

CG Power and Industrial Solutions Limited

Registered Office:
CG House, 6th Floor, Dr Annie Besant Road, Worli, Mumbai 400 030, India
T: +91 22 2423 7777 F: +91 22 2423 7733 W: www.cgglobal.com
Corporate Identity Number: L99999MH1937PLC002641



Smart solutions.
Strong relationships.

Our Ref: COSEC/37/2020-21

July 26, 2020

By portal

The Corporate Relationship Department

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

The Assistant Manager – Listing

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
Mumbai 400 051

Scrip Id : CGPOWER

Dear Sir/Madam,

Sub: Disclosure under Regulation 23(9) of (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Pursuant to Regulation 23(9) of Listing Regulations, we are submitting herewith the half-yearly disclosure on Related Party Transactions on a consolidated basis, in the format specified in the relevant accounting standards for the quarter ended March 31, 2020.

Request you to kindly take the above information on record.

Thanking you,

Yours faithfully,
For **CG Power and Industrial Solutions Limited**

Alen Ferns
Company Secretary and Compliance Officer

Encl: As above.

CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Disclosure of Related Party Transactions on a consolidated basis, in the format specified in the accounting standards for the six months ended 31 March, 2020

(a) List of related parties:

(i) Subsidiaries:

Sr. No.	Name of the Related Party	Country of Incorporation	% Equity Interest
			As at 31-03-2020
1	CG Power Solutions Limited	India	100.00
2	CG-PPI Adhesive Products Limited	India	81.42
3	CG Power Equipments Limited	India	100.00
4	CG International Holdings Singapore Pte. Limited	Singapore	100.00
5	CG Sales Networks Malaysia Sdn. Bhd. (formerly known as "Crompton Greaves Sales Network Malaysia Sdn.Bhd.")	Malaysia	100.00
6	CG International B.V.	The Netherlands	100.00
7	CG Holdings Belgium N.V. *	Belgium	-
8	CG Power Systems Belgium N.V. *	Belgium	-
9	CG Power Systems Ireland Limited *	Ireland	-
10	PT. CG Power Systems Indonesia *	Indonesia	-
11	CG Sales Networks France SA *	France	-
12	CG Power Solutions Saudi Arabia Limited*	Saudi Arabia	-
13	CG Electric Systems Hungary Zrt.	Hungary	100.00
14	CG Power Solutions UK Limited	United Kingdom	100.00
15	CG Power Systems Canada Inc.	Canada	100.00
16	CG- Ganz Generator and Motor Limited Liability Company (formerly known as "CG Holdings Hungary Kft.")	Hungary	100.00
17	CG Service Systems France SAS	France	100.00
18	CG Industrial Holdings Sweden AB	Sweden	100.00
19	CG Drives and Automation Sweden AB	Sweden	100.00
20	CG Drives and Automation Germany GmbH	Germany	100.00
21	CG Drives and Automation Netherlands B.V.	The Netherlands	100.00
22	CG Middle East FZE	UAE	100.00
23	QEI, LLC	USA	100.00
24	CG Power Americas, LLC	USA	100.00
25	PT Crompton Prima Switchgear Indonesia	Indonesia	51.00
26	CG Power and Industrial Solutions Limited Middle East FZCO	UAE	100.00

* During the period, CG Holdings Belgium NV (HBE) and CG Power Systems Belgium NV (PSBE) were declared bankrupt by Enterprise Court of Antwerp, Division Mechelen ("Court") on 3 February, 2020 and the Court has appointed Receivers. Based on the legal advice obtained, the Group believes that it no longer retains control over above-mentioned subsidiaries, CG Power Solutions Saudi Arabia Ltd and also of the step down subsidiaries of PSBE viz., CG Power Systems Ireland Ltd, PT CG Power Systems Indonesia and CG Sales Networks France SA (collectively 'HBE Group') w.e.f. the date of bankruptcy. For reasons mentioned in note 2(d) in Statement of Consolidated Financial Results for the quarter and year ended 31 March, 2020 communicated to stock exchange vide disclosure dated 27 June 2020, the Group has considered practical expedient to deconsolidate the accounts of the above mentioned subsidiaries w.e.f. 1 January, 2020 (assumed date) and consequently these entities ceased to be treated as subsidiaries and as related parties w.e.f. 1 January, 2020.

(ii) Key Management Personnel:

1	Sudhir Mathur	- Whole Time - Executive Director
2	Ashish Kumar Guha	- Non- Executive Independent Director and Chairman
3	Narayan K. Seshadri	- Non- Executive Independent Director
4	Ramni Nirula	- Non- Executive Independent Director
5	Jitender Balakrishnan	- Non- Executive Independent Director
6	Pradeep Mathur	- Non- Executive Independent Director (Appointed w.e.f. 30 December, 2019)
7	Dr. Aditi Raja	- Non- Executive Independent Director (Appointed w.e.f. 24 January, 2020)
8	Dr. Rathin Roy	- Non- Executive Independent Director (Appointed w.e.f. 24 January, 2020)
9	Alen Ferns	- Company Secretary and Compliance Officer (Appointed w.e.f. 18 March, 2020)
10	Gautam Thapar	- Non- Executive Director, Chairman and Promoter Director (Ceased to be Chairman w.e.f. 29 August, 2019 and ceased to be Director w.e.f. 9 October, 2019)
11	K. N. Neelkant	- Executive Director, CEO & Managing Director (Resigned w.e.f. 30 September, 2019)
12	Omkar Goswami	- Non- Executive Director (Resigned w.e.f. 14 December, 2019)
13	Shikha Kapadia	- Company Secretary and Compliance Officer (Resigned as the Company Secretary and Compliance Officer w.e.f. 31 December, 2019)
14	Nimesh S Shah	- Company Secretary and Compliance Officer (Appointed w.e.f. 1 January 2020 and Resigned w.e.f. 31 January, 2020)

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(a) List of related parties (contd.):

(iii) Other Related Parties in which directors are interested:

1	Ballarpur Industries Limited#	(Ceased to be a related party w.e.f. 9 October, 2019)
2	BILT Graphic Paper Products Limited#	(Ceased to be a related party w.e.f. 9 October, 2019)
3	Avantha Holdings Limited (AHL)#	(Ceased to be a related party w.e.f. 9 October, 2019)
4	Avantha Realty Limited#	(Ceased to be a related party w.e.f. 9 October, 2019)
5	Jhabua Power Limited#	(Ceased to be a related party w.e.f. 9 October, 2019)
6	Solaris Industrial Chemicals Limited#	(Ceased to be a related party w.e.f. 9 October, 2019)
7	Avantha Power & Infrastructure Ltd#	(Ceased to be a related party w.e.f. 9 October, 2019)
8	Avantha International Assets BV#	(Ceased to be a related party w.e.f. 9 October, 2019)
9	Ballarpur International Holdings BV#	(Ceased to be a related party w.e.f. 9 October, 2019)
10	Mirabelle Trading PTE Ltd.#	(Ceased to be a related party w.e.f. 9 October, 2019)
11	CERG Advisory Private Limited	(Ceased to be a related party w.e.f. 14 December, 2019)

Ceased to be a related party upon resignation of Mr Gautam Thapar w.e.f. 9 October, 2019

(iv) Post Employment Benefit Entity:

1	CG Provident Fund
2	CG Gratuity Fund

(b) The following transactions were carried out with the related parties:***

		₹ crores
Sr. No.	Nature of transaction / relationship	Six months ended 31 March, 2020
1	Salaries, commission and perquisites ** Key Management Personnel Sudhir Mathur K. N. Neelkant Shikha Kapadia Nimesh Shah Alen Ferns	 1.56 1.19 0.14 0.05 0.01
	Total	2.95
2	Sitting fees Key Management Personnel Ashish Kumar Guha Narayan K. Seshadri Ramni Nirula Jitender Balakrishnan Pradeep Mathur Dr. Aditi Raja Dr. Rathin Roy Omkar Goswami	 0.28 0.15 0.19 0.29 0.09 0.07 0.04 0.11
	Total	1.22
3	Other expenses Other Related Party CERG Advisory Private Limited	 0.06
	Total	0.06
4	Credit in loans and advances receivable on account of GST of brand royalty Other Related Party Avantha Holdings Limited	 4.85
	Total	4.85

Note:

***Remuneration does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Group as a whole.

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(c) Amount due to / from related parties:***

Sr. No.	Nature of transaction / relationship	₹ crores	
		As at 31-03-2020	
1	Due to Key Management Personnel		
	Sitting fees		
	Ashish Kumar Guha		0.15
	Narayan K. Seshadri		0.07
	Ramni Nirula		0.08
	Jitender Balakrishnan		0.15
	Pradeep Mathur		0.03
	Dr. Aditi Raja		0.02
	Dr. Rathin Roy		0.03
	Omkar Goswami		0.03
	Total		0.56

(d) Compensation of Key Management Personnel of the Group:

Nature of transaction	₹ crores	
	Six months ended 31 March, 2020	
Short-term employee benefits		2.87
Post-employment benefits		0.08
Total compensation paid to key management personnel		2.95

***Other related parties in which directors are interested (serial no. 1 to 10 in a(iii) above) have ceased to be a related party w.e.f. 9 October 2019 and are considered as promoter affiliate companies in the Consolidated Financial Results for the quarter and year ended 31 March, 2020 communicated to stock exchange vide disclosure dated 27 June 2020. Above related party disclosure does not include transactions with these entities after the date these entities ceased to be a related parties in the Group. Similarly the amount due to / from related parties does not include balances with these parties as at 31 March 2020. However, transactions and balances with these entities are subject to investigation to ensure completeness of such transactions / accounting adjustments as disclosed in note 6 of said Consolidated Financial Results for the quarter and year ended 31 March, 2020.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and are done in the ordinary course of business.

Outstanding balances at the year-end are unsecured and settlement occurs in cash.

The Group makes monthly contributions to provident fund managed by "CG Provident Fund" for certain eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. During the period, the Group contributed ` 6.18 crores.

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (CG Gratuity Fund). During the period, the Group contributed ` Nil in this Gratuity Fund.