

CG Power and Industrial Solutions Limited

Registered Office:
CG House, 6th Floor, Dr Annie Besant Road, Worli, Mumbai 400 030, India
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Corporate Identity Number: L99999MH1937PLC002641



Our Ref: COSEC/105/2019-20

September 29, 2019

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')


Pursuant to Regulation 23(9) of Listing Regulations, we are submitting herewith disclosure of Related Party Transactions on a consolidated basis, in the format specified in the relevant accounting standards for the financial year ended March 31, 2019.

Further please note that since there has been a restatement of accounts of the Company as per the disclosure of the Company dated August 30, 2019, the Company is unable to specifically make the disclosure of related party transactions pertaining to the half year ended March 31, 2019 and hence the Company is submitting the disclosure of the related party transactions for the full financial year 2018-19.

Request you to kindly take the above information on record.

Thanking you,

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


Shikha Kapadia
Company Secretary and Compliance Officer
ACS no. 20733



Encl: As above.

CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

Disclosures as required by Indian Accounting Standard (Ind AS) 24 Related Party Disclosures

(a) In terms of Indian Accounting Standard (Ind AS) 24 Related Party Disclosures, Indian Accounting Standard (Ind AS) 110 Consolidated Financial Statements and (Ind AS) 28 Investment in Associates and Joint Ventures in Consolidated Financial Statements specified by the Companies (Accounting Standards) Rules, 2015 (as amended), the Consolidated Financial Statements present the Consolidated Financial Statements of CG Power and Industrial Solutions Limited (the Parent Company) with its subsidiaries, associate and joint venture as under:

(i) Subsidiaries:

Sr. No.	Name of the Related Party	Country of Incorporation	% Equity Interest	% Equity Interest
			As at 31-03-2019	As at 31-03-2018
1	CG Power Solutions Limited	India	100.00	100.00
2	CG-PPI Adhesive Products Limited	India	81.42	81.42
3	CG Power Equipments Limited (formerly known as "Crompton Greaves Consumer Products Limited")	India	100.00	100.00
4	CG International Holdings Singapore Pte. Limited	Singapore	100.00	100.00
5	CG Sales Networks Malaysia Sdn Bhd (formerly known as "Crompton Greaves Sales Network Malaysia Sdn.Bhd.")	Malaysia	100.00	100.00
6	CG International B.V.	The Netherlands	100.00	100.00
7	CG Holdings Belgium N.V.	Belgium	100.00	100.00
8	CG Power Systems Belgium N.V.	Belgium	100.00	100.00
9	CG Power Systems Ireland Limited	Ireland	100.00	100.00
10	PT. CG Power Systems Indonesia	Indonesia	95.00	95.00
11	CG Sales Networks France SA	France	99.70	99.70
12	CG Power Solutions Saudi Arabia Limited	Saudi Arabia	51.00	51.00
13	CG Electric Systems Hungary Zrt.	Hungary	100.00	100.00
14	CG Power Solutions UK Limited	United Kingdom	100.00	100.00
15	CG Power Systems Canada Inc.	Canada	100.00	100.00
16	CG- Ganz Generator and Motor Limited Liability Company (formerly known as "CG Holdings Hungary Kft.")	Hungary	100.00	100.00
17	CG Service Systems France SAS	France	100.00	100.00
18	CG Industrial Holdings Sweden AB	Sweden	100.00	100.00
19	CG Drives and Automation Sweden AB	Sweden	100.00	100.00
20	CG Drives and Automations Germany GmbH	Germany	100.00	100.00
21	CG Drives and Automation Netherlands B.V.	The Netherlands	100.00	100.00
22	CG Middle East FZE	UAE	100.00	100.00
23	CG Holdings Americas, LLC (merged with CG Power Americas LLC w.e.f. 1 April, 2019)	USA	100.00	100.00
24	QEI, LLC	USA	100.00	100.00
25	CG Power Americas, LLC	USA	100.00	100.00
26	CG Solutions Americas, LLC (merged with CG Power Americas LLC w.e.f. 1 April, 2019)	USA	100.00	100.00
27	PT Crompton Prima Switchgear Indonesia (Subsidiary w.e.f. FY 2018-19)	Indonesia	51.00	NA
28	CG Power and Industrial Solutions Limited Middle East FZCO (incorporated on 15 October, 2018)	UAE	100.00	NA

(ii) Associate:

Sr. No.	Name of the Related Party	Country of Incorporation	% Equity Interest	% Equity Interest
			As at 31-03-2019	As at 31-03-2018
1	CG International BV TR. & Cont. Pvt. Co. LLC. (Liquidated w.e.f. 18 June, 2019) (formerly known as "Pauwels Middle East Trading & Contracting (Pvt) Co. LLC")	Sharjah	49.00	49.00

(iii) Joint Venture:

Sr. No.	Name of the Related Party	Country of Incorporation	% Equity Interest	% Equity Interest
			As at 31-03-2019	As at 31-03-2018
1	PT Crompton Prima Switchgear Indonesia (upto FY 2017-18) (Refer note below)	Indonesia	-	51.00

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Disclosures as required by Indian Accounting Standard (Ind AS) 24 Related Party Disclosures (Contd.)

Note:

The % voting rights that Parent Company holds in all its subsidiaries is equal to the % of corresponding shareholding except in case of Serial No. 10 PT CG Power Systems Indonesia. The Parent Company holds 95% of shareholding in PT CG Power Systems Indonesia through its subsidiary CG Power Systems Belgium N.V., and balance 5% is held by other partner. However, the parent Company through its subsidiary CG Power Systems Belgium N.V., has 100% voting rights since 5% shares held by other partner has no voting rights (Refer note 3A - t).

In the case of CG Power Solutions Saudi Arabia Limited and PT Crompton Prima Switchgear Indonesia, the financial statements as at 31 December, 2018 have been considered. Material adjustments required for any significant events or transactions for the three months upto 31 March, 2019 have been considered.

During the current year, erstwhile Joint venture of the Group, PT Crompton Prima Switchgear Indonesia, has been treated as subsidiary of the Group on account of the control exercised by the Group.

For the purposes of consolidation, the financial statements of the foreign subsidiaries, associate and joint venture as at 31 March, 2019, have been restated to comply with Indian Accounting Standard (Ind AS).

(iv) Key Management Personnel:

- 1 Gautam Thapar - Non- Executive Director and Promoter Director (ceased to be Chairman w.e.f. 29 August, 2019)
- 2 K. N. Neelkant - Executive Director, CEO & Managing Director
- 3 V R Venkatesh - Chief Financial Officer (ceased w.e.f. 30 August, 2019)
- 4 Shikha Kapadia - Company Secretary and Compliance Officer
- 5 Omkar Goswami - Non- Executive Director
- 6 B. Hariharan - Non- Executive Director (ceased w.e.f. 8 March, 2019)
- 7 Sanjay Labroo - Non- Executive and Independent Director (ceased w.e.f. 1 October, 2018)
- 8 Valentin Von Massow - Non- Executive and Independent Director (ceased w.e.f. 5 August, 2019)
- 9 Ramni Nirula - Non- Executive and Independent Director
- 10 Jitender Balakrishnan - Non- Executive and Independent Director
- 11 Ashish Kumar Guha - Non- Executive and Independent Director
- 12 Sudhir Mathur - Whole Time - Executive Director (Non- Executive and Independent Director w.e.f. 01 October, 2018 upto 10 May, 2019
Whole Time - Executive Director w.e.f. 10 May, 2019)
- 13 Narayan K. Seshadri - Non- Executive Independent Director (Appointed w.e.f. 8 March, 2019)
- 14 Madhav Acharya - Executive Director-Finance & CFO
(ceased to be CFO & Executive Director w.e.f. 12 August, 2017
& ceased to be a Non-Executive Director w.e.f. 30 September, 2017)
- 15 Manoj Koul - Company Secretary (ceased w.e.f. 23 August, 2017)

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

- 1 Ballarpur Industries Limited
- 2 Solaris ChemTech Industries Limited (ceased to be subsidiary of AHL w.e.f. 27 December, 2018)
- 3 BILT Graphic Paper Products Limited
- 4 Avantha Holdings Limited ("AHL")
- 5 Avantha Business Solutions Limited
- 6 Avantha Realty Limited
- 7 Asahi India Glass Limited
- 8 Sulochana Thapar Foundation (formerly known as "Avantha Foundation")
- 9 Varun Prakashan Private Limited
- 10 Korba West Power Company Limited
- 11 Jhabua Power Limited
- 12 Solaris Industrial Chemicals Limited
- 13 Avantha Power & Infrastructure Ltd
- 14 Ballarpur Graphics Paper Product Limited
- 15 Avantha International Assets BV
- 16 Ballarpur International Holdings BV
- 17 Mirabelle Trading PTE Ltd.

(vi) Post Employment Benefit Entity

- 1 CG Provident Fund
- 2 CG Gratuity Fund

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Disclosures as required by Indian Accounting Standard (Ind AS) 24 Related Party Disclosures (Contd.)

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

Sr. No.	Nature of transaction / relationship	₹ crores	
		2018-19	2017-18
1	Sales of goods and services		
	Other Related Parties		
	BILT Graphic Paper Products Limited	0.01	0.04
	Asahi India Glass Limited	-	0.07
	Korba West Power Company Limited	-	0.03
	Jhabua Power Limited	0.39	-
	Total	0.40	0.14
2	Interest expenses		
	Other Related Party		
	Varun Prakashan Private Limited	-	0.50
	Total	-	0.50
3	Interest income		
	Other Related Party		
	Avantha International Assets BV ##	8.62	-
	Total	8.62	-
4	Payment of salaries, commission and perquisites		
	Key Management Personnel		
	K. N. Neelkant#	4.67	4.52
	Madhav Acharya#	-	2.01
	V. R. Venkatesh#	1.90	2.73
	Shikha Kapadia#	0.56	0.07
	Manoj Koul#	-	0.36
	Total	7.13	9.69
5	Rent paid		
	Other Related Parties		
	Avantha Realty Limited	1.87	2.19
	Jhabua Power Limited	0.55	1.42
	Total	2.42	3.61
6	Amounts written off		
	Other Related Party		
	BILT Graphic Paper Products Limited	2.80	-
	Total	2.80	-
7	Other expenses		
	Other Related Parties		
	Avantha Holdings Limited	38.06	79.77
	Avantha Business Solutions Limited	-	0.03
	Sulochana Thapar Foundation	-	0.05
	Jhabua Power Limited	0.19	0.65
	Total	38.25	80.50
8	Loans and advances given (net of repayments) during the year		
	Other Related Parties ##		
	Avantha Holdings Limited	(15.08)	(368.49)
	Avantha Realty Limited	0.43	(2.33)
	Solaris Industrial Chemicals Limited	98.20	280.00
	Avantha International Assets BV	348.46	2.27
	Ballarpur International Holdings BV	3.11	82.25
	Mirabelle Trading PTE Ltd.	34.36	58.97
	Total	469.48	52.67

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

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Disclosures as required by Indian Accounting Standard (Ind AS) 24 Related Party Disclosures (Contd.)

(c) Amount due to / from related parties

Sr.	Nature of transaction / relationship	₹ crores	
		2018-19	2017-18
1	Trade payable		
	Other Related Parties		
	Avantha Holdings Limited	-	0.01
	Mirabelle Trading PTE Ltd.##	6.30	6.56
	Jhabua Power Limited	1.01	1.47
	Total	7.31	8.04
2	Trade receivable		
	Other Related Parties		
	Ballarpur Industries Limited	0.08	0.23
	Solaris ChemTech Industries Limited	-	0.01
	BILT Graphic Paper Products Limited	0.47	3.57
	Jhabua Power Limited	1.31	0.41
	Total	1.86	4.22
3	Loans and advances receivable		
	Other Related Parties ##		
	Avantha Holdings Limited	1006.23	1180.82
	Avantha Realty Limited	10.66	10.23
	Avantha Power & Infrastructure Ltd	15.00	15.00
	Ballarpur Industries Limited	68.50	68.50
	Ballarpur Graphics Paper Product Limited	552.33	552.33
	Solaris Industrial Chemicals Limited	378.20	280.00
	Ballarpur International Holdings BV	85.37	82.25
	Avantha International Assets BV	350.74	2.27
	Mirabelle Trading PTE Ltd.	93.33	58.97
	Total	2560.36	2250.37
4	Due to Key Management Personnel		
	K. N. Neelkant	3.29	2.54
	Total	3.29	2.54
5	Guarantees outstanding		
	Joint Venture		
	PT Crompton Prima Switchgear Indonesia	-	44.87
	Other Related Party		
	Avantha Holdings Limited ##	572.20	500.00
	Total	572.20	544.87

These transactions and balances are subject to investigation to ensure completeness of such transactions / accounting adjustments as disclosed in note 6(y) and 7 of statement of consolidated financial results for the year ended 31 March 2019 communicated to stock exchanges dated 30 August 2019.

(d) Compensation of key management personnel of the Group

Nature of transaction	₹ crores	
	2018-19	2017-18
Short-term employee benefits	6.93	9.49
Post-employment pension, provident fund and medical benefits	0.20	0.20
Commission and other benefits paid to non-executive / independent directors	-	-
Total compensation paid to key management personnel	7.13	9.69

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 except transactions disclosed above in note b(3),(8) and closing balances disclosed in note c(1),(3),(5), where management plans to investigate to ensure relevant disclosures and completeness of these transactions / accounting adjustments.

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 year, the Group contributed ₹ 12.15 crores (Previous year ₹ 11.31 crores).

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (CG Gratuity Fund). During the year, the Group contributed ₹ 7.68 crores (Previous year ₹ 10.02 crores).