

Financial Statements - For the Year Ended 31 March 2022
CG International B.V.
Bladel

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of CG International B.V.

Report on the audit of Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of CG International B.V. ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Changes in Equity for the year then ended and notes to the Special Purpose Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Special Purpose Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special purpose Financial Statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing (SAs) as applicable in India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose 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 Companies Act, 2013 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 opinion on the Special Purpose Financial Statements.



Material Uncertainty related to Going Concern:

We draw attention to Note 22 to the Special purpose financial statements which indicate that Financial Statements of the Company are prepared on a going concern basis, based on its operations through subsidiaries and the willingness of the Holding Company not to demand repayment of the outstanding payables for a period of one year. However, as on March 31, 2022, the net worth of the Company is negative Rs. 1,554.65 crores. Further the Company does not have any operations and its current liabilities exceed its current assets by Rs. 1,971.32 crores as on the March 31, 2022. These conditions indicate the existence of a material uncertainty which may cast a significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Responsibilities of, Management and those charged with Governance for the Special purpose Financial Statements

Management is responsible for the preparation of these Special Purpose Financial Statements in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder, that give a true and fair view of the state of affairs, results of operations and cash flows of the Company in accordance with the accounting principles generally accepted in India. The Management of the Company is responsible for 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 judgements and estimates that are reasonable and prudent; and 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 accompanying Special Purpose Financial Statements that give true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities for the Audit of Special Purpose Financial Statements

Our responsibility is to express an opinion on these Special Purpose Financial Statements based on our audit. The SAs as mentioned above, require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Special Purpose Financial Statements. The procedures selected depend on the



the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Special Purpose Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Special Purpose Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Restrictions for use.

This report is intended solely for use of management of the Company, management of the Holding Company in connection with its preparation of its Consolidated Financial Statements as at and for the year ended March 31, 2022 and the auditors of the Holding Company and should not be used for any other purpose. The financial information may therefore not be suitable for any other purpose.

For C N K & Associates LLP
Chartered Accountants
Firm registration No.



Partner
Membership No.: 106533
UDIN: 22106533AIAICFP3435

Date: April 28, 2022
Place: Mumbai

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CG INTERNATIONAL B.V.
BALANCE SHEET AS AT MARCH 31, 2022

₹ crores

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non - current assets			
(a) Financial assets			
(i) Investments	3	283.50	283.50
(ii) Loans	4	133.17	128.71
(2) Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	5	5.86	-
(ii) Bank balances other than (i) above	6	-	10.45
(iii) Loans	7	0.55	47.18
(b) Other current asset	8	0.02	0.02
TOTAL ASSETS		423.10	469.86
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity share capital	9	1,384.88	1,384.88
(b) Other equity	10	(2,939.52)	(2,874.50)
		(1,554.64)	(1,489.62)
(2) LIABILITIES			
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	1,936.87	1,903.34
(ii) Other financial liabilities	12	40.87	56.14
TOTAL EQUITY AND LIABILITIES		423.10	469.86
Summary of Significant accounting policies	1 & 2		

The accompanying notes form an integral part of special purpose financial statements

As per our report of even date

For and on behalf of the Board

For C N K & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036





Vijay Mehta

Partner

Membership No. 106533

Mumbai : 28 April, 2022



Kapil Gaur

Authorised Signatory

CG INTERNATIONAL B.V.**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

₹ crores

Particulars	Note	2021-22	2020-21
Revenue from operation	13	-	-
Other income	14	2.30	10.89
Total Income		2.30	10.89
Expenses			
Finance cost	15	1.60	1.94
Other expenses	16	2.72	15.88
Total expenses		4.32	17.82
Profit/(loss) before exceptional items and tax		(2.02)	(6.93)
Exceptional items (net)	17	(101.10)	(71.73)
Profit/(loss) before tax		(103.12)	(78.66)
Tax expense:			
Current tax		-	-
Deferred tax (net)		-	-
		-	-
Profit/(loss) for the year		(103.12)	(78.66)
Other comprehensive income:			
A. (i) Items that will not be reclassified subsequently to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss		38.10	(93.50)
Total other comprehensive income for the year		38.10	(93.50)
Total comprehensive income for the year		(65.02)	(172.16)
Earnings per Share			
- Basic	19	(563.49)	(429.83)
- Diluted	19	(563.49)	(429.83)
(Face value of Euro 100 each)			
Summary of Significant accounting policies	1 & 2		

The accompanying notes form an integral part of special purpose financial statements

As per our report of even date

For and on behalf of the Board

For C N K & Associates LLP

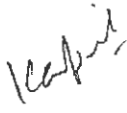
Chartered Accountants

Firm Registration No. 101961W/W-100036


Vijay Mehta
Partner

Membership No. 06533

Mumbai : 28 April, 2022



Kapil Gaur
Authorised Signatory

CG INTERNATIONAL B.V.**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022****(A) EQUITY SHARE CAPITAL**

For the year ended March 31, 2022

₹ crores

Balance as at 1-04-2021	Changes in equity share capital during the year	Balance as at 31-03-2022
1384.88	-	1384.88

For the year ended March 31, 2021

₹ crores

Balance as at 1-04-2020	Changes in equity share capital during the year	Balance as at 31-03-2021
1384.88	-	1384.88

(B) OTHER EQUITY

For the year ended March 31, 2022

₹ crores

	Retained Earnings	Securities Premium	Foreign Currency Translation Reserve	Total
Balance as at 01 April, 2021	(3,685.31)	1,028.44	(217.63)	(2,874.50)
Profit/(loss) for the year	(103.12)	-	-	(103.12)
Other comprehensive income for the year				-
- Foreign currency translation differences	-	-	38.10	38.10
Balance as at 31 March, 2022	(3,788.43)	1,028.44	(179.53)	(2,939.52)

For the year ended 31 March, 2021

₹ crores

	Retained Earnings	Securities Premium	Foreign Currency Translation Reserve	Total
Balance as at 01 April, 2020	(3,606.65)	1,028.44	(124.13)	(2,702.34)
Profit/(loss) for the year	(78.66)	-	-	(78.66)
Other comprehensive income for the year				-
- Foreign currency translation differences	-	-	(93.50)	(93.50)
Balance as at 31 March, 2021	(3,685.31)	1,028.44	(217.63)	(2,874.50)

As per our report of even date

C N K & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036



Vijay Mehta

Partner

Membership No. 105533

Mumbai : 28 April, 2022



For and on behalf of the Board



Kapil Gaur

Authorised Signatory

NOTES ACCOMPANYING TO THE SPECIAL PURPOSE FINANCIAL STATEMENT

Corporate information

CG International B.V. ("the Company") operates as an intermediate holding company. The Company's principal source of income is dividends from subsidiaries, interest on inter-company loans given and management fees. The registered office of the Company is Polakkers 5, 5531NX Bladel, The Netherlands. The statutory seat of the Company is Bladel.

CG Power and Industrial Solutions Limited domiciled in India is the parent company and Tube Investments of India Limited (TII) is the ultimate parent company of the Company w.e.f. 26th November 2020.

1. Basis of preparation

These Special Purpose 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.

The Special Purpose Financial Statements were authorized for issue in accordance with approval of the Board of Directors on April 28, 2022.

The special purpose financial statement have been prepared on a historical cost basis.

The special purpose financial statement are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except when otherwise indicated.

These special purpose financial statement have been prepared solely in connection with the preparation of consolidated financial statement of CG Power and Industrial Solutions Limited ("the Holding Company") as at and for the period ended March 31, 2022, accordingly all the disclosures as per Ind AS are not presented.

2. Summary of significant accounting policies

2.1 Cash and cash equivalents:

Cash and cash equivalents comprise Cash on hand, Cash at Bank and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to 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.

2.2 Foreign currency transactions:

The Company's Special Purpose Financial Statements are presented in Indian Rupee, and the Company's functional currency is Euro.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate as at the date of the transaction. At each balance



sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences arising on account of settlement of monetary items or on reporting at as if Balance sheet date at the closing rate is recognized as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate as at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

2.3 Revenue Recognition

Dividend 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

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 effective interest rate.

Other Income

Other income is accounted for on accrual basis, based on the contract.

2.4 Borrowing costs:

All other borrowing costs are expensed in the period in which they occur unless attributable to qualifying assets. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.5 Earnings per share:

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period, 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.



2.6 Income Taxes:

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 measured using tax rates enacted or substantively enacted at the Balance Sheet date.

2.7 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.

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.

2.8 Current and non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is 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 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.

2.9 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

2.10 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 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.



CG International B.V.

Notes to Special Purpose Financial Statements for the year ended March 31, 2022

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

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 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 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 (FVTPL). 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 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical credit loss experience to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.



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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the 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



CG International B.V.

Notes to Special Purpose Financial Statements for the year ended March 31, 2022

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 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 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.

2.11 Translation from Foreign Currency to INR

All the Non-current assets and Liabilities have been converted at the rates existing on the date of transactions, all the current assets and liabilities have been converted at the closing conversion rates and all items of income and expenditure have been converted at average rates pertaining during that period.

2.12 Significant accounting judgements, estimates and assumptions

The preparation of the Company's Special Purpose 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. The area involving critical estimates or judgements are (i) estimation of recoverable value of investments and (ii) estimation of impairment allowance for financial assets. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.



CG INTERNATIONAL B.V.**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022****3. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS**

₹ crores

	As at 31-03-2022	As at 31-03-2021
Unquoted investments		
Investments in equity instrument (carried at cost)		
Investment in subsidiary companies	352.42	352.42
Less : Provision for impairment in value of investment	(68.92)	(68.92)
Total	283.50	283.50

The Company has the following subsidiaries as at 31-03-2022:

Particulars	Country of Registration	% of Holding	₹ crores
CG Industrial Holdings Sweden AB	Sweden	100	205.94
CG Drives & Automation Netherlands BV	The Netherlands	100	11.53
CG Drives & Automation Germany GmbH	Germany	100	5.08
CG Power Americas LLC	USA	100	129.87
CG Power Systems Canada Inc	Canada	100	0.00
CG Middle East FZE	UAE	100	-
Less :- Provision for impairment CG Power Americas LLC			(68.92)
Total			283.50

4. NON CURRENT FINANCIAL ASSETS - LOANS

₹ crores

	As at 31-03-2022	As at 31-03-2021
Unsecured, considered good, unless otherwise stated		
Loans to subsidiary company	83.92	83.92
Less : Impairment provision on loans to subsidiary company	(83.92)	(83.92)
	-	-
Loans to affiliated companies	133.17	128.71
Total	133.17	128.71

5. CASH AND CASH EQUIVALENTS

₹ crores

	As at 31-03-2022	As at 31-03-2021
Balance with banks:		
On current accounts	5.86	-
Total	5.86	-

6. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ crores

	As at 31-03-2022	As at 31-03-2021
Other balances:		
Earmarked balances with bank for :		
Others	-	10.45
Total	-	10.45



CG INTERNATIONAL B.V.**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022****7. CURRENT FINANCIAL ASSETS - LOANS**

₹ crores

	As at 31-03-2022	As at 31-03-2021
Unsecured, considered good, unless otherwise stated*		
Loans to subsidiaries companies	0.09	38.91
Loans to affiliated companies	0.44	8.24
VAT receivable	0.03	0.03
Total	0.55	47.18

* Balances have been classified as current since amounts are receivable on demand.

8. OTHER CURRENT ASSETS

₹ crores

	As at 31-03-2022	As at 31-03-2021
Prepaid expenses	0.02	0.02
Total	0.02	0.02



CG INTERNATIONAL B.V.**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022****9. SHARE CAPITAL**

₹ crores

	As at 31-03-2022	As at 31-03-2021
Authorized		
1,850,000 equity shares of Euro 100 each (1,850,000 equity shares of Euro 100 each as at 31 March, 2021)	1,413.11	1,413.11
	1,413.11	1,413.11
Issued, subscribed and fully paid up		
1,830,000 equity shares of Euro 100 each (1,830,000 equity shares of Euro 100 each as at 31 March, 2021)	1,384.88	1,384.88
Total	1,384.88	1,384.88

Notes:**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:**

Authorised share capital	As at 31-03-2022		As at 31-03-2021	
	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	1,850,000	1,413.11	1,850,000	1,413.11
Balance at the end of the year	1,850,000	1,413.11	1,850,000	1,413.11

Issued share capital	As at 31-03-2022		As at 31-03-2021	
	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	1,830,000	1,384.88	1,830,000	1,384.88
Balance at the end of the year	1,830,000	1,384.88	1,830,000	1,384.88

(b) Terms / rights attached to equity shares:

The Company has one class of share capital, i.e., equity shares having face value of Euro 100 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.

(c) Details of shareholders holding more than 5 % shares in the Company:

Particulars	As at 31-03-2022		As at 31-03-2021	
	%	No of Shares	%	No of Shares
CG Power and Industrial Solutions Limited	83.61%	1,530,000	83.61%	1,530,000
CG International Holdings Singapore PTE. Ltd	16.39%	300,000	16.39%	300,000

(d) Details of shares held by promoters:**As on 31 March, 2022**

S No	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
Equity shares with Face Value of Euro 100 each	CG Power and Industrial Solutions Limited	1,530,000	-	1,530,000	83.61%	-
	CG International Holdings Singapore PTE. Ltd	300,000	-	300,000	16.39%	-
Total		1,830,000	-	1,830,000	100.00%	-

As on 31 March, 2021

S No	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
Equity shares with Face Value of Euro 100 each	CG Power and Industrial Solutions Limited	1,530,000	-	1,530,000	83.61%	-
	CG International Holdings Singapore PTE. Ltd	300,000	-	300,000	16.39%	-
Total		1,830,000	-	1,830,000	100.00%	-



CG INTERNATIONAL B.V.
NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH, 2022

10. OTHER EQUITY

₹ crores

	As at 31-03-2022	As at 31-03-2021
Retained earnings	(3,788.43)	(3,685.31)
Securities premium	1,028.44	1,028.44
Foreign currency translation reserve	(179.53)	(217.63)
	(2,939.52)	(2,874.50)

11. CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ crores

	As at 31-03-2022	As at 31-03-2021
Unsecured loans		
From Holding Company*	1,819.61	1,820.87
From Subsidiary Companies	12.12	32.71
From Affiliate Companies	105.14	49.76
Total	1,936.87	1,903.34

*The above loan is repayable on demand. The Holding company has discontinued charging of interest on the above loan and accordingly, no interest expense is accrued during the year.

12. CURRENT OTHER FINANCIAL LIABILITIES

₹ crores

	As at 31-03-2022	As at 31-03-2021
Other payables	40.87	56.14
Total	40.87	56.14

Note: The management has reassessed its contingent liabilities in respect of guarantees given to BMP bank for Rs.40.67 crores and has made a provision during the year ended 31 March 2022.



CG INTERNATIONAL B.V.**NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022****13. Revenue from operation**

₹ crores

	2021-22	2020-21
Revenue from operation	-	-
Total	-	-

14. Other income

₹ crores

	2021-22	2020-21
Interest income from:		
Loans to Subsidiary Company	-	0.25
Loans to Affiliated Company	-	4.87
Branding fees income	1.62	1.63
Foreign exchange gain (net)	0.68	-
Liability no longer written back	-	1.46
Insurance payable written-back	-	2.68
Total	2.30	10.89

15. Finance cost

₹ crores

	2021-22	2020-21
Interest expenses on:		
Loan from subsidiary companies	0.09	0.42
Loan from affiliated companies	1.51	1.52
Total	1.60	1.94

16. Other expenses

₹ crores

	2021-22	2020-21
Brand royalty fees	1.62	1.63
Bank charges	0.25	0.15
Management fees expenses	0.04	0.09
Legal and professional charges*	0.28	2.73
Foreign exchange loss (net)	-	7.15
General expenses	0.53	4.13
Total	2.72	15.88

Note :

* Legal and professional charges include auditor's remuneration as under:

₹ crores

	2021-22	2020-21
Auditor's remunerations:		
Statutory audit fees	0.02	0.24
Total	0.02	0.24

17. Exceptional items (net)

₹ crores

	2021-22	2020-21
Intercompany balances write-off	1.49	0.97
Impairment of Investments	-	71.11
Corporate guarantee settlement	89.16	61.28
Intercompany balance written-back	-	(61.63)
Sundry receivable balance written off	10.45	-
Total	101.10	71.73



CG INTERNATIONAL B.V.
NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

18. Related Party Disclosures

(a) List of related parties

(i) Ultimate Parent company:

1. Tube Investments Of India Limited
(Ultimate Parent company w.e.f. 26 November, 2020)

(ii) Holding company:

1. CG Power and Industrial Solutions Limited

(iii) Affiliate company:

1. CG International Holdings Singapore PTE. Ltd
2. CG Drives & Automation Sweden AB

(iv) Subsidiaries:

1. CG Industrial Holdings Sweden AB
2. CG Power Americas LLC
3. CG Drives & Automation Netherlands BV
4. CG Drives & Autc
5. CG Middle East FZE
6. QEI, LLC
7. CG-Ganz Generator and Motor Limited Liability Company
(Liquidated and ceased to be subsidiary w.e.f. 15 December, 2021)
8. CG Power Systems Canada Inc
9. CG Power and Industrial Solutions Limited Middle East FZCO
10. CG Electric Systems Hungary Zrt (Cessed to be subsidiary w.e.f. 30 June, 2020)
11. CG Service System France (Cessed to be subsidiary w.e.f. 20 July, 2020)

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

Nature of transaction

1. Brand Royalty Income

	2021-22	2020-21
CG Drives & Automation Netherlands BV	0.26	0.29
CG Drives & Automation Germany Gmbh	0.80	0.67
CG Drives & Automation Sweden AB	0.56	0.54
CG Electric Systems Hungary Zrt	-	0.12
CG Sales Networks France SA	-	0.01
	1.62	1.63

2. Brand Royalty Fees

CG Power and Industrial Solutions Limited	1.62	1.63
	1.62	1.63

3. Interest Income

CG Electric Systems Hungary Zrt	-	0.02
CG-Ganz Generator and Motor Limited	-	0.00
CG Power Americas LLC	-	0.23
CG International Holdings Singapore PTE. Ltd	-	4.87
	-	5.12

4. Interest Expenses

CG-Ganz Generator and Motor Limited	-	0.08
CG Drives & Automation Netherlands BV	0.05	0.01
QEI, LLC	0.21	0.17
CG Drives & Automation Sweden AB	1.30	1.35
CG Power Americas LLC	0.04	0.33
	1.60	1.94

5. Loan taken during the year

CG Power and Industrial Solutions Limited	49.21	-
QEI, LLC	51.61	-
CG Drives & Automation Netherlands BV	10.54	-
	111.36	-

6. Loan repaid during the year

CG Power and Industrial Solutions Limited	8.86	-
	8.86	-



CG INTERNATIONAL B.V.
NOTES ACCOMPANYING THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

18. Related Party Disclosures (Contd.)

7. Receivable balance write off		
CG Middle East FZE	0.06	0.49
CG Service System France	-	0.48
CG Power Americas LLC	1.43	-
	<u>1.49</u>	<u>0.97</u>
8. Intercompany balance written-back		
CG Ganz Generator and Motor Limited	-	61.63
	<u>-</u>	<u>61.63</u>
9. Impairment of Investments		
CG Power Americas LLC	-	16.59
CG-Ganz Generator and Motor Limited	-	52.71
CG Middle East FZE	-	1.81
	<u>-</u>	<u>71.11</u>

(c) Amount due to / from related parties:

1. Loans given

Subsidiaries

CG Power Americas LLC	-	26.30
CG Electric Systems Hungary Zrt	-	12.37
CG Drives & Automation Netherlands BV	0.09	0.06
CG Drives & Automation Germany Gmbh	-	0.18
	<u>0.09</u>	<u>38.91</u>

Affiliate

CG International Holdings Singapore PTE Ltd	133.17	128.71
CG Drives & Automation Sweden AB	0.44	8.24
	<u>133.61</u>	<u>136.95</u>

2. Borrowings

Holding

CG Power and Industrial Solutions Limited	1,819.61	1,820.87
	<u>1,819.61</u>	<u>1,820.87</u>

Subsidiaries

CG Power Americas LLC	-	31.40
CG Drive & Automation Netherlands BV	11.76	1.31
CG Drives & Automations Germany Gmbh	0.36	-
	<u>12.12</u>	<u>32.71</u>

Affiliate

QEI LLC	73.01	15.48
CG Drives & Automations Sweden	32.13	34.28
	<u>105.14</u>	<u>49.76</u>

19. Earning per share

	₹ crores	
	2021-22	2020-21
Face value of equity shares	100	100
Weighted average number of equity shares outstanding	1,830,000.00	1,830,000.00
Profit/(Loss) for the year	(103.12)	(78.66)
Weighted average earnings per share (Basic/Diluted)	(563.49)	(429.83)



20. Contingencies and commitments

Contingent liabilities

Standby Letter of credit

As on March 31, 2022, the outstanding balance of standby letter of credit given to various financial institutions is ₹ 188.8 crores (March 31, 2021 - ₹ 192.94 crores).

21. Taxation

Taxation The estimated amount of tax losses available for carry forward amounts to ₹ 6.31 crores pertaining to March 31, 2021 (March 31, 2020 ₹ 10.72 crores). Tax losses are not valued because it is uncertain that there will be enough taxable profits in the (near) future to compensate with. Corporate income tax is calculated in accordance with the applicable tax laws and regulations in the Netherlands.

22. Going Concern Assumption

The networth of the Company is negative by ₹ 1,554.63 crores as on March 31, 2022 (March 31, 2021 negative ₹ 1,489,61 crores). The Company continue with the participation in businesses at Sweden group and US entities during the year 2021-22, the Company will be liquid enough to fulfill its liabilities. Further, major part of liability is payable to Holding Company. The Company does not expect demand from holding company towards repayment of this liability within one year. The financial statements are prepared according to going concern assumptions.

23. The books of accounts of the Company are maintained in functional currency i.e. EURO. However, these special purpose financial statements are prepared in Indian Rupee for the purpose of Consolidation by applying exchange rates used in CG Power and Industrial Solutions Limited Group.

24. Figures for the previous year have been regrouped wherever necessary.

As per our report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036



Vijay Mehta

Partner

Membership No. 106533

Mumbai : 28 April, 2022



For and on behalf of the Board



Kapil Gaur

Authorised Signatory