consolidated statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro-rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

2.12 Borrowing costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time (generally over twelve months) to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of Borrowing Costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period in which they occur.

2.13 Segment accounting:

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Maker in the Group to make decisions for performance assessment and resource allocation. Segment performance is evaluated based on the profit or loss of reportable segment and is measured consistently.

The Operating segments have been identified on the basis of the nature of products / services.

- (i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- (ii) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.
- (iii) Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.
- (iv) Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.
- (v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

2.14 Leases:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee:

At the date of commencement of the lease, the Group recognises right-of-use ('ROU') asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases and leases of low-value assets). For these short-term leases and leases of low-value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

A ROU asset is recognised representing its right to use the underlying asset for the lease term. The cost of the ROU asset measured at inception comprises of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses if any, and adjusted for any remeasurement of the lease liability.

The ROU assets are depreciated from the commencement date using the straight-line method over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The range of useful lives of the ROU assets are as follows:

- Leasehold land – 30 to 99 years
- Buildings – 2 to 9 years
- Vehicles – 3 to 5 years
- Office equipments – 2 years

Group as a lessor:

Leases for which the Group is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.15 Earnings per share:

Basic earnings per share are calculated by dividing the net profit / loss for the year attributable to equity shareholders of the Parent by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit / loss for the year attributable to the equity shareholders of the Parent and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the consolidated financial statements by the Board of Directors.



Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

2.16 Income Taxes:

Income tax expense for the period comprises of current and deferred tax. Income tax expense is recognised in the consolidated statement of profit and loss except when they are relating to items that are recognised in OCI or directly in equity, in which case, it is also recognised in relating to items recognised directly in OCI or equity respectively.

Current tax

Current tax comprises the expected income tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. It is determined by using tax rates in accordance with the provisions of the Income Tax Act, 1961.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is probable that it will pay normal tax during the specified period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

In respect of overseas subsidiaries, income tax is provided for based on income tax laws prevailing in the country of incorporation of the respective subsidiaries.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of taxable temporary differences associated with investments in subsidiaries and associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

2.17 Provisions, Contingent liabilities, Contingent assets and Commitments:

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Warranty provisions

Provisions for the expected cost of warranty obligations are recognised at the time of sale of relevant product or service, at the best estimate of the expenditure required to settle the Group's obligation.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.18 Government grants:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in the consolidated statement of profit and loss over the period and in proportion in which depreciation is charged. Alternatively, the grant is deducted in calculating the carrying amount of the assets. The said grant is recognised in the consolidated statement of profit and loss over the life of depreciable assets as a reduced depreciation expenses.

Revenue grants are recognised in the consolidated statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the consolidated statement of profit and loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments.

2.19 Exceptional items:

An item of income or expense which by its size, type or incidence is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed as such in the consolidated financial statements.



Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

2.20 Business combinations and goodwill:

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Goodwill arising on business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair value is made and any adjustments required to those provisional fair values are finalised within 12 months of the acquisition date. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed twelve months from the acquisition date.

2.21 Investment in associates and joint ventures:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate or a joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate or a joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or a joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit and loss of an associate and a joint venture is shown in the consolidated statement of profit and loss outside operating profit and represents profit and loss after tax of the associate and joint venture.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or a joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate or a joint venture' in the consolidated statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.22 Current and non-current classification:

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets / liabilities are classified as non-current.

Operating cycle:

A portion of the Group's activities (primarily long-term project activities) has an operating cycle that exceeds twelve months. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised / paid within twelve months, have been classified as non-current. For all other activities, operating cycle is twelve months.



Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

2.23 Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.24 Non-current assets held for sale and discontinued operations:

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit and loss. Also the comparative consolidated statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

Assets and liabilities classified as held for disposal are presented separately from other assets and liabilities in the consolidated balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.25 Financial instruments:

The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

(i) Financial assets:

Initial recognition and measurement

Financial assets are measured at fair value on initial recognition, except for trade receivables that do not contain a significant financing component which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety either at amortised cost or at fair value depending on the classification of the financial assets.

Where financial assets are measured at fair value, gains and losses are either recognised entirely in the consolidated statement of profit and loss (i.e. fair value through profit or loss or 'FVTPL'), or recognised in other comprehensive income (i.e. fair value through other comprehensive income or 'FVTOCI').

A financial asset is measured at amortised cost (net of any write down for impairment) if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

All other financial assets are measured at fair value through profit or loss.

All equity investments are measured at fair value, with fair value changes recognised in the consolidated statement of profit and loss, except for those equity investments for which the entity has elected to present fair value changes in other comprehensive income. However, dividend on such equity investments are recognised in the consolidated statement of profit and loss when the Group's right to receive payment is established.

Impairment of financial assets

The Group uses 'Expected Credit Loss' ('ECL') model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss. Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables, the Group applies a simplified approach under which loss allowance is recognised based on expected lifetime ECL losses to be recognised on each reporting date. The Group uses a provision matrix that is based on its historical credit loss experience adjusted for relevant forward-looking factors. For other assets, the Group uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk since initial recognition, full lifetime ECL is used.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, which are not at fair value through profit or loss, are deducted from the fair value on initial recognition.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Group to make specified payment to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of, the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Notes accompanying the Consolidated Financial Statements (Contd.)

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Contd.)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

(iii) Derivative financial instruments and hedge accounting:

The Group uses various derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and presented as a separate component of equity which is later reclassified to the consolidated statement of profit and loss when the hedge item affects profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss as other expenses.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

Amounts recognised as OCI are transferred to the consolidated statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or roll over (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(iv) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3(A). SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities within the next financial year.

Judgements

Lease of assets not in legal form of lease

Significant judgment is required to apply lease accounting rules under Ind AS 116. In assessing the applicability to arrangements entered into by the Group, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Ind AS 116.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Useful lives of property, plant and equipment:

Management reviews useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors. This reassessment may result in change in depreciation expected in future period.

(ii) Development costs:

Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management assesses and monitors whether the recognition requirements for development costs continue to be met. There is inherent uncertainty in the economic success of any product development. The Group uses judgement in assessment of development cost eligible for capitalisation.

(iii) Impairment of non-financial assets:

In case of non-financial assets, the Group estimates asset's recoverable amount, which is higher of an asset's or cash generating units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

(iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Income taxes:

Deferred tax assets for unused tax losses are recognised only when it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

(vi) Defined benefit obligation:

In accounting for post-retirement benefits, actuarial method uses several statistical and other factors to anticipate future events that are used to calculate defined benefit obligation. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Group may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

Notes accompanying the Consolidated Financial Statements (Contd.)

3(A). SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd.)

(vii) Revenue from contract with customers:

The Group estimates variable consideration in the nature of volume rebates, discounts, performance bonuses, penalties and similar items and adjusts the transaction price for the sale of goods and services. These expected variable consideration are analysed either at customer or contracts basis against agreed terms with customers and may differ from actual results.

(viii) Contingencies:

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in notes but are not recognised, the cases which have been determined as remote by the Group are not disclosed.

(ix) Share-based payment transactions:

The fair value of employee stock options is measured using the Black-Scholes model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds). Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39.

3(B). NEW AND AMENDED STANDARDS

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01 April, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Ind AS 117 Insurance Contracts:

The Ministry of Corporate Affairs (MCA) notified the Ind AS 117, Insurance Contracts, vide notification dated 12 August, 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 01 April, 2024.

Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 has no impact on the Group's consolidated financial statements as the Group has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

(ii) Amendment to Ind AS 116 Leases – Lease liability in a sale and leaseback:

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to lease liability in a sale and leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 01 April, 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendment does not have impact on the Group's financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Plant and machinery	Right-of-Use assets *	Furniture and fittings	Office equipments	Vehicles	Total	Capital work-in-progress
₹ crores									
Cost / deemed cost:									
As at 01 April, 2023	49.43	646.73	510.13	122.77	30.32	32.36	10.28	1402.02	27.27
Additions	-	16.48	60.96	75.13	1.67	8.22	4.90	167.36	58.49
Disposals / transfers	-	6.19	1.38	20.51	0.68	2.45	1.36	32.57	19.89
Less: Effect of foreign currency translation	-	0.18	(0.03)	0.00	(0.26)	(0.02)	0.06	(0.07)	-
As at 31 March, 2024	49.43	656.84	569.74	177.39	31.57	38.15	13.76	1536.88	65.87
Additions	-	11.32	58.91	43.27	0.86	8.59	6.68	129.63	317.01
Acquisition of subsidiary (Refer note 56)	25.65	11.98	1.45	0.85	0.30	0.48	0.54	41.25	-
Disposals / transfers	-	0.74	6.83	6.96	0.05	0.31	2.88	17.77	27.71
Less: Effect of foreign currency translation	-	(0.15)	(3.05)	(0.00)	(0.02)	(0.18)	(0.04)	(3.44)	(0.01)
As at 31 March, 2025	75.08	679.55	626.32	214.55	32.70	47.09	18.14	1693.43	355.18
Accumulated depreciation:									
As at 01 April, 2023	-	229.53	317.89	47.21	19.00	20.48	5.41	639.52	
Depreciation charge for the year	-	23.89	32.38	7.05	2.05	3.92	1.89	71.18	
Disposals / transfers	-	1.13	1.10	20.36	0.58	2.11	1.07	26.35	
Less: Effect of foreign currency translation	-	0.14	(0.00)	0.10	(0.19)	(0.03)	0.06	0.08	
As at 31 March, 2024	-	252.15	349.17	33.80	20.66	22.32	6.17	684.27	
Depreciation charge for the year	-	23.65	38.36	11.41	2.00	5.17	2.77	83.36	
Disposals / transfers	-	0.34	6.14	3.20	0.05	0.27	1.57	11.57	
Less: Effect of foreign currency translation	-	(0.10)	(2.73)	0.60	(0.02)	(0.13)	(0.03)	(2.41)	
As at 31 March, 2025	-	275.56	384.12	41.41	22.63	27.35	7.40	758.47	
Net book value									
As at 31 March, 2024	49.43	404.69	220.57	143.59	10.91	15.83	7.59	852.61	65.87
As at 31 March, 2025	75.08	403.99	242.20	173.14	10.07	19.74	10.74	934.96	355.18

Notes:

- (a) The Parent Company's application for renewal of lease in respect of property in Mumbai is considered by local municipal corporation, however documentation formalities in this regards are in progress. The net book value of tangible assets in relation to this property as at 31 March, 2025 is ₹ 172.39 crores (as at 31 March, 2024 ₹ 177.52 crores).
- (b) * Refer note 37
- (c) One of the subsidiary of the Group has pledged freehold land (₹ 1.41 crores) as security against working capital loan obtained from bank.

Notes accompanying the Consolidated Financial Statements (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT (Contd.)

Capital work-in-progress (CWIP) ageing schedule as at 31 March, 2025

	Amount in CWIP for a period of				₹ crores
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	308.26	45.70	1.22	-	355.18
Total	308.26	45.70	1.22	-	355.18

Notes:

- (i) There are no projects where project cost has exceeded or projects are overdue in current year.
- (ii) There are no projects which are temporary suspended.

Capital work-in-progress (CWIP) ageing schedule as at 31 March, 2024

	Amount in CWIP for a period of				₹ crores
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	58.49	4.53	2.45	0.40	65.87
Total	58.49	4.53	2.45	0.40	65.87

Notes:

- (i) There were no projects where project cost had exceeded or projects were overdue as at 31 March, 2024.
- (ii) There were no projects which were temporary suspended.

5. INTANGIBLE ASSETS

	Brand names and customer lists	Computer software	Technical know-how	Commercial rights	Development cost	Total	Intangible assets under development
₹ crores							
Cost / deemed cost:							
As at 01 April, 2023	87.23	54.12	101.55	31.09	229.62	503.61	11.03
Additions	-	11.07	-	-	9.43	20.50	18.11
Disposals / transfers	-	2.35	-	-	-	2.35	1.17
Less: Effect of foreign currency translation	(1.37)	0.05	(0.90)	-	2.26	0.04	0.06
As at 31 March, 2024	88.60	62.79	102.45	31.09	236.79	521.72	27.91
Additions	-	17.25	-	-	29.92	47.17	35.40
Acquisition of subsidiary (Refer note 56)	2.37	0.28	197.83	-	-	200.48	0.03
Disposals / transfers	-	0.00	-	-	-	0.00	33.14
Less: Effect of foreign currency translation	(3.25)	(0.89)	(2.12)	-	(15.76)	(22.02)	(0.29)
As at 31 March, 2025	94.22	81.21	302.40	31.09	282.47	791.39	30.49
Accumulated amortisation:							
As at 01 April, 2023	87.23	49.54	101.48	31.09	188.39	457.73	
Amortisation charge for the year	-	4.24	0.07	-	19.40	23.71	
Disposals / transfers	-	2.35	-	-	-	2.35	
Less: Effect of foreign currency translation	(1.37)	0.07	(0.90)	-	2.10	(0.10)	
As at 31 March, 2024	88.60	51.36	102.45	31.09	205.69	479.19	
Amortisation charge for the year	0.59	5.26	6.93	-	15.70	28.48	
Disposals / transfers	-	0.00	-	-	-	0.00	
Less: Effect of foreign currency translation	(3.25)	(0.88)	(2.12)	-	(14.47)	(20.72)	
As at 31 March, 2025	92.44	57.50	111.50	31.09	235.86	528.39	
Net book value							
As at 31 March, 2024	-	11.43	-	-	31.10	42.53	27.91
As at 31 March, 2025	1.78	23.71	190.90	-	46.61	263.00	30.49

Notes accompanying the Consolidated Financial Statements (Contd.)

5. INTANGIBLE ASSETS (Contd.)

Goodwill

₹ crores

	As at 31-03-2025	As at 31-03-2024
Cost / deemed cost:		
Opening balance as at beginning of the year	163.76	162.14
Addition on account of business combination (Refer note 56)	113.45	-
Disposals / transfers	-	-
Add: Effect of foreign currency translation	3.85	1.62
Closing balance as at end of the year	281.06	163.76

Impairment testing of goodwill

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount of the cash generating units is determined based on higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment.

The Group generally uses discounted cash flow based method to determine the recoverable amount. These discounted cash flow calculations use three-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The discount rate calculation is derived from weighted average cost of capital (WACC) of CGU's. Terminal value growth rates take into consideration external macroeconomic sources of data and industry specific trends.

The following table presents the key assumptions used to determine value in use / fair value less costs to sell for impairment test purposes w.r.t. goodwill acquired in earlier years.

	As at 31-03-2025	As at 31-03-2024
Terminal value growth rate	2%	2%
Discount rate	10.32%	10.53%

The pre-tax discount rate (WACC) used 10.32% (as at 31 March, 2024 10.53%)

An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

Goodwill recognised at the time of acquisition of G.G. Tronics India Private Limited:

Goodwill recognised at the time of acquisition of G.G. Tronics India Private Limited (GGT) is ₹ 113.45 crores. The recoverable value was determined by the management using Discounted Cashflow projections. The discount rate applied to the cashflow projections during the current year is assumed as 17.85% which is in line with the industry in which GGT operates. The projections for discounted cashflow projections is relatively sensitive to the assumptions relating to gross margin, discount rate and growth rate which is determined based on industry outlook.

Notes accompanying the Consolidated Financial Statements (Contd.)

5. INTANGIBLE ASSETS (Contd.)

Intangible assets under development (IAUD) ageing schedule as at 31 March, 2025

₹ crores

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	25.11	3.06	1.20	1.12	30.49
Total	25.11	3.06	1.20	1.12	30.49

Notes:

- (i) There are no projects where project cost has exceeded or projects are overdue in current year.
- (ii) There are no projects which are temporary suspended.

Intangible assets under development (IAUD) ageing schedule as at 31 March, 2024

₹ crores

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	16.59	8.09	2.21	1.02	27.91
Total	16.59	8.09	2.21	1.02	27.91

Intangible assets under development (IAUD) completion schedule as at 31 March, 2024*

₹ crores

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Bess 75kW Inverter	5.57	-	-	-	5.57
EO Compact 5kW Inverter	2.74	-	-	-	2.74
Total	8.31	-	-	-	8.31

Note:

- (i) There were no projects which were temporary suspended.

*Project wise completion schedule where project cost has exceeded or projects are overdue

Notes accompanying the Consolidated Financial Statements (Contd.)

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ crore					
	Face value per unit in ₹ unless otherwise specified	No. of shares / units		As at 31-03-2025	As at 31-03-2024
		As at 31-03-2025	As at 31-03-2024		
Details of investments:					
A) Quoted investments					
Government and trust securities (Measured at fair value through profit and loss)					
Central Government Securities 10.18% GOI 2026 of ₹ 100 each					
Total (A)	100	39000	39000	0.41	0.43
B) Unquoted investments					
Investments in others					
Measured at fair value through profit and loss					
1. Dinette Exclusive Club Private Limited	100	500	500	0.01	0.01
2. Radiant Electronics Limited	100	190000	190000	0.00	0.00
Investments in trust securities					
Investment in associates (carried at cost)					
Chola Foundation					
Investments in debentures or bonds					
Carried at fair value through profit and loss					
Dinette Exclusive Club Private Limited	100	5000	5000	0.05	0.05
(0% Unsecured Irredeemable Non-convertible Debentures of ₹ 100 each)					
Other non-current investments					
Carried at fair value through profit and loss					
1. UTI Hybrid Equity Fund - Dividend Plan - Payout	10	68048	63227	0.28	0.26
2. Power Equipment Limited	USD 10	20600	20600	0.00	0.00

Notes accompanying the Consolidated Financial Statements (Contd.)

7. NON-CURRENT - OTHERS FINANCIAL ASSETS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured, considered good, unless otherwise stated:		
Deposits	9.27	7.75
Fixed deposits with bank with remaining maturity period of more than 12 months*	9.05	3.89
	18.32	11.64

* Fixed deposits of ₹ 1.47 crores (as at 31 March, 2024 ₹ 2.72 crores) are held as margin money.

8. TAXATION

Income tax recognised in consolidated statement of profit and loss:

₹ crores

	2024-25	2023-24
Consolidated statement of profit and loss:		
Current income tax:		
Current period (continuing operations)	148.79	21.85
Adjustment in respect of current tax relating to earlier periods (continuing operations)	36.45	(15.04)
Current period (discontinued operations)	-	(0.80)
Deferred tax:		
Relating to origination and reversal of temporary differences (continuing operations)	189.75	280.45
Income tax recognised in consolidated statement of profit and loss	374.99	286.46
Other comprehensive income:		
Deferred tax related to items recognised in other comprehensive income during the year	(2.98)	(2.68)
Income tax recognised in other comprehensive income	(2.98)	(2.68)

Reconciliation of income tax expense and accounting profit multiplied by applicable income tax rate:

₹ crores

	2024-25	2023-24
Accounting profit before income tax from continuing operations	1347.97	1158.38
Accounting profit before income tax from discontinued operations	-	555.69
Accounting profit before income tax	1347.97	1714.07
Applicable tax rate	25.168%	25.168%
Computed tax expense	339.26	431.40
Income exempt from taxation	-	(138.69)
Write off of receivables / financial assets receivables	(18.79)	(3.50)
Pre-operative expenses not deductible in determining taxable profits	6.52	-
Expense other than pre-operative expenses not deductible in determining taxable profits	10.13	9.63
Adjustment of tax relating to earlier periods	36.45	(15.04)
Effect of different tax rates applicable to subsidiaries	(0.11)	0.55
Others	1.53	2.11
Net income tax expense charged to the consolidated statement of profit and loss	374.99	286.46
Income tax attributable to continuing operations	374.99	287.26
Income tax attributable to discontinued operations	-	(0.80)
Total	374.99	286.46

Notes accompanying the Consolidated Financial Statements (Contd.)

8. TAXATION (Contd.)

Notes:

Pursuant to the directions of the Hon'ble National Company Law Tribunal ('NCLT'), the Parent Company's books of accounts were re-casted and re-audited for the financial years 2014-15 to 2018-19. The said re-casted accounts were taken on record by the NCLT on 26 October, 2021 and the consequential voluntary revision of books of accounts for the financial years 2019-20 and 2020-21 were carried out by the Parent Company. In this connection, the Parent Company filed an application with the Central Board of Direct Taxes ('CBDT') seeking approval to revise the income tax returns based on the re-casted / revised books of accounts for the financial years 2014-15 to 2019-20. However, the CBDT, vide its order dated 29 February, 2024, rejected the Parent Company's application.

Aggrieved by this rejection order, the Parent Company filed a Writ Petition before the Hon'ble Bombay High Court. The Hon'ble Bombay High Court, in its order dated 30 April, 2024, issued the following directions:

- (a) Allowing the Parent Company to file its revised income tax returns based on re-casted / revised accounts for the financial year 2014-15 to 2019-20.
- (b) Directing the income tax department to complete the assessment of these revised returns.

In compliance with the Hon'ble Bombay High Court's order, the Parent Company filed the revised income tax returns based on the re-casted accounts for the financial years 2014-15 to 2019-20 in the current year.

Subsequently, the Parent Company received assessment orders for certain periods based on the revised income tax returns filed. Due to various disallowances / additions made, completed assessment orders resulted in tax demands of ₹ 248.40 crores for which appeals have been filed. The same has been subsequently stayed by the department. Based on management assessment, duly supported by legal opinion from senior counsel, the Parent Company believes that it has strong case on merit that these disallowances / additions are in principle not tenable under law including in relation to the periods for which revised income tax returns are filed, as applicable. Accordingly, no adjustments are considered necessary in the consolidated financial statements in this regard.

Deferred tax assets / (liabilities)

The following is the analysis of deferred tax assets / (liabilities) balances presented in the balance sheet:

	₹ crores	
	As at 31-03-2025	As at 31-03-2024
Deferred tax assets*	4.48	156.30
Deferred tax liabilities	(88.23)	(0.56)
Total	(83.75)	155.74

* CG International B.V. and CG Drives & Automation Netherlands B.V. have preferred to obtain fiscal unity benefit which is in accordance with Netherlands tax regulation whereby forming fiscal unity, both the entities will file the tax return jointly. This has resulted into Deferred tax assets to the extent of ₹ 4.28 crores.

Notes accompanying the Consolidated Financial Statements (Contd.)

8. TAXATION (Contd.)

Significant component of deferred tax assets / (liabilities) and movement during the year are as under:

₹ crores

	As on 01 April, 2024	Addition on business combination	Recognised / (reversed) through profit and loss	As on 31 March, 2025
Expenses allowable on payment basis	14.63	0.90	(7.55)	23.08
Impact of difference between tax depreciation and depreciation / amortisation charged	(122.16)	(58.30)	(12.46)	(168.00)
Lease liabilities	3.20	0.26	(1.74)	5.20
Right-of-use assets	(2.86)	(0.24)	1.95	(5.05)
Other items giving rise to temporary differences	9.70	0.37	6.13	3.94
MAT credit entitlement	-	3.44	(1.22)	4.66
Provision and impairment of receivables	55.37	0.78	8.01	48.14
Unabsorbed losses and Unabsorbed depreciation	197.86	-	193.58	4.28
Effect of foreign currency translation	-	-	0.07	-
Total	155.74	(52.79)	186.77	(83.75)

₹ crores

	As on 01 April, 2023	Recognised / (reversed) through profit and loss	As on 31 March, 2024
Expenses allowable on payment basis	42.43	27.80	14.63
Impact of difference between tax depreciation and depreciation / amortisation charged	(129.26)	(7.10)	(122.16)
Lease liabilities	3.56	0.36	3.20
Right-of-use assets	(3.29)	(0.43)	(2.86)
Other items giving rise to temporary differences	16.78	7.08	9.70
Provision and impairment of receivables	57.97	2.60	55.37
Unabsorbed losses and Unabsorbed depreciation	445.32	247.46	197.86
Total	433.51	277.77	155.74

Reconciliation of deferred tax assets / (liabilities) net

₹ crores

	As on 31 March, 2025	As on 31 March, 2024
Opening balance	155.74	433.51
Tax expense during the year recognised in the consolidated statement of profit and loss from continuing operations	(189.75)	(280.45)
Addition in deferred tax liabilities (net) due to acquisition of subsidiary under business combination	(52.79)	-
Deferred tax on other comprehensive income	2.98	2.68
Effect of foreign currency translation	0.07	0.00
Closing balance	(83.75)	155.74

Notes accompanying the Consolidated Financial Statements (Contd.)

9. OTHER NON - CURRENT ASSETS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured, considered good, unless otherwise stated		
Capital advances		
- Secured	34.80	-
- Unsecured	56.92	4.91
Statutory receivables	11.26	-
Less: Provision for statutory receivables	(0.07)	-
Prepaid expenses	0.05	-
	102.96	4.91

10. INVENTORIES

₹ crores

	As at 31-03-2025	As at 31-03-2024
Raw materials	495.95	344.85
Add: Goods-in-transit	30.76	11.99
	526.71	356.84
Work-in-progress	374.97	242.19
Finished goods	198.31	131.84
Stock-in-trade (including goods-in-transit)	31.90	16.73
Stores, spares, packing materials and loose tools	4.82	3.11
	1136.71	750.71

Note: Mode of valuation of inventories is stated in Note 2.6

11. CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ crores

	Face value per unit in ₹ unless otherwise specified	No. of shares / units		As at 31-03-2025	As at 31-03-2024
		As at 31-03-2025	As at 31-03-2024		
Details of investments:					
Unquoted investments					
Investments in equity instruments*					
1 Nicco Corporation Limited	2	330390	330390	0.01	0.01
2 JCT Electronics Limited	1	250000	250000	0.00	0.00
				0.01	0.01
Investments in mutual funds*					
1 SBI Liquid Fund - Direct Growth		193590	1555029	78.52	587.69
2 SBI Overnight Fund - Direct Growth		474503	-	197.07	-
3 ICICI Prudential Liquid Fund - Direct Plan - Growth		2888242	-	110.88	-
4 HDFC Liquid Fund - Direct Plan - Growth		98745	-	50.30	-
				436.77	587.69
Aggregate amount of unquoted investments				436.78	587.70

* Carried at fair value through profit and loss.

Notes accompanying the Consolidated Financial Statements (Contd.)

12. TRADE RECEIVABLES

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured:		
Considered good	2009.20	1534.19
Credit impaired	51.21	93.46
	2060.41	1627.65
Less: Allowance for credit impaired	51.21	93.46
	2009.20	1534.19

Notes:

- Refer note 27 for trade receivables considered as contract balances.
- Refer note 41 for trade receivables from related parties.

Trade receivables ageing schedule:

₹ crores

As at 31 March, 2025	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months-1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables – considered good	1426.20	467.07	72.14	25.94	7.89	9.96	2009.20
(ii) Undisputed trade receivable – credit impaired	0.26	0.34	0.28	7.86	4.01	38.44	51.19
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable – credit impaired	-	-	-	-	-	0.02	0.02
Total	1426.46	467.41	72.42	33.80	11.90	48.42	2060.41

₹ crores

As at 31 March, 2024	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months-1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables – considered good	958.46	527.06	28.12	9.10	6.14	5.31	1534.19
(ii) Undisputed trade receivable – credit impaired	-	-	-	11.80	4.61	77.03	93.44
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable – credit impaired	-	-	-	-	-	0.02	0.02
Total	958.46	527.06	28.12	20.90	10.75	82.36	1627.65

No trade or other receivable are due from directors or other officers of the Parent Company either severally or jointly with any other person. Details of trade receivables due from firms or private companies respectively in which any director is a partner, a director or a member are given below:

₹ crores

Name of the Company	As at 31-03-2025	As at 31-03-2024
Zetwerk Manufacturing Businesses Private Limited	0.05	3.02

Notes accompanying the Consolidated Financial Statements (Contd.)

13. CASH AND CASH EQUIVALENTS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Balances with banks:		
In current accounts	409.50	106.82
Fixed deposits with original maturity of less than 3 months	-	93.00
	<u>409.50</u>	<u>199.82</u>
Cash on hand	0.01	0.02
	<u>409.51</u>	<u>199.84</u>

As at 31 March, 2025, the Group has undrawn fund based borrowings facilities of ₹ 495.00 crores (as at 31 March, 2024 ₹ 500.00 crores).

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Earmarked balances with banks for:		
Unpaid dividends (Refer note (a) below)	0.72	0.48
Others (Refer note (b) below)	25.55	-
	<u>26.27</u>	<u>0.48</u>
Fixed deposits with original maturity of more than 3 months and up to 12 months (Refer note (c) below)	823.34	654.09
	<u>849.61</u>	<u>654.57</u>

Notes:

- Amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31 March, 2025 ₹ Nil (as at 31 March, 2024 ₹ Nil).
- There are restrictions on the bank balances of ₹ 6.31 crores held in separate bank account, opened as per the directives of Enforcement Directorate for the purpose of receiving funds. Further, the said balance also includes Tax deducted at source amounting to ₹ 19.24 crores to be deposited against the interim dividend declared by the Parent Company in financial year 2024-25.
- Fixed deposits of ₹ 0.32 crores (as at 31 March, 2024 ₹ 1.40 crores) are held as margin money.

Notes accompanying the Consolidated Financial Statements (Contd.)

15. CURRENT - OTHER FINANCIAL ASSETS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured, considered good, unless otherwise stated:		
Security deposits:		
Considered good	48.79	10.29
Considered doubtful	0.74	0.74
	49.53	11.03
Less: Allowance for bad and doubtful deposits	0.74	0.74
	48.79	10.29
Fixed deposits with remaining maturity less than 12 months*	3.21	4.42
Unbilled Revenue	4.77	-
Receivable on deconsolidation of HBE Group**	114.85	112.09
Derivative instruments (Refer note 45)	-	0.69
Other financial assets	10.90	8.72
	182.52	136.21

Notes:

* Fixed deposits of ₹ 3.08 crores (as at 31 March, 2024 ₹ 3.71 crores) are held as margin money.

** HBE refers to erstwhile subsidiaries consisting of CG Holdings Belgium NV ('HBE'), CG Power Systems Belgium NV ('PSBE'), CG Sales Networks France SA and CG Power Solutions Saudi Arabia Limited (collectively 'HBE Group'). These subsidiaries are deconsolidated with effect from 01 January, 2020 consequent to the HBE and PSBE being declared bankrupt by the local court.

16. OTHER CURRENT ASSETS

₹ crores

	As at 31-03-2025	As at 31-03-2024
Unsecured, considered good, unless otherwise stated:		
Advance to suppliers	80.10	73.84
Statutory and other receivables*	146.90	173.69
Receivable from erstwhile directors	0.16	0.16
Less: Provision for doubtful receivable	0.16	0.16
	227.00	247.53

Note:

* Major items include statutory receivables of the Parent Company amounting to ₹ 109.53 crores (as at 31 March, 2024 ₹ 134.61 crores), which mainly consists of deposits towards disputed tax demands of ₹ 51.89 crores (as at 31 March, 2024 ₹ 54.26 crores).

17. EQUITY SHARE CAPITAL

₹ crores

	As at 31-03-2025	As at 31-03-2024
Authorised		
2038000000 equity shares of ₹ 2 each	407.60	407.60
(2038000000 equity shares of ₹ 2 each as at 31 March, 2024)		
Issued		
1528911744 equity shares of ₹ 2 each fully paid-up	305.78	305.47
(1527375514 equity shares of ₹ 2 each fully paid-up as at 31 March, 2024)		
Subscribed and paid-up		
1528869444 equity shares of ₹ 2 each fully paid-up	305.78	305.47
(1527333214 equity shares of ₹ 2 each fully paid-up as at 31 March, 2024)		
Forfeited shares		
42300 equity shares of ₹ 2 each (Amount partly paid-up ₹ 32175)	0.00	0.00
(42300 equity shares of ₹ 2 each (Amount partly paid-up ₹ 32175 as at 31 March, 2024)		
	305.78	305.47

Notes accompanying the Consolidated Financial Statements (Contd.)

17. EQUITY SHARE CAPITAL (Contd.)

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	As at 31-03-2025		As at 31-03-2024	
Authorised equity share capital	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	2038000000	407.60	2038000000	407.60
Balance at the end of the year	2038000000	407.60	2038000000	407.60

	As at 31-03-2025		As at 31-03-2024	
Issued equity share capital	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	1527375514	305.47	1527173734	305.43
Add: Issued during the year	1536230	0.31	201780	0.04
Balance at the end of the year	1528911744	305.78	1527375514	305.47

	As at 31-03-2025		As at 31-03-2024	
Subscribed and paid-up equity share capital	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	1527333214	305.47	1527131434	305.43
Add: Subscribed during the year	1536230	0.31	201780	0.04
Balance at the end of the year	1528869444	305.78	1527333214	305.47

The Parent Company has issued following equity shares under employee stock option scheme:

During the year, 1536230 equity shares of the face value ₹ 2 each per equity share, for an aggregate consideration of ₹ 32.35 crores.

(Previous year, 201780 equity shares of the face value ₹ 2 each per equity share, for an aggregate consideration of ₹ 3.15 crores).

(b) Terms / rights attached to equity shares:

The Company has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Details of shareholders holding more than 5 % shares in the Company:

	As at 31-03-2025		As at 31-03-2024	
	%	No. of Shares	%	No. of Shares
Tube Investments of India Limited	57.98	886485532	58.04	886485532

Notes accompanying the Consolidated Financial Statements (Contd.)

17. EQUITY SHARE CAPITAL (Contd.)

(d) Details of shares held by promoters and promoter group:

As at 31 March, 2025

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares *	% change during the year
Tube Investments of India Limited	886485532	-	886485532	57.98%	-
M A Murugappan Holdings LLP (Formerly, M A Murugappan Holdings Private Limited)	367000	2530	369530	0.02%	0.69%
M A M Arunachalam	220920	-	220920	0.01%	-
M.A. Alagappan	165000	-	165000	0.01%	-
A M Meyyammai	8980	-	8980	0.00%	-
M A M Arunachalam (M A M A & S Arunachalam hold on behalf of Arun Murugappan Children's Trust)	74000	51090	125090	0.01%	69.04%
M A M Arunachalam (In capacity of karta of HUF)	64500	22800	87300	0.01%	35.35%
Sigappi Arunachalam (Sigappi Arun, M A M Arunachalam & A M Meyyammai holds shares - Murugappan Arunachalam Children Trust)	46900	850	47750	0.00%	1.81%
Vedika Meyyammai Arunachalam	71000	3350	74350	0.00%	4.72%
Lakshmi Ramaswamy	7490	-	7490	0.00%	-
Uma Ramanathan	2500	-	2500	0.00%	-
Murugappa & Sons (M.V.Subbiah, M A A and M M M hold shares on behalf of the Firm)	5100	-	5100	0.00%	-
A M M Vellayan Sons P Ltd	1785	-	1785	0.00%	-
Valli Annamalai	1000	-	1000	0.00%	-
Lakshmi Chockalingam	44900	-	44900	0.00%	-
Valli Alagappan	500	-	500	0.00%	-
Dhruv M Arunachalam	200	1280	1480	0.00%	640.00%
A Keertika Unnamalai	155	734	889	0.00%	473.55%
Niranthara Alamelu Muthiah	-	15	15	0.00%	100.00%
Total	887567462	82649	887650111	58.06%	

* Due to smaller number of shares in case of certain promoters, in percentage terms it is resulting to 0.00%. However, total promoter holding is 58.06%

Notes accompanying the Consolidated Financial Statements (Contd.)

17. EQUITY SHARE CAPITAL (Contd.)

As at 31 March, 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares #	% change during the year
Tube Investments of India Limited	886485532	-	886485532	58.04%	-
M A Murugappan Holdings LLP (Formerly, M A Murugappan Holdings Private Limited)	367000	-	367000	0.02%	-
M A M Arunachalam	185000	35920	220920	0.01%	19.42%
M.A.Alagappan	165000	-	165000	0.01%	-
A M Meyyammai	90000	(81020)	8980	0.00%	(90.02%)
M A M Arunachalam (M A M A & S Arunachalam hold on behalf of Arun Murugappan Children's Trust)	74000	-	74000	0.00%	-
M A M Arunachalam (In capacity of karta of HUF)	64500	-	64500	0.00%	-
Sigappi Arunachalam (Sigappi Arun, M A M Arunachalam & A M Meyyammai holds shares - Murugappan Arunachalam Children Trust)	46900	-	46900	0.00%	-
A Venkatachalam (In capacity of karta of HUF)	31300	(31300)	-	-	(100.00%)
Vedika Meyyammai Arunachalam	71000	-	71000	0.00%	-
Lakshmi Ramaswamy	7490	-	7490	0.00%	-
Uma Ramanathan	2500	-	2500	0.00%	-
Murugappa & Sons (M.V.Subbiah, M A A and M M M hold shares on behalf of the Firm)	5100	-	5100	0.00%	-
A M M Vellayan Sons P Ltd	1450	335	1785	0.00%	23.10%
Valli Annamalai	1000	-	1000	0.00%	-
Lakshmi Chockalingam	-	44900	44900	0.00%	100.00%
Valli Alagappan	-	500	500	0.00%	100.00%
Dhruv M Arunachalam	-	200	200	0.00%	100.00%
A Keertika Unnamalai	-	155	155	0.00%	100.00%
Total	887597772	(30310)	887567462	58.11%	

Due to smaller number of shares in case of certain promoters, in percentage terms it is resulting to 0.00%. However, total promoter holding is 58.11%

Notes accompanying the Consolidated Financial Statements (Contd.)

18. OTHER EQUITY

₹ crores

	As at 31-03-2025	As at 31-03-2024
Retained earnings	1679.37	909.43
General reserve	418.46	418.46
Capital reserve	671.65	671.65
Capital reserve on consolidation	3.58	3.58
Capital redemption reserve	12.95	12.95
Securities premium	761.28	720.75
Share options outstanding account	33.74	21.31
Foreign currency translation reserve	(38.75)	(46.16)
Effective portion of cash flow hedge	(4.11)	-
	3538.17	2711.97

Refer the consolidated statement of changes in equity for detailed movement in balances.

(a) Dividend paid and proposed:

The Company has declared and paid interim dividend of ₹ 1.30 per share, resulting in a dividend payout of ₹ 198.75 crores for the financial year 2024-25 (previous year ₹ 1.30 per share, resulting in a dividend payout of ₹ 198.55 crores).

(b) Nature and purpose of items in other equity:

(i) Retained earnings:

Retained earnings are the profits that the Group has earned till date and includes any transfers to general reserve, dividends or other distributions paid to the shareholders.

(ii) General reserve:

General reserve comprises of transfer of profits from retained earnings for appropriation purpose, the reserves can be distributed / utilised by the Group in accordance with the provisions of the Companies Act, 2013.

(iii) Capital reserve:

Capital reserve mainly represents the amount recognised on demerger of consumer product business and can be utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Capital reserve on consolidation:

Capital reserve on consolidation is on account of subsidiaries acquired.

(v) Capital redemption reserve:

Capital redemption reserve was created on buy back of shares. The Company may issue bonus shares to its members out of the capital redemption reserve.

(vi) Securities premium:

Securities premium reserve is used to record the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(vii) Share options outstanding account:

Share options outstanding account represents fair value of the options granted which is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

Notes accompanying the Consolidated Financial Statements (Contd.)

18. OTHER EQUITY (Contd.)

(viii) Foreign currency translation reserve:

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

(ix) Effective portion of cash flow hedge:

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to the consolidated statement profit and loss only when the hedged transaction affects the profit or loss or included as a basis adjustment to the non-financial hedged item.

19. NON - CURRENT - BORROWINGS

	₹ crores	
	As at 31-03-2025	As at 31-03-2024
Secured		
Term loan from bank (Refer note (a) below)	0.26	-
	<u>0.26</u>	<u>-</u>

Note:

- (i) The term loans of ₹ 0.34 crores are repayable in 60 equal monthly instalments and are secured by hypothecation of vehicle. The said loan carries interest rate of 8.60% per annum. (Current maturity of the said loan is ₹ 0.08 crores) Refer note 22.

20. NON - CURRENT - OTHER FINANCIAL LIABILITIES

	₹ crores	
	As at 31-03-2025	As at 31-03-2024
Deposits payable	26.17	10.96
	<u>26.17</u>	<u>10.96</u>

21. NON - CURRENT PROVISIONS

	₹ crores	
	As at 31-03-2025	As at 31-03-2024
Provision for gratuity (Refer note 38 (b))	8.65	6.28
Provision for leave encashment	0.28	-
Other provisions (Refer note 26 (a))	38.91	29.18
	<u>47.84</u>	<u>35.46</u>

22. CURRENT - BORROWINGS

	₹ crores	
	As at 31-03-2025	As at 31-03-2024
Secured		
Current maturities of term loan from bank (Refer note 19)	0.08	-
	<u>0.08</u>	<u>-</u>

Notes accompanying the Consolidated Financial Statements (Contd.)

23. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ crores

	As at 31-03-2025	As at 31-03-2024
Total outstanding dues of creditors other than micro enterprises and small enterprises:		
Acceptances	435.38	322.00
Due to other than micro enterprises and small enterprises	1272.32	1057.38
	1707.70	1379.38
Due to micro enterprises and small enterprises	162.34	104.87
	1870.04	1484.25

Note: Refer note 41 for trade payables to related parties.

Trade payables ageing schedule:

₹ crores

As at 31 March, 2025	Not due / Unbilled	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues of micro enterprises and small enterprises	160.21	2.05	-	0.04	0.04	162.34
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	1370.36	322.69	3.25	1.26	10.14	1707.70
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	1530.57	324.74	3.25	1.30	10.18	1870.04

₹ crores

As at 31 March, 2024	Not due / Unbilled	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues of micro enterprises and small enterprises	102.00	2.72	0.06	0.01	0.08	104.87
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	1088.12	257.55	2.85	1.55	10.23	1360.30
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	19.08	19.08
Total	1190.12	260.27	2.91	1.56	29.39	1484.25

Notes accompanying the Consolidated Financial Statements (Contd.)

24. CURRENT - OTHER FINANCIAL LIABILITIES

	₹ crores	
	As at 31-03-2025	As at 31-03-2024
Interest free sales tax deferral loans from State Government	0.12	0.12
Capital creditors	92.32	-
Investor Education and Protection Fund:		
Unclaimed dividend (Refer note (a) below)	0.72	0.48
Security deposits	14.80	15.30
Derivative instruments		
Fair valuation through profit and loss (Refer note 45)	0.21	-
Fair valuation through other comprehensive income (Refer note 57)	4.45	-
Due to directors (Refer note 41)	1.76	0.95
Liability on deconsolidation HBE Group (Refer note (b) below)	188.08	182.94
Other payables (Refer note (c) below)	158.02	168.86
	<u>460.48</u>	<u>368.65</u>

Notes:

- (a) There is no amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31 March, 2025 (as at 31 March, 2024 ₹ Nil).
- (b) HBE refers to erstwhile subsidiaries consisting of CG Holdings Belgium NV ('HBE'), CG Power Systems Belgium NV ('PSBE'), CG Sales Networks France SA and CG Power Solutions Saudi Arabia Limited (collectively 'HBE Group'). These subsidiaries are deconsolidated with effect from 01 January, 2020 consequent to the HBE and PSBE being declared bankrupt by the local court.
- (c) Major items include provision towards guarantee of ₹ 44.74 crores (as at 31 March, 2024 ₹ 43.71 crores) employee related payables including incentives and liability towards fund received as per directions of Enforcement Directorate (Refer note 14(b)).

25. OTHER CURRENT LIABILITIES

	₹ crores	
	As at 31-03-2025	As at 31-03-2024
Advance in from customers (Refer note 27)	410.17	318.66
Billing in excess of contract revenue (Refer note 27)	27.42	3.21
Other payables:		
Statutory liabilities	73.27	29.09
Others	23.81	22.67
	<u>97.08</u>	<u>51.76</u>
	<u>534.67</u>	<u>373.63</u>

26. SHORT - TERM PROVISIONS

	₹ crores	
	As at 31-03-2025	As at 31-03-2024
Provision for gratuity (Refer note 38 (b))	12.22	10.02
Provision for leave encashment	34.40	28.72
Other provisions (Refer note below)	169.32	158.11
	<u>215.94</u>	<u>196.85</u>

Notes accompanying the Consolidated Financial Statements (Contd.)

26. SHORT - TERM PROVISIONS (Contd.)

Notes:

(a) Movement in other provisions:

₹ crores

	Warranties		Provision for tax related litigations		Other litigation claims		Onerous contracts	Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2023-24	2024-25	2023-24
Carrying amount at the beginning of the year	101.57	77.39	54.72	53.16	31.00	30.65	3.26	187.29	164.46
Addition due to acquisition of subsidiary	0.39	-	-	-	-	-	-	0.39	-
Additional provision made during the year (net of reversal / utilisation)	23.99	24.19	(0.46)	1.56	(3.23)	0.35	-	20.30	26.10
Reduction on account of liquidation of subsidiaries	-	-	-	-	-	-	3.26	-	3.26
Exchange differences	0.25	(0.01)	-	-	-	-	-	0.25	(0.01)
Carrying amount at the end of the year	126.20	101.57	54.26	54.72	27.77	31.00	-	208.23	187.29
Non-current (Refer note 21)	38.91	29.18	-	-	-	-	-	38.91	29.18
Current (Refer note 26)	87.29	72.39	54.26	54.72	27.77	31.00	-	169.32	158.11
Total	126.20	101.57	54.26	54.72	27.77	31.00	-	208.23	187.29

(b) Nature of other provisions:

- Product warranties: The Group gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is generally expected to be within a period of two years from the date of balance sheet.
- Provision for tax related litigations include liability on account of non-collection of declaration forms and other legal matters related to Sales Tax, Excise Duty, Custom Duty, Service Tax and Goods & Services Tax which are in appeal under the relevant Act / Rules. The above provision represents expected future outflows relating to various tax related matters, timing of which cannot be ascertained. The assumptions used to calculate the provisions are based on past experience of similar matters and professional consultations.
- Provision for other litigation related obligations represents estimated liabilities that are expected to materialise in respect of other matters under litigation. The above provision represents expected future outflows relating to litigation related matters, timing of which cannot be ascertained. The assumptions used to calculate the provisions are based on past experience of similar matters and professional consultations.
- Provision for onerous contracts have been made on contracts when it is probable that the estimated cost will exceed the total contract revenue.

Notes accompanying the Consolidated Financial Statements (Contd.)

27. REVENUE FROM OPERATIONS

₹ crores

	2024-25	2023-24
Sale of products	9590.25	7818.84
Sale of services	87.79	85.14
Construction contracts	136.68	51.77
	9814.72	7955.75
Other operating income - scrap sales	93.94	90.23
	9908.66	8045.98

Revenue from contracts with customers

₹ crores

	2024-25	2023-24
Revenue reconciliation		
Revenue as per contracted price	10070.46	8183.44
Less: Adjustments		
Discounts	108.92	97.16
Others (includes liquidated damages)	52.88	40.30
Revenue recognised as per the consolidated statement of profit and loss	9908.66	8045.98

₹ crores

	2024-25	2023-24
Revenue recognised in current year from		
Amount included in contract liability at the beginning of the year	198.79	119.20
Performance obligations satisfied in previous periods	-	-

₹ crores

	2024-25	2023-24
Revenue from contracts with customers		
Power Systems Business	3505.94	2595.42
Industrial Systems Business	6375.65	5428.64
Semiconductors	-	-
Others	27.07	21.92
Total	9908.66	8045.98

₹ crores

	2024-25	2023-24
Timing of revenue recognition		
Revenue recognised at a point in time	9771.98	7994.21
Revenue recognised over a period of time	136.68	51.77
Total	9908.66	8045.98

Notes accompanying the Consolidated Financial Statements (Contd.)

27. REVENUE FROM OPERATIONS (Contd.)

₹ crores

	As at 31-03-2025	As at 31-03-2024
Contract balances		
Trade receivables	2009.20	1534.19
Contract assets	0.90	0.70
Contract liabilities:		
Advance from customers	410.17	318.66
Billing in excess of contract revenue	27.42	3.21

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration and are transferred to trade receivables on completion of milestones and its related invoicing.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group satisfies the performance obligation.

28. OTHER INCOME

₹ crores

	2024-25	2023-24
Interest income from:		
Deposits with banks	57.47	40.95
On income tax refund	0.41	15.60
Others	13.87	6.73
Profit on sale of property, plant and equipment	-	5.54
Gain on sale of investments (net)	36.10	18.59
Fair value gain on financial instruments at fair value through profit and loss	3.88	5.43
Exchange gain (net)	3.93	2.59
Other non-operating income:		
Income from business service centers (Refer note 37)	3.43	5.16
Liabilities no longer required written back	31.28	-
Miscellaneous income	11.80	5.67
	162.17	106.26

29. COST OF MATERIALS CONSUMED

₹ crores

	2024-25	2023-24
Opening inventories	356.84	253.70
Add: Addition on account of business combination	41.72	-
Add: Purchases	6890.46	5490.18
Less: Closing inventories	526.71	356.84
	6762.31	5387.04

Notes accompanying the Consolidated Financial Statements (Contd.)

30. PURCHASES OF STOCK-IN-TRADE

₹ crores

	2024-25	2023-24
Purchases of stock-in-trade	359.32	271.57
	<u>359.32</u>	<u>271.57</u>

31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ crores

	2024-25	2023-24
Closing inventories:		
Finished goods	198.31	131.84
Work-in-progress	374.97	242.19
Stock-in-trade	31.90	16.73
	<u>605.18</u>	<u>390.76</u>
Opening inventories:		
Finished goods	131.84	79.31
Work-in-progress	242.19	188.75
Stock-in-trade	16.73	16.24
	<u>390.76</u>	<u>284.30</u>
Addition on account of business combination		
Finished goods	0.47	-
Work-in-progress	18.51	-
	<u>18.98</u>	<u>-</u>
(Increase) / decrease in inventories		
Finished goods	(66.00)	(52.53)
Work-in-progress	(114.27)	(53.44)
Stock-in-trade	(15.17)	(0.49)
Net (increase) / decrease in inventories	<u>(195.44)</u>	<u>(106.46)</u>

32. EMPLOYEE BENEFITS EXPENSE

₹ crores

	2024-25	2023-24
Salaries, wages and bonus	486.32	405.21
Contribution to provident and other funds (Refer note 38 (a))	52.42	46.43
Gratuity expenses (Refer note 38 (b))	6.43	4.10
Share based payment expense (Refer note 39)	22.90	15.96
Staff welfare expenses	44.70	36.44
	<u>612.77</u>	<u>508.14</u>

33. FINANCE COSTS

₹ crores

	2024-25	2023-24
Interest expenses	5.40	1.36
Interest on lease liabilities (Refer note 37)	1.69	1.18
	<u>7.09</u>	<u>2.54</u>

Notes accompanying the Consolidated Financial Statements (Contd.)

34. DEPRECIATION AND AMORTISATION EXPENSE

₹ crores

	2024-25	2023-24
Depreciation of property, plant and equipment (Refer note 4)*	83.36	71.18
Amortisation of intangible assets (Refer note 5)	28.48	23.71
	111.84	94.89

* Includes depreciation of ROU assets ₹ 11.41 crores (previous year ₹ 7.05 crores)

35. OTHER EXPENSES

₹ crores

	2024-25	2023-24
Consumption of stores and spares	39.19	35.37
Power and fuel	46.84	41.28
Rent	17.37	17.28
Repairs to buildings	5.38	7.39
Repairs to machinery	29.45	24.99
Repairs - others	8.04	12.45
Insurance	9.09	5.58
Rates and taxes	11.25	9.28
Freight and forwarding	148.92	136.03
Packing materials	65.25	60.13
After sales services including warranties	86.64	62.90
Travelling and conveyance	29.32	17.42
Sales promotion	15.57	14.71
Bank charges	13.95	14.17
Sub contracting charges	185.71	144.94
Directors' sitting fees	0.61	0.37
Loss on sale of fixed assets (net)	0.54	-
Allowance for doubtful debts and advances (net)	2.49	0.25
Donation to trust*	20.00	30.00
Legal and professional charges	124.70	66.10
Miscellaneous expenses	204.66	156.98
	1064.97	857.62

* Donation given to Triumph Electoral Trust.

Notes accompanying the Consolidated Financial Statements (Contd.)

36. CONTINGENT LIABILITIES AND COMMITMENTS

- a) Matters wherein management has concluded the Group's liability to be probable have accordingly been provided for in the books. (Refer note 26)
- b) Matters wherein management has concluded the Group's liability to be possible have accordingly been disclosed under Note A, Contingent liabilities below.
- c) Matters wherein management is confident of succeeding in these litigations and have concluded the Group's liability to be remote. This based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

₹ crores

	As at 31-03-2025	As at 31-03-2024
A. Contingent liabilities (Refer notes below):		
(to the extent not provided for)		
(a) Claims against the Group not acknowledged as debts	3.74	4.69
(b) Sales tax / VAT / goods and service tax liability that may arise in respect of matters in appeal	3.94	5.36
(c) Excise duty / custom duty / service tax liability that may arise in respect of matters in appeal	8.78	12.68
(d) Income tax liability that may arise in respect of matters in appeal	1.45	0.87
B. Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	631.47	93.85

Notes:

- (i) From time to time, the Group is involved in claims and legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the financial position, results of operations, or cash flows of the Group.
- (ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at A(a) to A(d) above, pending resolution of the arbitration / appellate proceedings.
- (iii) Sales tax / VAT / goods and service tax cases include disputes pertaining to disallowances of input tax credit and non-submission of various forms with authorities.
- (iv) Excise duty / custom duty / service tax cases include disputes pertaining to inadmissibility of cenvat credit, short payment of service tax on work contracts, refund of excise duty on export of transformers, interest payment on provisional assessment cases, etc.
- (v) Contingent liabilities for Income tax cases pertains to disallowance of expenses, etc.
- (vi) The Parent Company had received Assessment Order dated 27 February, 2024 under 143(3) of the Income Tax Act, 1961, pertaining to financial year 2021-22. As per assessment order, tax demand payable is ₹ 188.79 crores. The Parent Company has filed appeal before Commissioner of Income Tax (Appeals). Considering the facts, demand raised is mainly on account of disallowance of claims for settlement of Corporate guarantee and non-granting of set-off tax losses. The management strongly believes that the demand is not sustainable, bad in law and will be reversed at appellate levels. The Parent Company has obtained stay on tax demand by paying ₹ 4.89 crores, as per stay order issued by the Deputy Commissioner of Income tax.

Refer note 8 for details in relation to assessment of revised income tax returns based on the re-casted / revised accounts.

- (vii) One subsidiary of the Group has delayed the conduct of its annual general meeting for the years ended 31 March 2022, 31 March 2021, 31 March 2020, 31 March 2019 and 31 March 2018 beyond the timelines prescribed in section 96 of the Companies Act, 2013.

The said subsidiary has made compounding applications under section 441 of the Companies Act, 2013 for the aforesaid years with Registrar of Companies in respect of delays. Any fines / penalties that may be levied are not presently ascertainable but are not expected to be material to the financial statements.

Notes accompanying the Consolidated Financial Statements (Contd.)

37. LEASES

(i) Group as a lessee

The Group has lease contracts for various items of land, buildings, office equipments and vehicles used in its operation. Lease of land generally have lease terms between 10 to 99 years while buildings, office equipments and vehicles generally have lease terms between 2 to 9 years. The Group's obligation under the lease is secured by the lessor's title to leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right of use assets and lease liabilities included under financial liabilities and the movements during the year.

Movement in net carrying value of right of use assets

₹ crores

	Land	Buildings	Office equipments	Vehicles	Total
Opening balances as at 01 April, 2023	62.23	11.30	0.13	1.90	75.56
Additions	69.39	1.74	-	4.00	75.13
Less: Deletion	-	0.10	-	0.05	0.15
Less: Depreciation	1.43	4.12	0.13	1.37	7.05
Exchange differences	-	(0.05)	-	0.15	0.10
Closing balances as at 31 March, 2024	130.19	8.77	-	4.63	143.59
Additions	7.74	23.63	5.19	6.71	43.27
Add: Acquisition of subsidiary	-	0.85	-	-	0.85
Less: Deletion	-	3.59	-	0.17	3.76
Less: Depreciation	2.12	6.89	0.10	2.30	11.41
Exchange differences	-	0.27	-	0.33	0.60
Closing balances as at 31 March, 2025	135.81	23.04	5.09	9.20	173.14

Movement in lease liabilities during the year

₹ crores

	2024-25	2023-24
Opening balance	17.44	16.43
Add: Additions	35.53	6.56
Add: Acquisition of subsidiary	0.95	-
Add: Accretion of interest	1.69	1.18
Less: Payments	(11.23)	(6.57)
Less: Termination of lease	(4.14)	(0.16)
Exchange differences	0.39	0.00
Closing balance	40.63	17.44

Breakup of lease liabilities

₹ crores

	As at 31-03-2025	As at 31-03-2024
Non-current lease liabilities	26.97	11.91
Current lease liabilities	13.66	5.53
Total	40.63	17.44

Notes accompanying the Consolidated Financial Statements (Contd.)

37. LEASES (Contd.)

Amounts recognised in the consolidated statement of profit and loss

	₹ crores	
	2024-25	2023-24
Other expenses		
Expenses related to short-term leases, low value assets and variable lease rent (included in other expenses)	17.37	17.28
Finance costs		
Interest expense on lease liabilities	1.69	1.18
Depreciation and amortisation expense		
Depreciation of ROU assets	11.41	7.05

Amounts recognised in the consolidated statement of cash flows

	₹ crores	
	2024-25	2023-24
Total cash outflow for leases (includes interest of ₹ 1.69 crores, (previous year ₹ 1.18 crores))	11.23	6.57

Contractual maturities of lease liabilities on an undiscounted basis

	₹ crores	
	As at 31-03-2025	As at 31-03-2024
Less than 1 year	15.89	5.57
1-5 years	27.33	9.39
More than 5 years	4.88	5.57
Total	48.10	20.53

(ii) Group as a lessor

Amounts recognised in the consolidated statement of profit and loss

	₹ crores	
	2024-25	2023-24
Other income		
Non-operating lease income	3.43	5.16

Note:

Non-operating lease income is in respect of lease of buildings.

Notes accompanying the Consolidated Financial Statements (Contd.)

38. EMPLOYEE BENEFITS

(a) Defined contribution plans:

Amount of ₹ 52.42 crores (previous year ₹ 46.43 crores) is recognised as an expense and included in employee benefits expense as under:

₹ crores		
Benefits (Contribution to)	2024-25	2023-24
Provident fund	17.43	14.16
Superannuation fund	4.06	4.22
Employee state insurance scheme	0.21	0.14
Labour welfare scheme	0.02	0.01
National pension scheme	1.73	1.50
Family pension	28.97	26.40
Total	52.42	46.43

(b) Defined benefit plans:

Gratuity:

Under the Gratuity plan operated by the Group, every employee who has completed at least five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per the Payment of Gratuity Act, 1972.

The following table summarizes the components of net benefit expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the consolidated balance sheet.

₹ crores		
	Gratuity (Funded)	
	2024-25	2023-24
I Change in present value of defined benefit obligation during the year		
1 Present value of defined benefit obligation at the beginning of the year	65.03	50.87
2 Addition due to acquisition of subsidiary	3.78	-
3 Interest cost	4.81	3.85
4 Current service cost	5.14	3.34
5 Benefits paid	(8.46)	(5.73)
6 Actuarial changes arising from changes in demographic assumptions	(0.17)	0.23
7 Actuarial changes arising from changes in financial assumptions	9.20	4.00
8 Actuarial changes arising from changes in experience adjustments	1.11	8.47
9 Present value of defined benefit obligation at the end of the year	80.44	65.03
II Change in fair value of plan assets during the year		
1 Fair value of plan assets at the beginning of the year	48.73	40.81
2 Addition due to acquisition of subsidiary	0.03	-
3 Interest income	3.52	3.09
4 Contributions paid by the employer	16.28	10.11
5 Benefits paid from the fund	(8.19)	(5.73)
6 Return on plan assets excluding interest income	(0.80)	0.45
7 Fair value of plan assets at the end of the year	59.57	48.73

Notes accompanying the Consolidated Financial Statements (Contd.)

38. EMPLOYEE BENEFITS (Contd.)

₹ crores

		Gratuity (Funded)	
		2024-25	2023-24
III	Net asset / (liability) recognised in the consolidated balance sheet		
1	Present value of defined benefit obligation at the end of the year	(80.44)	(65.03)
2	Fair value of plan assets at the end of the year	59.57	48.73
3	Amount recognised in the balance sheet	(20.87)	(16.30)
4	Net (liability) / asset - Current	(12.22)	(10.02)
5	Net (liability) / asset - Non-current	(8.65)	(6.28)
IV	Expenses recognised in the consolidated statement of profit and loss for the year		
1	Current service cost	5.14	3.34
2	Interest cost on benefit obligation (net)	1.29	0.76
3	Total expenses	6.43	4.10
V	Recognised in other comprehensive income for the year		
1	Actuarial changes arising from changes in demographic assumptions	(0.17)	0.23
2	Actuarial changes arising from changes in financial assumptions	9.20	4.00
3	Actuarial changes arising from changes in experience adjustments	1.11	8.47
4	Return on plan assets excluding interest income	0.80	(0.45)
5	Recognised in other comprehensive income	10.94	12.25
VI	Maturity profile of defined benefit obligation		
1	Within the next 12 months (next annual reporting period)	13.03	9.99
2	Between 2 and 5 years	37.81	31.20
3	Between 6 and 10 years	31.78	26.33
4	More than 10 years	34.16	33.47
VII	Quantitative sensitivity analysis for significant assumption is as below:		
1	Increase/(decrease) on present value of defined benefits obligation at the end of the year		
(i)	One percentage point increase in discount rate	(7.68)	(3.03)
(ii)	One percentage point decrease in discount rate	8.45	3.36
(i)	One percentage point increase in rate of salary increase	8.27	3.34
(ii)	One percentage point decrease in rate of salary increase	(7.67)	(3.06)
(i)	One percentage point increase in employee turnover rate	(5.04)	(0.02)
(ii)	One percentage point decrease in employee turnover rate	5.09	0.02
2	Sensitivity Analysis Method		
	Sensitivity analysis has been determined based on reasonably possible changes of respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.		
VIII	The major categories of plan assets as a percentage of total plan assets		
	Insurer managed funds	100%	100%
IX	Weighted average duration of the defined benefit obligation (in years)	6-10	6-7

Notes accompanying the Consolidated Financial Statements (Contd.)

38. EMPLOYEE BENEFITS (Contd.)

₹ crores

		Gratuity (Funded)	
		2024-25	2023-24
X	Actuarial assumptions		
1	Discount rate	6.70% - 6.80% p.a.	7.15% - 7.22% p.a.
2	Salary escalation	5.50% - 9.50% p.a.	5.50% - 7.00% p.a.
3	Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
4	Rate of employee turnover	up to 12.00% p.a.	up to 9.00% p.a.

₹ crores

	2024-25	2023-24
Expected contribution to the defined benefit plan for the next annual reporting period	12.29	10.07

Notes :

- The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at 31 March, 2025 and as at 31 March, 2024. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

(iv) Risk analysis:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

(c) Leave Encashment:

The assumptions used for computing accumulated leave encashment on actuarial basis are as follows:

		2024-25	2023-24
1	Discount rate	6.70% - 6.80% p.a.	7.15% - 7.22% p.a.
2	Salary escalation	5.50% - 9.50% p.a.	5.50% - 7.00% p.a.
3	Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
4	Rate of employee turnover	up to 12.00%p.a.	up to 9.00%p.a.

Notes accompanying the Consolidated Financial Statements (Contd.)

39. STOCK OPTIONS

During the year, 1781380 (previous year 1506770) stock options (net-off cancellations / lapsed) were granted to eligible employees at the rate of one stock option of the Parent Company for every stock option held and outstanding in the Parent Company.

In this regard, the Parent Company has recognised expense amounting to ₹ 22.90 crores (previous year ₹ 15.96 crores) for employees services received during the year, shown under employee benefits expenses (Refer note 32).

The movement of stock options are given below:

Date of grant	Options outstanding as at 01-04-2024	During the year 2024-25			Options outstanding as at 31-03-2025	Options vested but not exercised as at 31-03-2025
		Options granted	Options cancelled / lapsed	Options exercised and allotted		
18-Nov-21	1299020	-	69120	858380	371520	168240
26-Dec-22	453140	-	-	453140	-	-
08-May-23	679710	-	-	179710	500000	500000
08-May-23	416600	-	208300	-	208300	41660
27-Jul-23	416600	-	-	-	416600	83320
30-Dec-23	272400	-	136200	45000	91200	91200
25-Jul-24	-	900000	-	-	900000	-
21-Oct-24	-	715000	-	-	715000	-
28-Jan-25	-	390000	-	-	390000	-
18-Mar-25	-	190000	-	-	190000	-

Date of grant	Options outstanding as at 01-04-2023	During the year 2023-24			Options outstanding as at 31-03-2024	Options vested but not exercised as at 31-03-2024
		Options granted	Options cancelled / lapsed	Options exercised and allotted		
18-Nov-21	1779340	-	278540	201780	1299020	823340
26-Dec-22	453140	-	-	-	453140	453140
08-May-23	-	679710	-	-	679710	-
08-May-23	-	416600	-	-	416600	-
27-Jul-23	-	416600	-	-	416600	-
27-Jul-23	-	271040	271040	-	-	-
30-Dec-23	-	272400	-	-	272400	-

Details of stock options granted as at 31 March, 2025 are given below:

Date of grant	Exercise price (₹)	Options granted	Options cancelled / lapsed	Options exercised and allotted	Options vested and outstanding at the end of the year	Options unvested and outstanding at the end of the year	Vesting period	Weighted average remaining contractual life (in years)
18-Nov-21	156.20	1834100	347660	1114920	168240	203280	1 to 4 Years	5.04
26-Dec-22	251.65	453140	-	453140	-	-	-	-
08-May-23	305.55	679710	-	179710	500000	-	1 Year	4.11
08-May-23	305.55	416600	208300	-	41660	166640	1 to 4 Years	5.81
27-Jul-23	400.45	416600	-	-	83320	333280	1 to 4 Years	6.03
30-Dec-23	454.40	272400	136200	45000	91200	-	1 Year	4.76
25-Jul-24	697.10	900000	-	-	-	900000	1 to 4 Years	7.02
21-Oct-24	819.00	715000	-	-	-	715000	1 to 4 Years	7.26
28-Jan-25	595.45	390000	-	-	-	390000	1 to 4 Years	7.53
18-Mar-25	610.10	190000	-	-	-	190000	1 to 4 Years	7.67

Notes accompanying the Consolidated Financial Statements (Contd.)

39. STOCK OPTIONS (Contd.)

Details of stock options granted as at 31 March, 2024 are given below:

Date of grant	Exercise price (₹)	Options granted	Options cancelled / lapsed	Options exercised and allotted	Options vested and outstanding at the end of the year	Options unvested and outstanding at the end of the year	Vesting period	Weighted average remaining contractual life (in years)
18-Nov-21	156.20	1834100	278540	256540	823340	475680	1 to 4 Years	4.74
26-Dec-22	251.65	453140	-	-	453140	-	1 Year	4.74
08-May-23	305.55	679710	-	-	-	679710	1 Year	5.11
08-May-23	305.55	416600	-	-	-	416600	1 to 4 Years	6.81
27-Jul-23	400.45	416600	-	-	-	416600	1 to 4 Years	7.03
27-Jul-23	400.45	271040	271040	-	-	-	-	-
30-Dec-23	454.40	272400	-	-	-	272400	1 to 2 Years	6.26

The following tables list the input to the Black Scholes model used for the plans for the year ended 31 March, 2025:

Date of grant	Risk free rate (%) p.a.	Expected life (in years)	Expected volatility of share price (%)	Dividend yield	Fair value of the options
18-Nov-21	3.81 - 5.36	1 - 4	47.82 - 56.02	-	31.98 - 73.22
26-Dec-22	6.60	1	35.99	-	43.40
08-May-23	6.82	3.51	48.46	0.49	127.22
08-May-23	6.82 - 6.93	3.51 - 6.51	46.26 - 48.46	0.49	127.22 - 165.75
27-Jul-23	6.93 - 7.01	3.51 - 6.51	46.75 - 57.02	0.37	164.56 - 236.56
30-Dec-23	7.01 - 7.04	3.51 - 4.51	42.77 - 51.54	0.33	175.65 - 224.20
25-Jul-24	6.77 - 6.83	3.50 - 6.50	38.10 - 50.85	0.19	252.88 - 406.34
21-Oct-24	6.60 - 6.70	3.50 - 6.50	36.94 - 50.56	0.16	290.16 - 477.52
28-Jan-25	6.50 - 6.57	3.50 - 6.50	37.27 - 49.39	0.22	210.41 - 339.67
18-Mar-25	6.49 - 6.55	3.50 - 6.50	37.62 - 51.64	0.21	216.84 - 356.63

40. SEGMENT REPORTING

The Group has the following reportable segments:

Power Systems	: Transformer, Switchgear and Turnkey Projects
Industrial Systems	: Electric Motors, Alternators, Drives, Traction Electronics and SCADA
Semiconductors	: Outsourced Semiconductor Assembly and Test (OSAT) and Radio Frequency (RF) business
Others	: Adhesive tapes and labels

Identification of segments:

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of the nature of products / services and have been identified as per the quantitative criteria specified in the Ind AS.

During the year, the Group has identified Outsourced Semiconductor Assembly and Test (OSAT) and Radio Frequency (RF) business as separate operating segment as 'Semiconductors' based on criteria stated in Ind AS 108. Accordingly, the previous year end figures have been restated to report this as separate segment from "Others" segment to "Semiconductors" segment.

Notes accompanying the Consolidated Financial Statements (Contd.)

40. SEGMENT REPORTING (Contd.)

Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

Inter segment transfer:

Inter segment prices are normally negotiated amongst segments with reference to the costs, market price and business risks. Profit or loss on inter segment transfers are eliminated at the Group level.

Summary of the segmental information as at and for the year ended 31 March, 2025 is as follows:

₹ crores

	Power Systems	Industrial Systems	Semi conductors	Others	Discontinued operations	Eliminations /Unallocable Expenditure / Assets*	Total
Revenue							
External sales	3505.94	6375.65	-	27.07	-	-	9908.66
Add: Inter segment sales	3.77	0.16	-	-	-	(3.93)	-
Total revenue	3509.71	6375.81	-	27.07	-	(3.93)	9908.66
Segment results	668.30	742.52	(22.39)	7.10	-	-	1395.53
Less: Finance costs							7.09
Less: Other unallocable expenditure net of unallocable income							40.47
Share of profit / (loss) of associate							-
Profit after finance cost but before exceptional items and tax							1347.97
Exceptional items (net)							-
Tax expense							374.99
Profit from continuing operations after tax							972.98
Profit from discontinued operations after tax							-
Profit for the year							972.98
Other Information:							
Segment assets	2008.91	2987.72	773.50	31.11	73.31	1542.52	7417.07
Segment liabilities	1329.10	1381.37	64.31	8.12	64.27	532.27	3379.44
Capital expenditure [#]	168.60	89.16	161.91	0.40	-	7.25	427.32
Depreciation and amortisation [#]	37.61	63.33	1.63	0.63	-	8.64	111.84
Non-cash expenses / (reversal) other than depreciation and amortisation [#]	(5.99)	(4.48)	-	0.07	-	(2.54)	(12.94)

Notes accompanying the Consolidated Financial Statements (Contd.)

40. SEGMENT REPORTING (Contd.)

Summary of the segmental information as at and for the year ended 31 March, 2024 is as follows:

₹ crores

	Power Systems	Industrial Systems	Semi conductors	Others	Discontinued operations	Eliminations /Unallocable Expenditure / Assets*	Total
Revenue							
External sales	2595.42	5428.64	-	21.92	-	-	8045.98
Add: Inter segment sales	3.06	0.01	-	-	-	(3.07)	-
Total revenue	<u>2598.48</u>	<u>5428.65</u>	<u>-</u>	<u>21.92</u>	<u>-</u>	<u>(3.07)</u>	<u>8045.98</u>
Segment results	409.99	789.74	(4.14)	4.32	-	-	1199.91
Less: Finance costs							2.54
Less: Other unallocable expenditure net of unallocable income							60.47
Profit after finance cost but before exceptional items and tax							1136.90
Exceptional items (net)							21.48
Tax expense							287.26
Profit from continuing operations after tax							871.12
Profit from discontinued operations after tax							556.49
Profit for the year							<u>1427.61</u>
Other Information:							
Segment assets	1521.27	1856.05	30.06	26.06	73.18	2119.12	5625.74
Segment liabilities	1087.51	989.99	-	5.78	64.27	459.42	2606.97
Capital expenditure [#]	61.05	137.52	30.06	0.29	-	5.35	234.27
Depreciation and amortisation [#]	33.55	51.12	-	0.62	-	9.60	94.89
Non-cash expenses / (reversal) other than depreciation and amortisation [#]	(3.63)	(0.26)	-	-	-	-	(3.89)

(*) Unallocable assets comprise assets and liabilities which cannot be allocated to the segments, which majorly includes investments, fixed deposits with banks and tax assets / liabilities.

[#]The disclosure pertains to continuing business segments.

Geographical Information:

₹ crores

	2024-25			2023-24		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue from contracts with customers	8938.51	970.15	9908.66	7077.25	968.73	8045.98

Notes:

- During the year ended 31 March, 2025 and 31 March, 2024 revenues from transactions with a single external customer did not amount to 10% or more of the Group's revenues from external customers.
- The revenue information above is based on the locations of the customers.

₹ crores

	As at 31-03-2025			As at 31-03-2024		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Non-current assets	1747.52	220.13	1967.65	954.93	202.66	1157.59

Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, goodwill, other intangible assets, intangible assets under development and other non-current assets.

Notes accompanying the Consolidated Financial Statements (Contd.)

41. RELATED PARTY DISCLOSURES

(a) List of related parties

(i) Holding company:

1 Tube Investments of India Limited

(ii) Subsidiaries and associate:

Details of the Group's subsidiaries and associate at the end of the reporting period considered in the preparation of the consolidated financial statements are as follows:

Sr. No.	Name of the Related Parties	Country of Incorporation	% Equity Interest	
			As at 31-03-2025	As at 31-03-2024
A)	Subsidiaries:			
1	CG Power Solutions Limited (dissolved w.e.f. 10 November, 2023)	India	-	-
2	CG Adhesive Products Limited (<i>formerly known as "CG-PPI Adhesive Products Limited"</i>)	India	83.59	83.59
3	CG Power Equipments Limited	India	100.00	100.00
4	CG Semi Private Limited (incorporated w.e.f. 08 March, 2024)	India	92.34	100.00
5	G. G. Tronics India Private Limited (subsidiary w.e.f. 20 August, 2024)	India	55.60	-
6	Axiro Semiconductor Private Limited (incorporated w.e.f. 29 October, 2024)	India	100.00	-
7	CG International Holdings Singapore Pte. Limited	Singapore	100.00	100.00
8	CG Sales Network Malaysia Sdn. Bhd.	Malaysia	100.00	100.00
9	CG International B.V.	The Netherlands	100.00	100.00
10	CG Power Solutions UK Limited (dissolved w.e.f. 02 June, 2023)	United Kingdom	-	-
11	CG Industrial Holdings Sweden AB	Sweden	100.00	100.00
12	CG Drives & Automation Sweden AB	Sweden	100.00	100.00
13	CG Drives & Automation Germany GmbH	Germany	100.00	100.00
14	CG Drives & Automation Netherlands B.V.	The Netherlands	100.00	100.00
15	CG DE Sub, LLC (<i>formerly known as "QEI, LLC"</i>)	USA	100.00	100.00
16	CG Power Americas, LLC	USA	100.00	100.00
17	Axiro Semiconductor Inc. (incorporated w.e.f. 23 December, 2024)	USA	100.00	-
18	Axiro Semiconductor Turkey Araştırma ve Geliştirme A.Ş. (incorporated w.e.f. 07 March, 2025)	Turkey	100.00	-
19	Axiro Semiconductor (Shenzhen) Co., Ltd. (incorporated w.e.f. 20 March, 2025)	China	100.00	-
20	PT Crompton Prima Switchgear Indonesia	Indonesia	51.00	51.00
B)	Associate:			
1	Chola Foundation (incorporated w.e.f. 11 December, 2024) (Significant influence to the extent of 25%)	India	33.33	-

Notes accompanying the Consolidated Financial Statements (Contd.)

41. RELATED PARTY DISCLOSURES (Contd.)

(iii) Key Management Personnel:

1	Amar Kaul	- Managing Director & CEO (Appointed w.e.f. 25 July, 2024)
2	Natarajan Srinivasan	- Managing Director (Ceased w.e.f. 24 July, 2024)
3	Susheel Todi	- Chief Financial Officer
4	Sanjay Kumar Chowdhary	- Company Secretary and Compliance Officer (Appointed w.e.f. 09 May, 2023)
5	P Varadarajan	- Company Secretary and Compliance Officer (Ceased w.e.f. 08 May, 2023)

Non Executive Directors:

1	Vellayan Subbiah	- Chairman, Non-Independent Non-Executive Director
2	M A M Arunachalam	- Non-Independent Non-Executive Director
3	P S Jayakumar	- Independent Non-Executive Director
4	Sasikala Varadachari	- Independent Non-Executive Director (Ceased w.e.f. 17 September, 2024)
5	Kalyan Kumar Paul	- Non-Independent Non-Executive Director (Ceased w.e.f. 10 September, 2024)
6	Sriram Sivaram	- Independent Non-Executive Director
7	Mammen Chally	- Independent Non-Executive Director (Appointed w.e.f. 28 January, 2025)
8	Vijayalakshmi R Iyer	- Independent Non-Executive Director

(iv) Other Related Parties (with whom the Company has transactions):

1	Shanthi Gears Limited	- Fellow subsidiary
2	Celestial E-Trac Private Limited (Merged with TI Clean Mobility Private Limited w.e.f. 01 April, 2023)	- Fellow subsidiary
3	TI Clean Mobility Private Limited (w.e.f. 01 April, 2023)	- Fellow subsidiary
4	3Xper Innoventure Limited	- Fellow subsidiary

(v) Post Employment Benefit Entity:

1	CG Gratuity Fund
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Notes accompanying the Consolidated Financial Statements (Contd.)

41. RELATED PARTY DISCLOSURES (Contd.)

(b) The following transactions were carried out with the related parties (Refer note 1 below):

₹ crores

Sr. No.	Nature of transactions / relationship	2024-25	2023-24
1	Purchase of goods and services		
	Holding company		
	Tube Investments of India Limited	1.59	0.04
		1.59	0.04
	Other related party		
	Shanthi Gears Limited	2.57	3.12
		2.57	3.12
	Total	4.16	3.16
2	Sales of goods and services		
	Holding company		
	Tube Investments of India Limited	2.39	2.83
		2.39	2.83
	Other related parties		
	Shanthi Gears Limited	1.39	0.84
	TI Clean Mobility Private Limited	0.24	-
	3Xper Innoventure Limited	0.34	-
		1.97	0.84
	Total	4.36	3.67
3	Dividend paid		
	Holding company		
	Tube Investments of India Limited	115.24	115.24
	Total	115.24	115.24
4	Payment to Key Management Personnel		
	Salaries, commission and perquisites*	27.49	21.11
	Sitting fees and commission to non-executive Directors	2.15	1.37
	Dividend paid	0.03	0.03
	Total	29.67	22.51
5	Investment / acquisition of equity shares		
	Associate		
	Chola Foundation	0.01	-
	Total	0.01	-
6	Other expenses		
	Holding company		
	Tube Investments of India Limited	0.43	-
	Total	0.43	-

* Remuneration does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

Notes accompanying the Consolidated Financial Statements (Contd.)

41. RELATED PARTY DISCLOSURES (Contd.)

(c) Amount due to / from related parties :

₹ crores

Sr. No.	Nature of balances / relationship	As at 31-03-2025	As at 31-03-2024
1	Trade payable		
	Holding company		
	Tube Investments of India Limited	-	0.05
	(A)	-	0.05
	Non-current	-	-
	Current	-	0.05
		-	0.05
	Other related party		
	Shanthi Gears Limited	-	0.77
	(B)	-	0.77
	Non-current	-	-
	Current	-	0.77
		-	0.77
	Total (A+B)	-	0.82
2	Trade receivable		
	Holding company		
	Tube Investments of India Limited	0.00	0.39
	(A)	0.00	0.39
	Non-current	-	-
	Current	0.00	0.39
		0.00	0.39
	Other related parties		
	Shanthi Gears Limited	0.33	0.16
	TI Clean Mobility Private Limited	-	0.01
	(B)	0.33	0.17
	Non-current	-	-
	Current	0.33	0.17
		0.33	0.17
	Total (A+B)	0.33	0.56
3	Loans and advances payable		
	Other related party		
	Shanthi Gears Limited	0.10	0.06
		0.10	0.06
	Non-current	-	-
	Current	0.10	0.06
	Total	0.10	0.06
4	Due to Key Management Personnel		
	Non-executive Director's commission	1.76	0.95
		1.76	0.95
	Non-current	-	-
	Current	1.76	0.95
		1.76	0.95

Notes accompanying the Consolidated Financial Statements (Contd.)

41. RELATED PARTY DISCLOSURES (Contd.)

(d) Compensation of Key Management Personnel of the Parent Company:

₹ crores		
Nature of transaction	2024-25	2023-24
Short-term employee benefits	16.39	10.88
Post-employment benefits	0.63	0.51
Fair value cost of stock option granted	10.47	9.72
Sitting fees and commission to non-executive Directors	2.15	1.37
Total compensation paid to Key Management Personnel	29.64	22.48

Notes:

- The transactions with related parties are made on terms equivalents to and those applicable to all unrelated parties on arm's length transactions. The Group mutually negotiates and agrees transaction value and payment terms with the related parties by benchmarking the same to transactions with non-related parties. Outstanding trade and other receivable / trade and other payable balances are unsecured, interest free and require settlement in cash. No security has been received against these receivables / has been given against these payables.
- The Parent Company maintains gratuity trust for the purpose of administering the gratuity payment to employees of the Parent Company (CG Gratuity Fund). During the year, the Parent Company contributed ₹ 16.26 crores (previous year ₹ 10.02 crores).
- Investment in associate has been disclosed in note 6.

42. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) Following subsidiaries are considered as discontinued operations:

- CG Power Equipments Limited
- PT Crompton Prima Switchgear Indonesia
- CG Sales Network Malaysia Sdn. Bhd.
- CG DE Sub, LLC (*formerly known as "QEI, LLC"*)
- CG Power Solutions Limited (dissolved w.e.f. 10 November, 2023)

- During the previous year, the Group had sold net assets in wholly owned step down foreign subsidiary i.e. CG DE Sub, LLC (formerly known as "QEI, LLC") and recognised net gain (net of transaction costs and taxes) of ₹ 65.39 crores under exceptional items.
- During the previous year, the National Company Law Tribunal ("NCLT") had passed order dated 10 November, 2023 to dissolve one of the subsidiary of the Group i.e. CG Power Solutions Limited. Based on such order, the Group had deconsolidated the said subsidiary and recognised net gain of ₹ 551.06 crores under discontinued operation.
- Liquidation of subsidiary CG Sales Network Malaysia Sdn. Bhd. is under process. Consequently, business of the said subsidiary has been classified as discontinued operation.
- Shareholders of PT Crompton Prima Switchgear Indonesia has passed resolution to authorise the local bank to liquidate the assets of the Company. Consequently, business of the said subsidiary has been classified as discontinued operation.

Statement of profit and loss of the discontinued operations is as under :

₹ crores		
	2024-25	2023-24
Revenue from operations	-	25.35
Expenses (net of other income)	-	(530.34)
Profit before tax	-	555.69
Tax expense	-	(0.80)
Profit after tax from discontinued operations	-	556.49

Notes accompanying the Consolidated Financial Statements (Contd.)

42. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Contd.)

The major classes of assets and liabilities of the discontinued operation are as under:

₹ crores

	As at 31-03-2025	As at 31-03-2024
Assets		
Non-current assets		
Property, plant and equipment	71.76	71.76
Current assets		
Financial assets		
Cash and cash equivalents	0.61	0.56
Current tax assets (net)	0.94	0.86
Assets classified as held for sale and discontinued operations (A)	73.31	73.18
Liabilities		
Non-current liabilities		
Provision	0.22	0.22
Deferred tax liabilities (net)	2.79	2.79
Current liabilities		
Financial liabilities		
Borrowings	36.56	36.56
Trade payables	12.00	12.00
Other financial liabilities	9.83	9.83
Other current liabilities	1.14	1.14
Provisions	1.73	1.73
Liabilities associated with group of assets classified as held for sale and discontinued operations (B)	64.27	64.27
Net assets associated with disposal group and discontinued operations (A-B)	9.04	8.91

Net cash flows attributable to the operating, investing and financing activities of discontinued operations:

₹ crores

	2024-25	2023-24
Cash flow (used in) / from - Operating activities	-	(6.27)
Cash flow (used in) / from - Investing activities	-	83.20
Cash flow (used in) / from - Financing activities	-	(0.64)

Notes accompanying the Consolidated Financial Statements (Contd.)

43. EXCEPTIONAL ITEMS

₹ crores

	2024-25	2023-24
Net gain (net of transaction costs and taxes) on sale of net assets in wholly owned step down foreign subsidiary (Refer note 42 (b))	-	65.39
Net gain / (loss) on deconsolidation of subsidiaries (Refer note (a) below)	-	0.54
Reversal / (provision) towards other litigations (Refer note (b) below)	-	(42.00)
Compensation to employees pursuant to voluntary retirement scheme (Refer note (c) below)	-	(2.45)
Total	-	21.48

Notes:

- During the previous year, one of the subsidiary of the Group i.e. CG Power Solutions UK Limited had been dissolved based on dissolution order received from local jurisdiction. As a consequence, net loss of ₹ 12.13 crores had been recognised under exceptional items. Further on account of such dissolution, gain of ₹ 12.72 crores of accumulated foreign currency translation reserve and loss of ₹ 0.05 crores of hedged reserve had been transferred to statement of profit and loss account and recognised under exception items.
- During the previous year, the Group had made payment towards settlement of litigations of ₹ 42.00 crores.
- During the previous year, the Group had made payment towards compensation to employees pursuant to voluntary retirement scheme of ₹ 2.45 crores.

44. FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The Group has not disclosed the fair value of financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, non-current and current financial assets - others, non-current and current financial liabilities - borrowings, trade payables and non-current and current financial liabilities - other because their carrying amounts are a reasonable approximation of fair value and hence these have not been categorised in any level in the table given below. Further, for financial assets, the Group has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.
- The fair values of the quoted investments / units of mutual fund schemes are based on market price / net asset value at the reporting date.
- The fair values for loans given are calculated based on discounted cash flows using current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these loans given. Accordingly, fair value of such instruments are not materially different from their carrying values.
- Fair values of the Group's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values.
- The Group has carried all other financial assets and others financial liabilities, other than those disclosed in the table below at amortised cost.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

Notes accompanying the Consolidated Financial Statements (Contd.)

44. FAIR VALUE MEASUREMENTS (Contd.)

₹ crores

		Carrying amount	Fair value		
	Note No.	As at 31-03-2025	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss:					
Non-current investments*	6	0.75	0.69	-	0.06
Current investments	11	436.78	436.77	-	0.01
Total		437.53	437.46	-	0.07
Financial liabilities at fair value through profit and loss:					
Derivative instruments	24	0.21	-	0.21	-
Financial liabilities at fair value through other comprehensive income:					
Derivative instruments	24	4.45	-	4.45	-
Total		4.66	-	4.66	-

₹ crores

		Carrying amount	Fair value		
	Note No.	As at 31-03-2024	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss:					
Non-current investments	6	0.75	0.69	-	0.06
Current investments	11	587.70	587.69	-	0.01
Derivative instruments	15	0.69	-	0.69	-
Total		589.14	588.38	0.69	0.07

* Excludes investment in associate which is measured at cost

During the reporting period ending 31 March, 2025 and 31 March, 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES AND CAPITAL MANAGEMENT

The Group's activities expose it to certain financial risks namely credit risk, market risk and liquidity risk. The financial risks are managed in accordance with the Group's risk management policy which has been approved by its Board of Directors.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of risk such as: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include foreign currency receivables, payables, loans and borrowings and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group has managed its interest rate risk by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Notes accompanying the Consolidated Financial Statements (Contd.)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES AND CAPITAL MANAGEMENT (Contd.)

Foreign currency risk

The Group's functional currency is Indian Rupee. The Group undertakes transactions denominated in foreign currencies and consequently the Group is exposed to foreign exchange risk. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies.

Unhedged foreign currency exposure as at 31 March, 2025

₹ crores

	USD	Euro	JPY	CHF	Others	Total
Assets	49.13	112.26	-	-	4.04	165.43
Liabilities	(101.57)	(124.17)	(0.51)	(0.11)	(1.54)	(227.90)

Unhedged foreign currency exposure as at 31 March, 2024

₹ crores

	USD	Euro	JPY	CHF	Others	Total
Assets	55.75	106.80	-	-	6.19	168.74
Liabilities	(107.71)	(95.68)	(0.84)	(1.23)	(2.00)	(207.46)

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit or loss before tax:

₹ crores

	2024-25		2023-24	
	1% increase	1% decrease	1% increase	1% decrease
USD	(0.52)	0.52	(0.52)	0.52
Euro	(0.12)	0.12	0.11	(0.11)
JPY	(0.01)	0.01	(0.01)	0.01
CHF	(0.00)	0.00	(0.01)	0.01
Others	0.03	(0.03)	0.04	(0.04)
Increase / (decrease)	(0.62)	0.62	(0.39)	0.39

1% increase or decrease in foreign exchange rates will have the following impact on equity:

₹ crores

	2024-25		2023-24	
	1% increase	1% decrease	1% increase	1% decrease
USD	(0.39)	0.39	(0.39)	0.39
Euro	(0.09)	0.09	0.08	(0.08)
JPY	(0.01)	0.01	(0.01)	0.01
CHF	(0.00)	0.00	(0.01)	0.01
Others	0.02	(0.02)	0.03	(0.03)
Increase / (decrease)	(0.47)	0.47	(0.30)	0.30

Foreign exchange forward contracts

Details of foreign exchange forward contracts entered and outstanding as at balance sheet date:

₹ crores

	As at 31-03-2025	As at 31-03-2024
Forward contracts - sold (USD / INR)	5.12	8.43
Forward contracts - sold (EUR / INR)	7.13	61.12

Notes accompanying the Consolidated Financial Statements (Contd.)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES AND CAPITAL MANAGEMENT (Contd.)

The fair value of foreign exchange forward contracts position recorded under financial assets and financial liabilities are as follows:

₹ crores

	As at 31-03-2025		As at 31-03-2024	
	Assets	Liabilities	Assets	Liabilities
Forward contracts	-	0.21	0.69	-

Credit risk

Credit risk refers to the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans, foreign exchange transactions and other financial instruments. Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are generally set to manage credit risk. General payment terms include credit period ranging from 45 to 90 days and where applicable, mobilisation advance, progress payments and certain retention money to be released at the end of the project.

Where the loans or receivables are impaired, the Group continues to engage in enforcement activity to attempt to recover the receivable due.

The Group is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans given, other financial assets and financial guarantees.

In respect of financial guarantees provided by the Group to banks and financial institutions, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon or in case where settlement is agreed, the settlement amount. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided except as otherwise stated in respect of guarantees where settlement is agreed.

Exposure to credit risk

₹ crores

	As at 31-03-2025	As at 31-03-2024
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Investments in government and trust securities	0.41	0.43
Investments in debentures or bonds	0.05	0.05
Other non-current investments	0.29	0.27
Non-current financial assets - others	18.32	11.64
Cash and cash equivalents and other bank balances	1259.12	854.41
Current financial assets - others	182.52	136.21
Current financial assets - investments	436.78	587.70
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	2060.41	1627.65

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

Notes accompanying the Consolidated Financial Statements (Contd.)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES AND CAPITAL MANAGEMENT (Contd.)

The ageing analysis of the trade receivables (gross of provision) (current as well as non-current) has been considered from the date the invoice falls due.

	₹ crores
	Amount
As at 31-03-2025	
Up to 3 months	1809.61
3 to 6 months	84.26
More than 6 months	166.54
	2060.41
As at 31-03-2024	
Up to 3 months	1443.86
3 to 6 months	41.66
More than 6 months	142.13
	1627.65

The following table summarizes the change in the loss allowances for trade receivables measured using life-time expected credit loss model:

	₹ crores
	Amount
As at 01 April, 2023	111.03
Provided during the year	6.18
Amounts written off	(17.81)
Reversals of provision	(5.93)
Exchange differences	(0.01)
As at 31 March, 2024	93.46
Provided during the year	5.55
Addition due to acquisition of subsidiary	2.80
Amounts written off	(42.67)
Reversals of provision	(7.93)
Exchange differences	0.00
As at 31 March, 2025	51.21

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Notes accompanying the Consolidated Financial Statements (Contd.)

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES AND CAPITAL MANAGEMENT (Contd.)

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ crores

As at 31 March, 2025	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-current - Borrowings	-	0.26	-	0.26
Current - Borrowings	0.08	-	-	0.08
Interest-free sales tax deferral loans from State Government	0.12	-	-	0.12
Deposits payable	-	25.73	0.44	26.17
Trade payables	1870.04	-	-	1870.04
Other financial liabilities	460.36	-	-	460.36
Lease liabilities	15.89	27.33	4.88	48.10

₹ crores

As at 31 March, 2024	Less than 1 year	1 to 5 years	Over 5 years	Total
Interest-free sales tax deferral loans from State Government	0.12	-	-	0.12
Deposits payable	-	0.96	10.00	10.96
Trade payables [#]	1484.25	-	-	1484.25
Other financial liabilities	368.53	-	-	368.53
Lease liabilities	5.57	9.39	5.57	20.53

[#]Includes disputed Trade payable of ₹19.08 crores. (Refer note 23)

General credit terms for the trade payables are in the range of 30 to 180 days. The Group has access to credit facilities to mitigate any short-term liquidity risk.

Collaterals:

The Group has provided a charge over its current assets as primary security for the banking facilities extended to the Group.

Capital management

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's capital management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Gearing ratio

The gearing ratio at the end of the reporting period is as follows:

₹ crores

	As at 31-03-2025	As at 31-03-2024
Total debt	0.46	0.12
Equity	3843.95	3017.44
Total debt and equity	3844.41	3017.56
Gearing ratio	0.01%	0.00%

No changes were made in objectives, policies or process for managing capital during the year ended 31 March, 2025 and 31 March, 2024.

There have been no breaches in the financial covenant of any borrowings.

Notes accompanying the Consolidated Financial Statements (Contd.)

46. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ crores

	As at 1-04-2024	Cash inflows / (outflows)	Effect of reclassification	Recognition of lease liabilities (net)	Liabilities acquired on acquisition of subsidiary	Finance cost charged during the year	Others	As at 31-03-2025
Non-current financial liabilities - borrowings:								
Secured loans								
Term loans from banks	-	-	(0.06)	-	0.32	-	-	0.26
Current financial liabilities - borrowings:								
Secured loans								
Term loans from banks	-	(11.11)	-	-	11.11	-	-	-
Working capital loan	-	(4.50)	-	-	4.50	-	-	-
Current maturities of long- term loans from banks	-	(0.06)	0.06	-	0.08	-	-	0.08
Unsecured loans								
Loans from related parties	-	(0.01)	-	-	0.01	-	-	-
Current - other financial liabilities:								
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	-	-	0.12
Others	-	(3.24)	-	-	-	3.24	-	-
Lease liabilities	17.44	(11.23)	-	31.39	0.95	1.69	0.39	40.63
Non controlling interest	1.33	29.93	-	-	164.45	-	(2.03)	193.68
Total	18.89	(0.22)	-	31.39	181.42	4.93	(1.64)	234.77

₹ crores

	As at 1-04-2023	Cash inflows / (outflows)	Recognition of lease liabilities (net)	Finance cost charged during the year	Others	As at 31-03-2024
Current - other financial liabilities:						
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	0.12
Others	-	(0.91)	-	0.91	-	-
Lease liabilities	16.43	(6.57)	6.40	1.18	0.00	17.44
Non controlling interest	0.93	(0.21)	-	-	0.61	1.33
Total	17.48	(7.69)	6.40	2.09	0.61	18.89

Non-cash investing activities:

- Fair value gain on financial instruments at fair value through profit and loss ₹ 3.88 crores (previous year ₹ 5.43 crores)
- Addition to right of use assets ₹ 30.35 crores (previous year ₹ 6.56 crores)

Notes accompanying the Consolidated Financial Statements (Contd.)

47. EARNINGS PER SHARE

		2024-25	2023-24
Face value of equity share	₹	2.00	2.00
Weighted average number of Equity Shares			
- Basic	Nos.	1528289183	1527249399
- Diluted	Nos.	1529443915	1528604000
Profit for the year (continuing operations)	₹ crores	974.60	870.52
Earnings per share (for continuing operations)			
- Basic	₹	6.38	5.70
- Diluted	₹	6.37	5.69
Profit for the year (discontinued operations)	₹ crores	-	556.49
Earnings per share (for discontinued operations)			
- Basic	₹	-	3.64
- Diluted	₹	-	3.64
Profit for the year (total operations)	₹ crores	974.60	1427.01
Earnings per share (for total operations)			
- Basic	₹	6.38	9.34
- Diluted	₹	6.37	9.33
Profit used as the numerators in calculating basic and diluted earnings per share (total operations)		974.60	1427.01
Weighted average number of equity shares used as the denominator in calculating basic earnings per share		1528289183	1527249399
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share*		1529443915	1528604000

*Current year and previous year, the dilutive impact is due to employee stock options granted.

48. DISCLOSURE OF INTEREST IN OTHER ENTITIES

Material non-controlling interest for continuing and discontinued operations:

	Principal place of business / Country of incorporation	Proportion of interest held by Non-controlling entities as at	
		31-03-2025 %	31-03-2024 %
CG Adhesive Products Limited (formerly known as "CG-PPI Adhesive Products Limited")	India	16.41	16.41
CG Semi Private Limited	India	7.66	-
G. G. Tronics India Private Limited (w.e.f. August 20, 2024)	India	44.40	-
PT Crompton Prima Switchgear Indonesia (entity under discontinued operation)	Indonesia	49.00	49.00

The proportion of voting rights held by non controlling interest does not differ from the proportion of ownership interest.

Notes accompanying the Consolidated Financial Statements (Contd.)

48. DISCLOSURE OF INTEREST IN OTHER ENTITIES (Contd.)

The below mentioned disclosures are based on amounts before inter-Company eliminations

Summarised statement of profit and loss:

₹ crores

	CG Adhesive Products Limited (formerly known as CG-PPI Adhesive Products Limited)		G. G. Tronics India Private Limited	CG Semi Private Limited	PT Crompton Prima Switchgear Indonesia	
	2024-25	2023-24	2024-25*	2024-25	2024-25	2023-24
Income	44.43	31.91	96.57	3.42	-	-
Expenditure	(36.80)	(27.04)	(102.43)	(19.54)	-	-
Profit / (loss) before tax	7.63	4.87	(5.86)	(16.12)	-	-
Tax expense	1.87	1.23	(3.04)	0.85	-	-
Profit / (loss) for the year (A)	5.76	3.64	(2.82)	(16.97)	-	-
- attributable to the equity holders of the parent	4.81	3.04	(1.55)	(15.67)	-	-
- attributable to the non-controlling interest	0.95	0.60	(1.27)	(1.30)	-	-
Other comprehensive income (B)	0.00	(0.03)	(0.15)	(4.45)	-	-
- attributable to the equity holders of the parent	0.00	(0.03)	(0.08)	(4.11)	-	-
- attributable to the non-controlling interest	0.00	(0.00)	(0.07)	(0.34)	-	-
Total comprehensive income (A+B) = C	5.76	3.61	(2.97)	(21.42)	-	-
- attributable to the equity holders of the parent	4.81	3.01	(1.63)	(19.78)	-	-
- attributable to the non-controlling interest	0.95	0.60	(1.34)	(1.64)	-	-

* from the date of acquisition till year end

Summarised balance sheet:

₹ crores

	CG Adhesive Products Limited (formerly known as CG-PPI Adhesive Products Limited)		G. G. Tronics India Private Limited	CG Semi Private Limited	PT Crompton Prima Switchgear Indonesia	
	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2025	As at 31-03-2025	As at 31-03-2024
Current assets	31.23	28.05	234.47	178.53	19.33	19.33
Non-current assets	9.23	4.31	248.76	242.96	127.16	127.16
Current liabilities	(7.74)	(5.70)	(56.58)	(55.98)	(105.71)	(105.71)
Non-current liabilities	(0.38)	(0.09)	(59.24)	(0.61)	(65.57)	(65.57)
Total equity	32.34	26.57	367.41	364.90	(24.79)	(24.79)
Attributable to:						
Equity holders of parent	27.03	22.21	204.28	336.95	(12.64)	(12.64)
Non-controlling interest	5.31	4.36	163.13	27.95	(12.15)	(12.15)

Notes accompanying the Consolidated Financial Statements (Contd.)

48. DISCLOSURE OF INTEREST IN OTHER ENTITIES (Contd.)

Summarised cash flow information:

₹ crores

	CG Adhesive Products Limited (formerly known as CG-PPI Adhesive Products Limited)		G. G. Tronics India Private Limited	CG Semi Private Limited	PT Crompton Prima Switchgear Indonesia	
	2024-25	2023-24	2024-25*	2024-25	2024-25	2023-24
Cash flows from:						
Operating activities	(1.76)	1.69	(6.44)	(29.44)	-	-
Investing activities	1.70	0.27	(113.64)	(349.60)	-	-
Financing activities	(0.00)	(0.01)	127.56	390.28	-	-
Net increase / (decrease) in cash and cash equivalents	(0.06)	1.95	7.48	11.24	-	-

* from the date of acquisition till year end

49. UPDATES ON INVESTIGATIONS FOR PAST YEARS

The Company is fully co-operating with the ongoing investigation by the Serious Fraud Investigation Office ('SFIO') and other regulatory authorities on the affairs of the Company pertaining to past period and against erstwhile promoters and erstwhile key managerial personnel relating to transactions that took place when the Company was under the control of the erstwhile promoters/management. In respect to this, there is no impact on current year financials of the Group.

50. OTHER STATUTORY INFORMATION

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- Following are the details of the funds invested by the Company to Intermediaries for further advancing to the Ultimate beneficiaries:

₹ crores

Name of the intermediary in which the funds are invested	Date of funds invested	Amount of funds for onward investment	Date on which funds are further advanced / invested by intermediaries to other intermediaries or ultimate beneficiaries	Amount of fund further advanced / invested by such intermediaries to other intermediaries or ultimate beneficiaries	Ultimate beneficiary
Axiro Semiconductor Private Limited	25 March, 2025	310.00	28 March, 2025	278.04	Axiro Semiconductor Inc.

The Group has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Details of each intermediary / ultimate beneficiary

Name of entity	Registered address	Government identification number	Relationship with the Company
Axiro Semiconductor Private Limited	6 th Floor, CG house, Dr. Annie Besant Road, Worli, Mumbai – 400 030, India	U26103MH2024PTC434243	Subsidiary
Axiro Semiconductor Inc.	850 New Burton Road, Suite 201, City of Dover, County of Kent, Delaware 19904	10046373	Step down subsidiary

Notes accompanying the Consolidated Financial Statements (Contd.)

50. OTHER STATUTORY INFORMATION (Contd.)

- (iv) The Group has not made any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provision of the Income Tax Act, 1961).
- (v) The Group does not have any transactions with companies which has been struck off by ROC under Section 248 of the Companies Act, 2013.
- (vi) The Group has not been declared as wilful defaulter by any bank or financial institution or other lender or government or any government authority.

51. STANDARD ISSUED BUT NOT YET EFFECTIVE

There are no standards of accounting or any addendum thereto, prescribed by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013, which are issued but are not yet effective as on 31 March, 2025.

52. TRANSFER FROM GENERAL RESERVE TO RETAINED EARNINGS

The Board of Directors of the Parent Company, at its Meeting held on 19 October, 2022 had approved a Scheme of Arrangement ("Scheme") under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act"). The Scheme inter-alia provides for capital reorganization of the Parent Company, whereby it is proposed to transfer ₹ 400 Crores from the General Reserves to the Retained Earnings of the Parent Company with effect from the Appointed Date i.e. the effective date of the Scheme mentioned in the Scheme. The Scheme was subject to receipt of regulatory approvals/ clearances from the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and such other approval/ clearances, as may be applicable. BSE was appointed as the Designated Stock Exchange by the Parent Company to obtain the No Objection Certificate ("NOC") from SEBI under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. BSE had intimated the Parent Company that it can re-submit the Scheme with revised rationale. After evaluation, the Parent Company has decided not to proceed with the Scheme.

53. INCORPORATION OF SUBSIDIARY TO SET UP OSAT FACILITY

The Company, during the previous year had incorporated a subsidiary named CG Semi Private Limited ('CG SEMI') to set up an Outsourced Semiconductor Assembly and Test ('OSAT') facility. The CG SEMI for purpose of said facility had acquired a land on lease term of 99 years for the total consideration of ₹ 56.49 crores. The CG SEMI has paid ₹ 30.06 crores and remaining amount of ₹ 26.43 crores was paid by Central government in the form of government grant. The group has recognised the said land under Right-of-Use assets for ₹ 30.06 crores i.e. net off government grant.

Notes accompanying the Consolidated Financial Statements (Contd.)

54. The Parent Company and subsidiaries which are companies incorporated in India and whose financial statements have been audited under the Act ('Entities in India'), have used accounting software for maintaining their respective books of account which has a feature of recording audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software, except that -

(a) As regards the Parent Company:

- (i) in respect of SAP applications, the audit trail feature was not enabled for changes made (if any) by users with privileged / administrative access rights to such applications and the underlying database; and
- (ii) in respect of other accounting software used for payroll processing and approval of discounts, the audit trail feature was not enabled at the database level to log any direct changes to data for the period from April 01, 2024 to February 17, 2025 and from April 01, 2024 to May 03, 2024, respectively.

(b) As regards the Subsidiaries which are companies incorporated in India:

- (i) in respect of one subsidiary, the audit trail feature with regard to one software has operated only for part of the period ending March 31, 2025 for the relevant transactions recorded in the software.
- (ii) In respect of one subsidiary, the subsidiary has used accounting software which does not have the feature of recording audit trail (edit log) facility.
- (iii) in respect of one subsidiary, the audit trail feature was not enabled at the database level to log any direct changes for the accounting software used for maintaining the books of account.

Further, to the extent the audit trail feature for the applications and periods for which audit trail feature was enabled and operated by Entities in India, there were no instances of such audit trail feature being tampered with.

Additionally, the audit trail of relevant prior year has been preserved by the Parent Company and subsidiaries, to the extent applicable, as per the statutory requirements for record retention to the extent it was enabled and recorded in the relevant year.

55. With respect to newly incorporated subsidiary i.e. Axiro Semiconductor Private Limited, books of account as required by law have been kept by the Company, however backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on daily basis. Considering the first year of incorporation of the entity, management is in the process of setting in place processes for maintaining backup of the books of account and other books and papers maintained in electronic mode as prescribed under the Rule 3 of the Companies (Accounts) Rules, 2014 (as amended).

56. ACQUISITION OF G. G. TRONICS INDIA PRIVATE LIMITED

- (i) During the year, pursuant to the Shareholders Agreement, Share Purchase Agreement and Share Subscription Agreement, entered by the Company with M/s. G.G. Tronics India Private Limited ('GGT') and existing shareholders of GGT, the Group acquired a controlling stake in GGT with effect from August 20, 2024 ('acquisition date') through the combination of purchase of equity shares and Compulsory Convertible Preference Shares ('CCPS') for total consideration of ₹ 319.38 crores, resulting in GGT becoming a Subsidiary of the Company from such date. The Company has acquired 275459 equity shares of GGT including equity shares received on conversion of CCPS. GGT operates in the field of design, manufacture, supply and installation of electronic safety embedded signalling systems for the railway transportation sector. The Group has accounted the assets and liabilities and resultant goodwill, arising out of this acquisition, at their respective fair values as per Ind AS 103.
- (ii) The Group has elected to measure the non-controlling interests at the proportionate share of the acquiree's net assets.
- (iii) The above transaction has been accounted in accordance with Ind AS 103 - Business Combinations.



Notes accompanying the Consolidated Financial Statements (Contd.)

56. ACQUISITION OF G. G. TRONICS INDIA PRIVATE LIMITED (Contd.)

The amount recognised in respect of identifiable assets and liabilities assumed are as set out in the table below:

₹ crores

Particular	Amount
Assets	
Property, plant and equipment	41.25
Intangible assets	200.48
Intangible assets under development	0.03
Inventories	60.71
Trade receivable	29.52
Cash and cash equivalents	147.85
Bank Balance other than cash and cash equivalents	0.17
Other receivables	12.82
Total Assets (A)	492.83
Liabilities	
Borrowings	16.02
Lease liabilities	0.95
Trade payable	42.15
Deferred tax liabilities (net)	52.79
Other liabilities and provision	10.54
Total Liabilities (B)	122.45
Total identifiable net assets acquired (C=A-B)	370.38
% Stake held by the Group (D)	55.60%
Share of net assets of the Group (E=C*D)	205.93
Purchase consideration (F)	319.38
Goodwill (F-E)	113.45
Minority interest recognised on business combination (C-E)	164.45

Other matters:

- (i) The goodwill of ₹ 113.45 crores comprises the value of expected synergies arising from the acquisition tangible and Intangibles assets, recognised in accordance with Ind AS 38.
- (ii) From the date of acquisition, GGT has contributed ₹ 91.35 crores of revenue from operations and ₹ 3.75 crores to profit before tax of the Group (before intercompany elimination). If the combination had taken place at the beginning of the year, revenue from operations would have been ₹ 118.79 crores and profit before tax for the Group would have been ₹ 1.93 crores (before intercompany elimination).
- (iii) Transaction costs of ₹ 0.64 crores have been expensed and are included in other expenses.
- (iv) The deferred tax liabilities (net) mainly comprises the tax effect of the fair value of tangible and intangible assets due to the acquisitions amounting to ₹ 57.55 crores..
- (v) At the date of the acquisition, the fair value of the trade receivables approximated their gross contractual amount.

Notes accompanying the Consolidated Financial Statements (Contd.)

57. HEDGING ACTIVITIES AND DERIVATIVES

Cash Flow Hedges

Foreign exchange forward contracts measured at fair value through other comprehensive income are designated as hedging instruments in cash flow hedges of forecast capital outflow in USD.

₹ crores

	As at March 31, 2025	
	Assets	Liabilities
Fair value of foreign exchange forward contracts	-	4.45

Disclosure of effects of hedge accounting as on March 31, 2025

Foreign exchange risk on cash flow hedge	Foreign currency forward contract
Nominal value of hedging instruments (No. of contracts)	61
Carrying value of hedging instruments (₹ crores)	252.26
Maturity date	30-Apr-25 to 30-Oct-25
Hedge ratio	1:1
Weighted average rate	1 USD- 87.58
Changes in fair value of hedging instrument (₹ crores)	4.45
Changes in the value of hedged Item used as a basis for recognising hedge effectiveness (₹ crores)	4.45

₹ crores

Cash flow	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Foreign exchange risk	4.45	-	-	NA

58. During the year, the Group had entered into a Definitive Agreement with Renesas Electronics America Inc. & other affiliate entities of Renesas Electronics Corporation for acquisition of Radio Frequency ('RF') Components business, through one or more subsidiaries of the Group. The Group has obtained approval from the Committee on Foreign Investment in the United States (CFIUS) and other necessary regulatory and statutory approvals for acquisition. Subsequent to the year end, the Group has acquired RF components business from Renesas Electronics America Inc. and other affiliate entities of Renesas Electronics Corporation for consideration of about USD 36 million subject to closing adjustments and Escrow amount.

As per Ind AS 103, the identifiable assets (mainly pertaining to Intellectual Property, Inventories and Plant and Machineries) acquired and liabilities assumed, are to be recognized at their fair values as at the acquisition date i.e. 03 April, 2025. However, the purchase price allocation (PPA) exercise is still in progress as at the date of authorization of these consolidated financial statements for issue. The Group expects to complete the purchase price allocation within the measurement period as permitted under Ind AS 103.

Notes accompanying the Consolidated Financial Statements (Contd.)

59. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 AS AT AND FOR THE YEAR ENDED 31 MARCH, 2025 AND 31 MARCH, 2024

Year Ended 31 March, 2025

Name of the entity in the Group	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ crores	As % of consolidated profit or loss	Amount ₹ crores	As % of consolidated other comprehensive income	Amount ₹ crores	As % of consolidated total comprehensive income	Amount ₹ crores
I. Parent								
CG Power and Industrial Solutions Limited	100.76	4068.58	100.14	974.46	156.47	(7.82)	99.85	966.64
II. Subsidiaries								
a) Indian								
CG Adhesive Products Limited (<i>formerly known as "CG-PPI Adhesive Products Limited"</i>)	0.67	27.03	0.49	4.81	0.00	0.00	0.50	4.81
CG Power Equipments Limited	0.00	0.00	-	-	-	-	-	-
CG Semi Private Limited	8.35	336.96	(1.61)	(15.67)	82.25	(4.11)	(2.04)	(19.78)
G.G Tronics India Private Limited	2.79	112.46	0.27	2.60	1.62	(0.08)	0.26	2.52
Axiro Semiconductor Private Limited	8.52	344.01	(0.62)	(6.04)	-	-	(0.62)	(6.04)
b) Foreign								
CG International B.V.	(44.70)	(1804.70)	0.13	1.24	-	-	0.13	1.24
CG Power Americas, LLC	(2.61)	(105.32)	0.51	4.92	-	-	0.51	4.92
CG DE Sub, LLC (<i>formerly known as "QEI, LLC"</i>)	-	-	-	-	-	-	-	-
CG Industrial Holdings Sweden AB	4.32	174.29	(0.02)	(0.19)	-	-	(0.02)	(0.19)
CG Drives & Automation Sweden AB	5.59	225.52	1.69	16.40	-	-	1.69	16.40
CG Drives & Automation Netherlands B.V.	1.02	41.27	0.32	3.16	-	-	0.33	3.16
CG Drives & Automation Germany GmbH	1.02	41.11	1.07	10.40	-	-	1.07	10.40
CG International Holdings Singapore Pte. Limited	(2.47)	(99.63)	0.97	9.41	-	-	0.97	9.41
CG Sales Network Malaysia Sdn.Bhd.	0.04	1.48	-	-	-	-	-	-
PT Crompton Prima Switchgear Indonesia	(0.31)	(12.64)	-	-	-	-	-	-
Axiro Semiconductor Inc.	6.89	278.27	(0.05)	(0.52)	-	-	(0.05)	(0.52)
Axiro Semiconductor (Shenzhen) Co. Ltd	-	-	-	-	-	-	-	-
Axiro Semiconductor Turkey Araştırma ve Geliştirme A.Ş.	-	-	-	-	-	-	-	-
Consolidation adjustment and elimination	5.33	215.26	(3.13)	(30.38)	(148.48)	7.42	(2.37)	(22.96)
Non controlling interest								
I. Subsidiaries								
a) Indian								
CG Adhesive Products Limited (<i>formerly known as "CG-PPI Adhesive Products Limited"</i>)	0.13	5.31	0.10	0.95	0.00	0.00	0.10	0.95
CG Semi Private Limited	0.69	27.95	(0.13)	(1.30)	6.82	(0.34)	(0.17)	(1.64)
G.G Tronics India Private Limited	2.22	89.80	0.22	2.12	1.32	(0.07)	0.21	2.05
b) Foreign								
PT Crompton Prima Switchgear Indonesia	(0.30)	(12.15)	-	-	-	-	-	-
Consolidation adjustment and elimination	2.05	82.77	(0.35)	(3.39)	-	-	(0.35)	(3.39)
Total	100.00	4037.63	100.00	972.98	100.00	(5.00)	100.00	967.98

Notes accompanying the Consolidated Financial Statements (Contd.)

59. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 AS AT AND FOR THE YEAR ENDED 31 MARCH, 2025 AND 31 MARCH, 2024 (Contd.)

Year Ended 31 March, 2024

Name of the entity in the Group	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ crores	As % of consolidated profit or loss	Amount ₹ crores	As % of consolidated other comprehensive income	Amount ₹ crores	As % of consolidated total comprehensive income	Amount ₹ crores
I. Parent								
CG Power and Industrial Solutions Limited	107.51	3245.44	70.35	1004.36	119.85	(9.54)	70.08	994.82
II. Subsidiaries								
a) Indian								
CG Adhesive Products Limited (<i>formerly known as "CG-PPI Adhesive Products Limited"</i>)	0.74	22.21	0.21	3.04	0.38	(0.03)	0.21	3.01
CG Power Solutions Limited (dissolved w.e.f. 10 November 2023)	-	-	(0.00)	(0.01)	-	-	(0.00)	(0.01)
CG Power Equipments Limited	0.00	0.00	0.00	0.00	-	-	0.00	0.00
CG Semi Private Limited (incorporated w.e.f. 08 March, 2024)	(0.14)	(4.13)	(0.29)	(4.14)	-	-	(0.29)	(4.14)
b) Foreign								
CG International B.V.	(58.30)	(1759.96)	(10.80)	(154.21)	-	-	(10.86)	(154.21)
CG Power Americas, LLC	(3.55)	(107.14)	7.33	104.58	-	-	7.37	104.58
CG DE Sub, LLC (<i>formerly known as "QEI, LLC"</i>)	-	-	5.65	80.67	-	-	5.68	80.67
CG Power Solutions UK Limited (dissolved w.e.f. 02 June, 2023)	-	-	(1.08)	(15.36)	-	-	(1.08)	(15.36)
CG Industrial Holdings Sweden AB	5.19	156.57	0.28	4.04	-	-	0.28	4.04
CG Drives & Automation Sweden AB	6.78	204.62	2.02	28.83	-	-	2.03	28.83
CG Drives & Automation Netherlands B.V.	1.23	37.21	0.26	3.78	-	-	0.27	3.78
CG Drives & Automation Germany GmbH	0.99	29.90	0.25	3.54	-	-	0.25	3.54
CG International Holdings Singapore Pte. Limited	(3.48)	(105.05)	1.14	16.22	-	-	1.14	16.22
CG Sales Network Malaysia Sdn.Bhd.	0.04	1.34	-	-	-	-	-	-
PT Crompton Prima Switchgear Indonesia	(0.42)	(12.64)	-	-	-	-	-	-
Consolidation adjustment and elimination	43.37	1309.07	24.64	351.67	(20.23)	1.61	24.88	353.28
Non controlling interest								
I. Subsidiaries								
a) Indian								
CG Adhesive Products Limited (<i>formerly known as "CG-PPI Adhesive Products Limited"</i>)	0.14	4.36	0.04	0.60	0.00	(0.00)	0.04	0.60
b) Foreign								
PT Crompton Prima Switchgear Indonesia	(0.40)	(12.15)	-	-	-	-	-	-
Consolidation adjustment and elimination	0.30	9.12	-	-	-	-	-	-
Total	100.00	3018.77	100.00	1427.61	100.00	(7.96)	100.00	1419.65

Notes accompanying the Consolidated Financial Statements (Contd.)

60. Amounts shown as ₹ 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand).

For and on behalf of the Board

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per Aravind K

Partner

Membership No. 221268

Mumbai : 06 May, 2025

Amar Kaul

Managing Director & CEO

(DIN : 07574081)

Susheel Todi

Chief Financial Officer

Mumbai : 06 May, 2025

Vellayan Subbiah

Chairman

(DIN : 01138759)

Sanjay Kumar Chowdhary

Company Secretary



CG's Vacuum Interrupters' assembly in progress in a controlled environment at Switchgear unit (S6), Aurangabad, Maharashtra

**ADDITIONAL
INFORMATION**

PRODUCTS & SERVICES

Industrial Systems

MV MOTORS & GENERATORS

- MV Induction Motor including safe area and all type of hazardous area machines upto 12MW, Polarity upto 24 poles, Voltage upto 13.2kV and in frame Size 315 to 1250 (both horizontal and vertical frame), Squirrel Cage and Slip Ring Induction motors in enclosure type TEFC, CACA, CACW, SPDP & TETV
- Synchronous Generators from up to 25MVA in frame size up to 1250, upto 13.2kV in enclosures type CACA, CACW & SPDP
- Industrial duty DC machines upto 2000kW, in frame size upto 630, Voltage upto 800V, in enclosures type CACA, CACW & SPDP

LT MOTORS

- AC Motors, Frame 63 to 450 (0.18kW to 850kW) in IE2 and IE3
- Super Premium Efficiency Motors IE4 80 to 450 frame sizes
- TEFC Motors available in Squirrel cage & Slipring constructions, suitable for Safe Area & Hazardous Area
- AC Motors Apex Series, Frame 80 to 450LX (0.75 to 710kW) IE2 Efficiency and Frame 80 to 450LX (0.75 to 630kW) IE3 Efficiency
- AC Motor NEMA Range 143 to 405 (0.75 to 75kW) EPACT and Premium
- AC Motor Kibosh Series Brake Motors, Frame 80 to 315L (0.37kW to 160kW)
- Laminated Yoke DC Motors Frame 100 to 560 (0.75kW to 1320kW) II Solid Yoke DC motors Frame 180 to 315 (0.75kW to 90kW)
- Mill duty motors DC motors Frame 802 to 816 (7.5kW to 200kW)
- Alternators Brushless Series Frame 160 to 450 (5kVA to 2500kVA) II Alternator Ustad Series: Slipring Alternators from 5kVA to 82.5kVA
- Crane Duty Motors (SQ Cage and Slip Ring) Frame 80 to 450 frame
- Agnita range of Flame Proof Motors from 80 to 400 frame in Gas Group IIA, IIB and IIC. Efficiency Class IE2 / IE3 / IE4
- Fire Fighting Range of Motors from 5.5kW to 200kW
- Hazardous Area Motors - Increased Safety (Ex'eb') motors upto 400 frame and Increased Safety (Ex'ec') up to 450 frames

- Roller Table Motors upto 355 frame size
- IE4 Axelera Series, Process performance Motors, frame 80 to 132 (0.55kW to 7.5kW)
- Smoke extraction motors for 300°C and 400°C, frame 80 to 315 (0.75kW to 160 kW) IE2/IE3/IE4
- UL listed motors, frame 80 to 355 LX (0.37kW to 375kW) Crusher duty motors, frame 225 to 355 (45kW to 250 kW)
- IE5 super premium efficiency motors up to 7.5kW or 132 frame size

FHP MOTORS

- NEMA B42, B48 Frame: 30 to 370W, 2 / 4 / 6 / 8 Pole Sheet Metal Body Motors
- M50 Frame (NEMA B56 / 143T / 184): 187 to 2250W, 2 / 4 / 6 / 8 Pole Sheet Metal Body Motors
- 100S Frame: 1100 to 2250W, 4 / 6 Pole Sheet Metal Body Motors
- IEC 80 - 160 - Cast Iron Frame: 370 to 5500W, 4 Pole Single Phase Motors
- IEC 63 - 112 - Aluminum PDC Frame 187 to 2250W, 2 / 4 Pole Single Phase Motors
- Aluminum Extrusion Motor : 100 to 750 Watt 4/6/8 Pole
- Flame Proof Enclosure: 370 to 750W, 4 Pole Motors
- Customized Frames: 20 to 1500W, 2 / 4 / 6 / 8 Pole Motors for Appliance / Equipment's
- BLDC (Brushless DC) Motors - 40, 100 & 160 Watts - 500 RPM

CONSUMER PRODUCT RANGE

RESIDENTIAL, COMMERCIAL AND AGRICULTURE PUMPS

- Slow Speed Self Priming Pumps: 0.5HP and 1.0HP
- Open Well Submersible Pumps: 0.5HP to 2.0HP (1 Ph); 2 to 7.5HP (3 Ph)
- High Speed Self Priming Pumps: 0.5, 1.0 and 1.5HP
- High Speed Super Suction Pumps: 0.5, 1.0 & 1.5HP
- Bore Well Submersible Pumps: V3 & V4 (0.5 - 2HP 1 Ph, 1 - 5 HP 3 Ph)
- Bore Well Submersible Pumps : V5, V6, V7, V8 (3 - 20 HP 1 / 3 Ph)

- Shallow Well Jet Pumps: 0.5, 1.0 & 1.5HP
- Centrifugal Mono Block Pumps: 0.5 to 5.0HP (1Ph) and 2 - 20 HP (3 Ph)
- Self Priming Pressure Booster Pumps: 0.5 HP to 1.0 HP
- Horizontal Multistage Pressure Booster Pumps: 0.5HP to 1.5 HP
- Sewage Submersible Pumps: 0.5HP to 7.5HP
- End suction Pumps (Fire-Fighting): up to 150 metres head
- Inline Pressure booster & Automatic Pump Controllers

DOL / STAR DELTA STARTERS (FOR PUMPS)

- Panel Single Phase – 0.5HP to 2HP
- Single Phase DOL Starters: 1HP - 5HP
- Three Phase DOL Starters: 1HP - 20HP
- Three Phase Star Delta Starters: 1HP - 20HP

FANS

- Standard Ceiling Fans: 24 / 36 / 48 / 56 Inches sweep size, Energy - Efficient with 1 Star BEE Rating
- Decorative Ceiling Fans: 36 / 48 Inches sweep size, Energy - Efficient with 1 Star BEE Rating
- BLDC Ceiling Fans: 48 Inches sweep size, Energy - Efficient with 5 Star BEE Rating.
- Table Fans: 9 / 12 / 16 Inches sweep size
- Wall Fans: 12 / 16 Inches sweep size
- Pedestal Fans: 16 / 20 Inches sweep size
- Domestic Exhaust Fans: 4 / 6 / 8 / 9 / 10 / 12 Inches sweep size
- Heavy Duty Exhaust Fans: 12 inches to 24 inches

WATER HEATERS

- Instant Water Heaters: 1Ltr / 3Ltrs / 5 Ltrs capacity – ISI Mark
- Storage Water Heater: 6Ltrs / 10Ltrs / 15 Ltrs / 25Ltrs – with 5 Star BEE rating.

RAILWAY BUSINESS

TRACTION MACHINES & SYSTEM DIVISION

- AC Traction Motors (Electric Loco, Diesel Loco, Trainset / Metro / EMU / MEMU and DEMU)
- DC Traction Motors (Electric Loco, Diesel Loco, DEMU, DETC SPIC / Other Self-propelled Vehicle)

AIR COOLERS

- Desert Cooler: 75 Ltr / 95 Ltr capacity
- Personal Cooler: 18 Ltr / 36 Ltr / 45 Ltr / 55 Ltr
- Tower Cooler: 35 Ltr
- Window Cooler: 60 Ltr

INDUSTRIAL DRIVES AND AUTOMATION (INDIA)

- LV Drives Systems upto 4MW, Voltage upto 690VAC
- DC Drives System upto 980kW, Voltage upto 1000VDC
- Offering automation product PLC & HMI (New Product)
- Shaft Power Monitors (Emotron M20)
- Active front end Drive(AFE) - 55kW to 3,000kW voltage upto 690 Volt
- CG is into solution business for Sectorwise application specific solutions & projects, including Inverter Duty Transformer, Variable Frequency Drives, Switchgear Panels and Rotating Machines as complete package

INDUSTRIAL DRIVES AND AUTOMATION (SWEDEN)

- Constant torque and variable speed drives for many application (Emotron FDU / VFX 2.0), power range 0.55 to 4,000kW, Voltage 230- 690VAC with protection class IP20, IP21 and IP54
- Soft starters power range 5.5 to 1,000kW, up to 690V
- Active front end Drive(AFE) - 55kW to 4,000 kW voltage upto 690 Volt (Slim LC)
- Shaft Power Monitors (Emotron M20)
- Cost efficient motor mounted Drives (Emotron CDU / CDX)
- Compact machinery drives with high functionality (Emotron DSV15 / 35)
- Drives solution via dedicated Emotron project team – Cabinet, Engineering and customization
- Customization and co-branding for OEMs and system integrators.
- Service and spared parts including installation, training, preventative and annual maintenance etc.

- Traction Alternators (Diesel Electric Loco, DEMU, DETC SPIC / Other Self-propelled Vehicle)
- Complete Electrics including integrated power pack with Traction Alternator, Traction Motors, Control Equipment, Rectifier, Auxiliary Alternator for Diesel Electrics Tower Car (DETC) with on board and Underslung Electrics, Self-Propelled Inspection car (SPIC) & Diesel Electric Multiple Units (DEMU)

RAIL TRANSPORTATION TRACTION ELECTRONICS DIVISION

- IGBT Based Traction and Auxiliary Converters for Electric Locomotive
- IGBT Based Composite Converter / Hotel load converter for 3 phase Electric Locomotive
- Vehicle Control Unit (VCU) and Control Panels for Locomotive
- Propulsion System and electrics for EMU / MEMU / Trainset
- Auxiliary converters for Diesel / Electric Locomotives, DEMUs & EMUs
- Train Control and Management System (TCMS)
- 9000 HP propulsion system for Electric Locomotive

RAILWAY SIGNALLING DIVISION

SIGNALLING PRODUCTS

- Q-Type Signalling Relays
- Electric Point Machines – Operating Voltage - 110 V DC & 380 V AC
 - Non-trailable - 143 mm / 220 mm throw
 - Trailable - 175 mm / 220 mm throw
 - Non Trailable - Dual Gauge Point Machine (143mm / 220 mm throw)
- DC Series Motor for Electric Point Machines
- DC Series Motors IP67 with 160 V & 400 V ACI for Electric Point machines

- Back Drive (Secondary Drive with 220 mm Throw Point Machine)
- Rail Traction SCADA & Power Management System
- BLDC Industrial Fans

COACH APPLICATIONS PRODUCTS

- BLDC Carriage Fans
- Universal Carriage Fan (AC, DC)

CONTROL PANELS FOR LOCOMOTIVES AND COACHES

- Switch Board Panels for Locomotives – SB1, SB2, HB1, HB2, Cubicle F
- Filter Cubical Panels for Locomotive
- Panels, EDTS 355 for LHB EOG Non-AC Coaches
- Switch Board Cabinet for LHB EOG / HOG AC COACHES-SBC184, SBC192, SBC 200

STAMPING AND LAMINATION

- Lamination of 0.5 mm, 0.65 mm thick, from 65 mm (2.6 inches) to 1300 mm (51 inches) diameter in CRNGO and CRCA material in all grades & coatings for guaranteed watt loss & permeability as per customer requirement
- Auto stacked stators and stacked & skew rotors, High speed up to 425 mm diameter with additional features like air gap cutting
- Notching operation up to 1300 mm (51 inches) diameter

POWER SYSTEMS

TRANSFORMERS & REACTORS

- Auto Transformers (up to 1200kV)
- Generator Transformers (up to 800kV)
- Power Transformers (up to 800kV)
- STATCOM application Transformer (up to 420kV)
- Shunt Reactors (up to 800kV)
- Variable Shunt Reactors (up to 420kV)
- Furnace Transformers
- Locomotive Transformers
- Trackside Transformers
- Distribution Transformers
- Energy - Efficient Transformers (BIS Level, IS:1180)
- Green Transformers (Filled with Natural / Synthetic Ester Oil)

- Dry Type Transformers (Cast Resin)
- Traction Transformers
- Solar Inverter Application Transformers

SWITCHGEARS

- Current Transformers upto 800kV (with Porcelain and Composite Insulators)
- Capacitive Voltage Transformers upto 1200kV (with Porcelain and Composite Insulators)
- Inductive Voltage Transformers upto 420kV
- Dry type Primary Voltage Transformers 25kV
- Dry Type HV Bushing 35kV
- OIP Condenser Bushings up to 800kV
- Coupling / Grading Capacitors up to 420kV

- Indoor Vacuum Circuit Breakers up to 40.5kV
- Outdoor Vacuum Circuit Breakers up to 36kV
- Indoor Gas Insulated Switchgear (GIS) up to 36kV
- Indoor and Outdoor Ring Main Units up to 36kV
- Gas Circuit Breakers up to 800kV
- Gas Insulated Switchgear (GIS) 66 to 245kV
- Hybrid Gas Insulated Switchgear (GIS) 245kV
- Dead Tank Circuit Breakers (DTB) 72.5kV
- Disconnectors up to 245kV
- Lightning Arresters up to 1200kV along with allied accessories (with Porcelain and Composite Insulators)
- Numerical Protection Relays
- Control and Relay Panels
- Substation Automation
- Vacuum Interrupters up to 72.5kV
- LV and MV Vacuum Contactors up to 36kV
- Forward / Reverse Vacuum Contactor Panels up to 36kV
- MV Electrical Soft Starters up to 12kV / 100KW – 20MW
- Gas Insulated Sectionalizer up to 38kV
- Automatic Circuit Reclosers up to 38kV
- Load Break Switch up to 38kV

POWER QUALITY SOLUTIONS

- Advanced Static VAR Compensators (STATCOM - 380 V to 36 kV)
- Automatic Power Factor Correction System (APFC)
- Thyristor Switched Capacitor Panel (TSC - 380 V to 690 V)

- Indoor / Outdoor Mechanically Switched Capacitor Bank (MSC – 380 V to 36kV)
- Fixed / Manual Switched HT Capacitor Bank (3.3 kV to 132kV)
- Indoor Capacitor Bank (3.3 kV to 12kV)
- Outdoor Capacitor Bank (3.3 kV to 132 kV)
- Vacuum Capacitor Switch (up to 36 kV)
- LT and HT Capacitors

HARMONIC FILTERING SOLUTIONS

- Passive Harmonic Filter (380 V to 36 kV)
- Active Harmonic Filter (380 V to 36 kV)

ENGINEERING PROJECTS

Projects on turnkey basis from concept to commissioning:

- Turnkey Air Insulated Substation (AIS) upto 765kV
- Turnkey Gas Insulated Substation (GIS) upto 400kV
- Engineered Packages
- Construction Packages for own EHV Equipment

CG POWER SYSTEM SERVICE

- Installation and Commissioning
- Onsite Services and Inspection
- Repairs, Upgrading and Retrofitting
- Condition Monitoring and Diagnosis
- Power Quality Audits
- Service Contracts
- Supply of Spare Parts
- Training



*Vacuum Interrupter Assembly in progress in controlled Environment
at Switchgear division S6, Aurangabad , Maharashtra.*



ESTABLISHMENTS

Establishments

REGISTERED OFFICE

CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

CG House, 6th Floor
Dr. Annie Besant Road
Worli Mumbai - 400 030
Maharashtra, India
Tel: +91 (0)22 2423 7777, 2423 7764, 2423 7765
Fax: +91 (0)22 2423 7733

POWER SYSTEMS

POWER TRANSFORMER DIVISION (T3)

Plot No. 29-32, New Industrial Area No.1,
AKVN, District Raisen,
Mandideep 462046,
Madhya Pradesh, India
Tel +91 (0)7480 408200, 408201
Email: ajay.jain@cgglobal.com

DISTRIBUTION TRANSFORMER DIVISION (T2)

Plot No. T1-T5, MPAKVN Industrial Area,
District Bhind, Malanpur-477117,
Madhya Pradesh, India
Tel +91 (0) 9713 063899
Email: sujeet.singh@cgglobal.com

SWITCHGEAR DIVISION (S1, S2, S3, S4, GIS)

A-3, M.I.D.C., Ambad,
Nashik 422 010, Maharashtra, India
Tel +91 (0)253 230 1101
Email: gaurav.makhija@cgglobal.com

SWITCHGEAR DIVISION (S6)

Vacuum Interrupters & Instrument Transformer Division

D2 & D1/2, MIDC, Waluj
Aurangabad 431 136, Maharashtra, India
Tel +91 (0)240 255 8081
Fax +91 (0)240 255 4697
Email: delip.wakode@cgglobal.com

ENGINEERING PROJECTS DIVISION

Plot no 418 & 419, Wing "B",
AIHP Signature Tower, 1st Floor,
Udhog Vihar, Phase – IV,
Gurgaon – 122015, Haryana
Tel +91 (0)124 462 7700
Fax +91 (0)124 462 7777
Email: sanjay.sahni@cgglobal.com

INDUSTRIAL SYSTEMS

LARGE INDUSTRIAL MACHINES

Plot No. 9, MPAKVN, Phase 2
New Industrial Area, Mandideep 462 046
Madhya Pradesh, India
Tel +91 (0)7480 427 107, 427 102, 427 110
Email: swapnil.shinde@cgglobal.com

LT MOTORS (UNIT I)

Plot No. A-6/2, MIDC Industrial Area,
Ahmednagar 414 111
Maharashtra, India
Tel +91 (0)241 662 6102, 277 7500
Email: gautam.suvarnpathaki@cgglobal.com

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NOTES

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NOTES

The Spirit of the Murugappa Group

These **five lights** guide us as we navigate through professional and personal decisions.

The five lights

The light of
INTEGRITY
that gives us the courage to
always do the right thing

The light of
RESPONSIBILITY
that gives us the humility to
think about the world around us

The light of
PAS2ION
that provides us with
the desire to win

The light of
RESPECT
that inspires people
around us to perform

The light of
QUALITY
which makes us
dream of excellence





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