



GE POWER INDIA LIMITED

Annual Report 2019-20



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CORPORATE OVERVIEW

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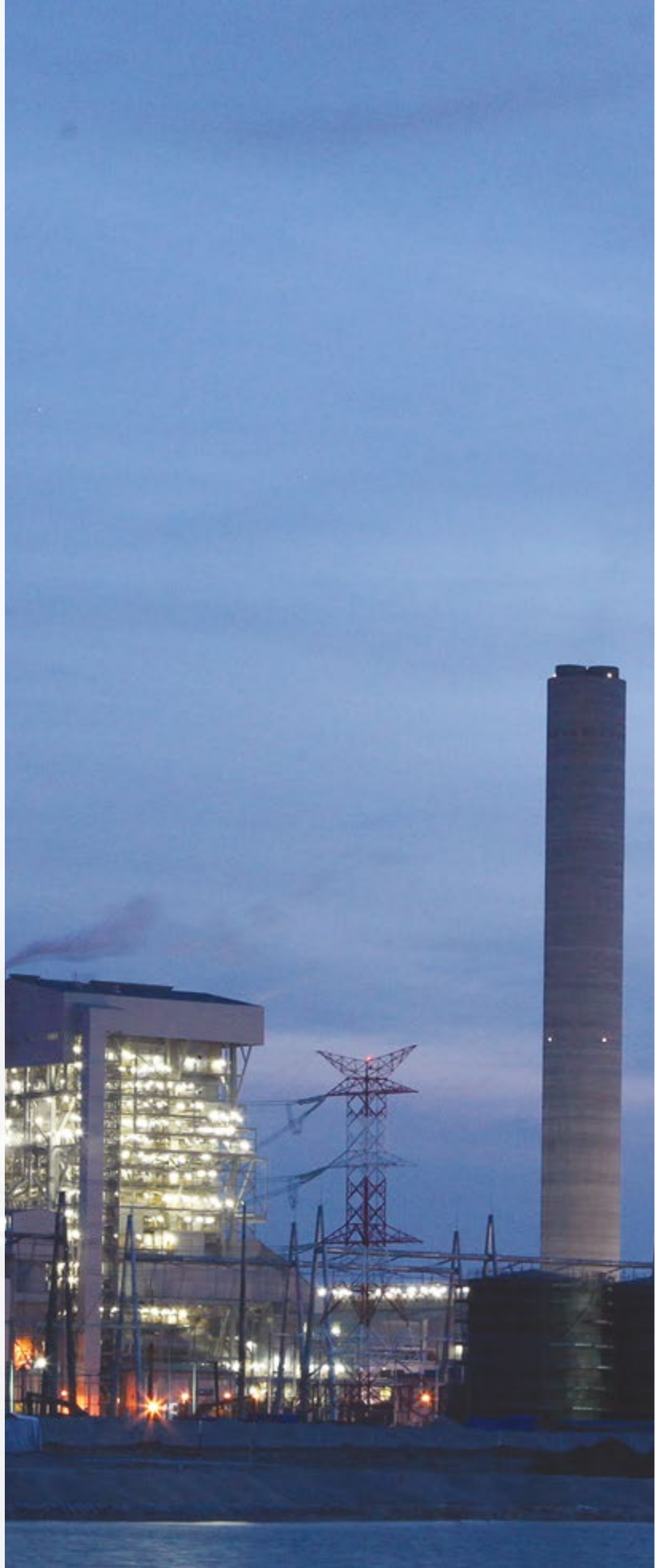
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BUILDING A WORLD THAT WORKS

GE (NYSE:GE) drives the world forward by tackling its biggest challenges. By combining world-class engineering with software and analytics, GE helps the world work more efficiently, reliably, and safely. For more than 125 years, GE has invented the future of industry and today it leads new paradigms in additive manufacturing, materials science, and data analytics. GE people are global, diverse and dedicated, operating with the highest integrity and passion to fulfill GE's mission and deliver for our customers.



GE POWER INDIA LIMITED

GE Power India Limited (GEPIL) is one of the leading players in the Indian power generation equipment market. Today, with the expansion of economy, globalization, innovation, amidst political and economic challenges, GEPIL has successfully partnered in the modernization and growth of Indian infrastructure. It has a countrywide presence of sales offices and workshops. GEPIL's manufacturing unit is located in Noida, Uttar Pradesh & Durgapur, West Bengal. GEPIL continues to offer a comprehensive portfolio of power generation solutions with a focus on emissions control and services portfolio providing sustainable, affordable and reliable electricity.



BUSINESS DIVISIONS



◀ BOILERS



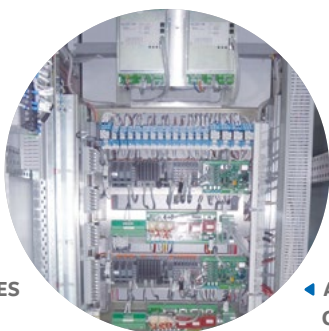
◀ MILLS



◀ AIR QUALITY CONTROL SYSTEMS

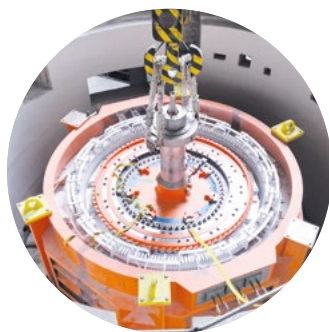


◀ SERVICES



◀ AUTOMATION & CONTROL

STEAM POWER



HYDRO



GAS POWER SYSTEMS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Mahesh Shrikrishna Palashikar

Chairman & Non-Executive Director
(w.e.f. 27 May 2020)

Mr. Vishal Keerti Wanchoo

Chairman & Non-Executive Director
(upto 26 May 2020)

Mr. Prashant Chiranjive Jain

Managing Director
(w.e.f. 17 April 2019)

Mr. Andrew H DeLeone

Managing Director
(upto 05 April 2019)

Mr. Sanjeev Agarwal

Whole-time Director
(upto 29 May 2020)

Mr. Vijay Sharma

Whole-time Director & Chief Financial Officer
(w.e.f. 30 May 2020)

Mr. Arun Kannan Thiagarajan

Non-Executive & Independent Director

Ms. Neera Saggi

Non-Executive & Independent Director

Dr. Uddesh Kumar Kohli

Non-Executive & Independent Director

COMPANY SECRETARY

Mr. Pradeepta Kumar Puhan

COMMITTEE COMPOSITION

Audit Committee

Dr. Uddesh Kumar Kohli

Chairman

Mr. Arun Kannan Thiagarajan

Member

Ms. Neera Saggi

Member

Mr. Mahesh Shrikrishna Palashikar

Member (w.e.f. 27 May 2020)

Mr. Vishal Keerti Wanchoo

Member (upto 26 May 2020)

Corporate Social Responsibility Committee

Mr. Prashant Chiranjive Jain

Chairman (w.e.f. 06 May 2019)

Mr. Andrew H. DeLeone

Chairman (upto 05 April 2019)

Mr. Mahesh Shrikrishna Palashikar

Member (w.e.f. 27 May 2020)

Mr. Vishal Keerti Wanchoo

Member (upto 26 May 2020)

Dr. Uddesh Kumar Kohli

Member

Nomination & Remuneration Committee

Mr. Arun Kannan Thiagarajan

Chairman

Dr. Uddesh Kumar Kohli

Member

Mr. Mahesh Shrikrishna Palashikar

Member (w.e.f. 27 May 2020)

Mr. Vishal Keerti Wanchoo

Member (upto 26 May 2020)

Ms. Neera Saggi

Member

Stakeholders Relationship Committee

Dr. Uddesh Kumar Kohli

Chairman

Mr. Prashant Chiranjive Jain

Member (w.e.f. 06 May 2019)

Mr. Andrew H. DeLeone

Member (upto 05 April 2019)

Mr. Vijay Sharma

Member (w.e.f. 30 May 2020)

Mr. Sanjeev Agarwal

Member (upto 29 May 2020)

Risk Management Committee

Mr. Mahesh Shrikrishna Palashikar

Chairman (w.e.f. 27 May 2020)

Mr. Vishal Keerti Wanchoo

Chairman (upto 26 May 2020)

Mr. Prashant Chiranjive Jain

Member (w.e.f. 06 May 2019)

Mr. Andrew H. DeLeone

Member (upto 05 April 2019)

Dr. Uddesh Kumar Kohli

Member

Mr. Vijay Sharma

Member

Mr. Ajay Kalra

Member

AUDITORS

Statutory Auditors

M/s. BSR & Co. LLP, Chartered Accountants

Internal Auditors

M/s. Ernst & Young LLP

Secretarial Auditors

M/s. Hemant Singh & Associates,
Company Secretaries

Cost Auditors

M/s. Shome & Banerjee, Cost Accountants

REGISTERED OFFICE

GE Power India Limited

CIN: L74140MH1992PLC068379

Unit No 211-212, 2nd Floor, The Capital,
G Block, Plot No. C-70, Bandra Kurla
Complex, Bandra East, Mumbai - 400051

Ph: +91 22 45407200

Fax: +91 22 45407203

Website: www.ge.com/in/ge-power-india-limited

Email Id: in.investor-relations@ge.com

CORPORATE OFFICE

Axis House, Plot No 1-14
Towers 5&6, Jaypee Wish Town, Sector 128,
Noida-201301, Uttar Pradesh
Ph: +91 (0120) 5011011
Fax: +91 (0120) 5011100

REGISTRAR & TRANSFER AGENT

Kfn Technologies Private Limited

(formerly known as Karvy Fintech Private Ltd.)

Selenium Tower B, Plot No. 31
& 32, Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500032, Telangana
Ph: +91 (040) 67162222

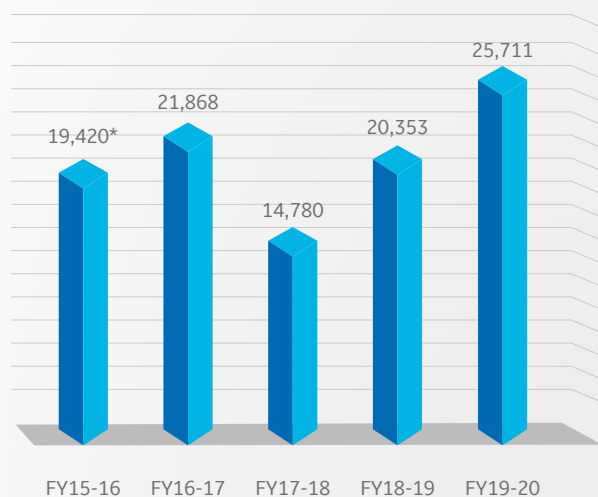
Website: www.kfintech.com

Email Id: einward.ris@kfintech.com

5 YEARS' FINANCIAL PERFORMANCE

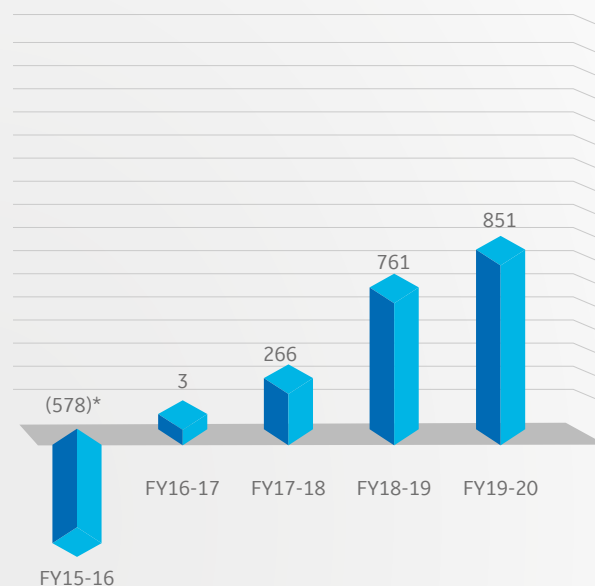
REVENUES

(₹ in million)



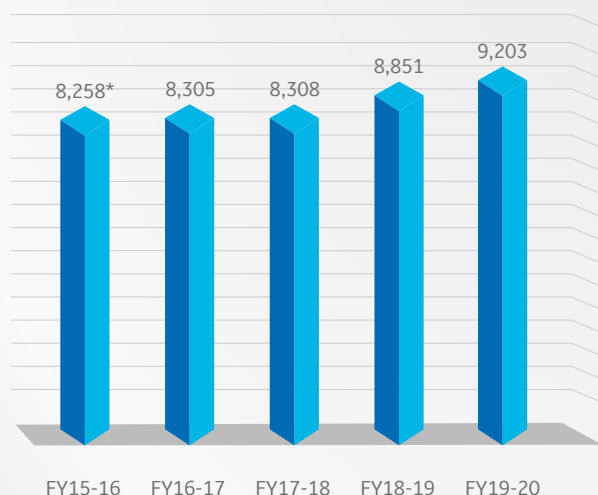
PROFIT AFTER TAX

(₹ in million)



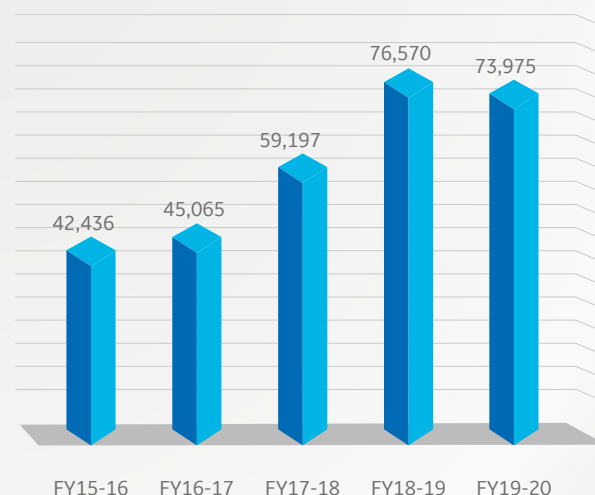
NET WORTH

(₹ in million)



ORDER BACKLOG

(₹ in million)



*These figures are revised in accordance with Indian Accounting Standards (Ind AS)

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL



Mr. Pradeepta Kumar Puhan
Company Secretary

Mr. Sanjeev Agarwal
Whole-time Director
(upto 29 May 2020)

Ms. Neera Saggi
Independent Director

Dr. Uddesh Kumar Kohli
Independent Director



Mr. Vishal Keerti Wanchoo
Chairman (upto 26 May 2020)

Mr. Prashant Chiranjive Jain
Managing Director

Mr. Arun Kannan Thiagarajan
Independent Director

Mahesh Shrikrishna Palashikar
Chairman
(w.e.f 27 May 2020)

Mr. Vijay Sharma
Whole-time Director
and Chief Financial
Officer (w.e.f 30 May
2020)

DIRECTORS' REPORT



Dear Shareholders,

Your Directors present the 28th Annual Report of the Company along with the Audited Financial Statements for the financial year ended 31 March 2020 ('FY 2019-20')

FINANCIAL HIGHLIGHTS

(₹ in million)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| Profit/(Loss) before exceptional items, tax, interest and depreciation | 2,564 | 3,112.4 |
| Less: Interest/Finance Costs | 492.5 | 411.3 |
| Less: Depreciation and amortisation expense | 664.7 | 314.2 |
| Profit/ (loss) before exceptional items and tax | 1,406.8 | 2,386.9 |
| Exceptional item | (329.1) | 922.9 |
| Profit/ (loss) before tax | 1,735.9 | 1,464.0 |
| Provision for taxation | | |
| -Current tax | 268.5 | 859.4 |
| -Tax related to earlier years | 33.6 | 202.5 |
| -Deferred tax charge (credit) | 583.1 | (358.4) |
| Profit/ (loss) after tax | 850.7 | 760.5 |
| Balance brought forward from previous year in the statement of profit and loss | 5,651.2 | 5,134.3 |
| Profit available for appropriation | 6,501.9 | 5,894.8 |
| Appropriations | | |
| a) Transferred to General Reserve | - | - |
| a) Dividend paid | 403.4 | 201.7 |
| a) Corporate Dividend Tax (Net) paid | 80.1 | 41.9 |
| Balance carried forward to Balance Sheet | 6,018.4 | 5,651.2 |
| Proposed Dividend | 134.5 | 403.4 |

DIVIDEND

In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), as amended from time to time, your Company has adopted a Dividend Distribution Policy. This policy specifies the parameters of distribution of dividend with objective of delivering sustainable value to its stakeholders. The Dividend Distribution Policy of the Company is annexed as 'Annexure A' to this Report.

In compliance with the Dividend Distribution Policy of the Company, your Directors are pleased to recommend a dividend of ₹ 2/- per equity share (i.e. 20% of the face value of ₹ 10/-each) for FY 2019-20 amounting to ₹ 134.5 million, subject to applicable tax laws.

TRANSFER TO RESERVES

No amount was transferred to reserves during FY 2019-20



3X660 MW, Super Thermal Power Plant, Nabinagar , Aurangabad Bihar.

STATE OF COMPANY'S AFFAIRS

Operations – The year in review

The Power industry is undoubtedly an engine of growth, as it contributes significantly to economic growth and employment. Access to affordable electricity uplifts the standard of living for major part of population. It also opens up avenues for further growth of the economy by improving productivity and enabling new industrial activities. To keep pace with India's rapid economic growth, population growth and consumption growth, IEA estimates that electricity demand in India is likely to almost triple between 2018 to 2040. Hence, billions of Indians need reliable, affordable and cleaner power for economic activities and growth. Your company is focused on this enduring purpose and is well positioned to play a vital part in India's growth story in the coming years.

Presently, as per BP Statistical Review of World Energy, India is the 3rd largest producer and consumer of electricity in the world. Per capita consumption of electricity has improved from 632 units in 2005-06 to ~1200 units in 2019-20. Still, India is ranked very low vis-à-vis other large economies such as China, where per capita consumption is >4000 units per annum and there is substantial potential for its growth. During the last few years, due to implementation of various government initiatives, access to electricity has improved substantially and now 99.99% of Indian houses are electrified*. An improved access to electricity coupled with growing consumption, increasing

population and rise in economic activities; India is bound to witness a substantial 'increase' in demand for electricity in the coming years.

Your company is focused on supporting generation from coal-based units, that currently comprises the largest portion of the India's power generation as well as supporting generation from gas and hydro units. Currently, of the total installed base (IB) of ~370GW (March 2020, CEA), coal comprises ~55%, large hydro ~12%, Wind ~10%, Gas ~7%, Solar ~9%, other renewables ~5% and Nuclear ~2%. The generation mix, however, is quite different with majority ~72% coming from the coal-fired power plants over the FY 2019-20.

Conventional sources of electricity are being challenged by a global focus on climate change, which the Government of India (GoI) has vigorously supported through an extensive renewable energy installation program, especially Solar and Wind. This has resulted in renewables sources capturing a significant share of the growth, resources, and available funds for the power sector in the market. While the share of renewables in the Indian electricity mix will increase over time, conventional sources will remain vital in order to meet the energy requirements of the growing economy. In fact, their role will evolve in increasingly important ways:

*(Data- Saubhagya.go.in) **(March 2020, CEA)

- ▶ Growing electricity needs along with retirements and replacement of old coal-fired power plants are expected to drive the market need for new capacities over a longer period. Ordering of high efficiency and low emission supercritical/ ultra-supercritical coal fired power plants will continue for the foreseeable future, which is also in line with the CEA's 'Optimal Generation Capacity Mix for 2029-30' which estimates that the installed capacity from coal-fired power plants to be 266GW by 2030.
- ▶ By 2022, existing coal fired power plants will become as clean as any in the world - as defined by local pollutants such as SOx and NOx - when outfitted with Air Quality Control technology infrastructure as prescribed by GoI's emission norms.
- ▶ Efficiency enhancement measures are poised to be adopted across the majority of thermal units in the country, improving overall plant efficiency, reducing fuel usage, leading to reduced costs, increasing merit position and affordability, boosting MW output, and extending unit life of the plant. Furthermore, we see a major focus on reduction in CO2 emissions.
- ▶ To integrate higher penetration of renewable, with very limited available resources of Hydro pump storage, nuclear, gas units with gas availability in India, it's imperative that coal power stations will be called upon to increasingly "balance" the grid when the wind does not blow or the sun does not shine. Coal is likely to support >70% of balancing needs by 2022. This positions the thermal stations as essential enablers for integrating increasing renewable sources into the grid.

Your Company, in the Indian market, is well-positioned to support the above demands for the power generation market in India. We believe in our people who work every day in India's thermal sector; ready to make conventional generation sources more relevant and a leading contributor to power sector's goal of building a cleaner and sustainable future.

BOILERS

Your Company's execution unit at Noida and manufacturing facility in Durgapur, West Bengal, is capable of manufacturing Supercritical and Ultra Supercritical Boilers equipped with latest manufacturing technologies. Your Company, in partnership with BHEL, accomplished the significant milestones in the FY 2019-20.

Major milestone achieved by your company in 2019-20:

- ▶ 2X660 MW Baharpalli - Unit#3 COD declared in July, 2019; Unit#4 COD declared in August, 2019.
- ▶ 1X800 MW Wanakbori - Unit#8 COD declared in October, 2019.
- ▶ 3X660 MW Nabinagar- Unit #1 COD declared in July, 2019.
- ▶ 2X800 MW Gadawara - Unit#1 COD declared and PAC in June, 2019.
- ▶ 2X500 MW Neyveli- Unit #1 COD declared in December, 2019.
- ▶ 2X800 MW Darlipali- Unit#1 COD declared in March, 2020.

Key erection & commissioning progress on projects with BHEL-GE partnership projects:

- ▶ 3X660 MW Nabinagar- Unit#3 Drainable Hydro Test completed in July, 2019; Unit#2 Non-Drainable Hydro Test completed in August, 2019.
- ▶ 3X660 MW North Karanpura- Unit# 2 Drainable Hydro test completed in October, 2019.
- ▶ 1X800 MW North Chennai -Drainable Hydro Test Completed in December, 2019.

Key commissioning in FY 2019-20:

- ▶ 1X800 MW Wanakbori - Unit#8 full load achieved in June, 2019.

- ▶ 2X500 MW Neyveli – Unit#1 full load achieved in September, 2019; first unit refractory work and dryout completed; Unit#2 synchronization achieved in February, 2020.
- ▶ 2X660 MW Suratrah – Unit#7 full load trial run achieved in March, 2020.
- ▶ 3X660 MW Nabinagar- Unit#2 achieved steam blowing in December, 2019 and oil synchronization achieved in February, 2020.
- ▶ 2X800 MW Gadawara- Unit#2 steam blowing achieved in December, 2019.
- ▶ 2X800 MW NTPC Darlipali STPP - Unit#1 synchronized successfully in April, 2019 followed by full load achievement in October, 2019. Unit#2 NDHT in presence of IBR was successfully declared completed in November, 2019 followed by boiler first light up in January, 2020 and chemical cleaning completion in January, 2020.

Progress on CEL II 1 x 150 MW Sihanoukville, Cambodia:

Your company is executing the first 150 MW CFB Boiler fully designed and manufactured from India. The project achieved synchronization and unit full load for the first time in December, 2019 at CEL II Sihanoukville Cambodia of Toshiba Power Limited.

Manufacturing highlights of FY 2019-20 from the Durgapur factory:

Your Company's manufacturing facility in Durgapur, West Bengal, successfully dispatched over 10,000 MT finished goods in one year. It includes boiler pressure parts to various project sites, NTPC Barh-I (3 Units) power services supply of boiler pressure parts, condenser components for Ghatampur, Mills



2X800MW NTPC Super Thermal Power Project, Daripalli, Odisha

Durgapur manufacturing facility has been transformed from single product (boiler pressure parts) to multi product manufacturing facility of various power plant components. The product portfolio includes Boiler Pressure Parts, HP Mills, critical piping, Condenser Components for Supercritical Power Plants. Durgapur also caters supply of components for repair and refurbishments of power plants. Durgapur facility has a complete set up of engineering, project management, manufacturing etc.

Boiler pressure parts manufacturing & engineering:

- ▶ 2X660 MW Udangudi project- dispatch started for pressure parts and 90% pressure parts dispatched.
- ▶ 2X660 MW Maitree & 2X800 MW Telangana 100% pressure parts dispatched.
- ▶ 1X660 MW Panki – Boiler pressure parts dispatch started.
- ▶ 2x800 MW Uppur - Boiler pressure parts major dispatch completed.

New orders from BHEL-GE partnership:

- ▶ Bhusawal – 1X660 MW Boiler with Supercritical steam parameters. GEPIL supplying partial pressure p.
- ▶ Patratu – 3X800 MW Boiler with ultra-supercritical steam parameters. Service contract is for Technical field advisory services.

MILLS

- ▶ Hassiyani (UAE) HP 1103 Unit #30 pulveriser manufacturing completed and dispatched successfully.

- ▶ 12 sets of Journal shaft assemblies supplied to MAHAGENCO for Chandrapur and Bhusawal Power plant.
- ▶ 8 sets of Journal shaft assemblies manufactured for Harduaganj Power Plant.
- ▶ One set of Drive assembly supplied to KPCL Bellery.
- ▶ 5 set of Dynamic classifier parts supplied to Customer Hawton, USA.

AIR QUALITY CONTROL SYSTEMS

Your Company continues to leverage the large opportunity presented by the change in emission norms for SO₂, NO_x and PM in Thermal Power plants which are in operation and under construction. Your Company received the following new orders in the FY 2019-20:

Wet Flue gas Desulphurization systems at:

- ▶ IGSTPP Jhajjar (3 x 500 MW) by Aravali Power Company (APCPL)
- ▶ NTPC Simhadri Super Thermal Power Station Stage I (2 x 500MW) & Stage II (2 x 500 MW)
- ▶ Sipat Super Thermal Power Station by Stage I (3 x 660 MW) by NTPC
- ▶ Feroze Gandhi Unchahar Thermal power project phases I, II, III (5x210 MW)



NLC 2X500 MW

Your company achieved the following milestones in the FY 2019-20:

- ▶ Maemoh, Thailand: 1X660 MW Power Plant-ESP- Provisional Acceptance Certificate (PAC) was successfully issued by Electricity Generating Authority of Thailand (EGAT) in November,2019
- ▶ Yanbu, Saudi Arabia: 5x620 MW Power Plant- ESP- Saline Water Conversion Corporation (SWCC) Unit 3 successfully achieved first fire in December,2019 for Unit#5
- ▶ Cambodia Energy Limited II, Sihanoukville- Successfully achieved full load operation of Boiler and ESP and successfully completed synchronization in December,2019

SERVICES

Even as the country has chalked out plans to significantly move towards developing, implementing and deploying renewable technology, coal is still likely to remain the mainstay in India's energy mix. India is endowed with easily accessible and abundant coal reserves (fifth largest globally), adequate to meet the energy requirements of the Indian economy for the foreseeable future.

Importantly, coal-based generation, the cheapest and most reliable source of electricity in India, accounts for ~55% of the installed capacity (as of March2020) and nearly 72% of our total electricity generation in FY2019-20. The plant load factor (PLF), a measure of plant utilization, stood at ~56% for coal-based plants in FY2019-20.

As per the CEA 'Optimal Generation Capacity Mix for 2029-30', >50% generation will come from coal fired plants, which is likely to drive stable spending towards the plant operation and maintenance. This is one of the core growth areas identified by your company.

The efficiency of coal fired power plants in India is low compared to the global standards, and there is an opportunity and need to retrofit the existing coal fired power plants to increase their efficiency and reduce their carbon emission levels. The majority of the power continues to be generated by subcritical units, where there is an immense need and substantial potential to improve the performance & efficiency. There are various retrofit options available for these units. For instance, after a successful retrofit of steam turbine shaftline in India demonstrated over 14% heat rate improvement at the Gujarat State Electricity Corporation Limited (GSECL) Ukai and Wanakbori units, your company also executed steam turbine shaftline retrofit for an industrial captive unit of Hindalco, where we improved the heat rate of the unit by 3% and power output by over 10% over the original design. Reconfirming the need of such retrofits in the country, your company is well poised with state-of-the-art technology and the technical know-how to address the retrofit/upgrade need of the coal power generating units. Such efficiency improvement projects can help India in achieving 33% to 35% reduction in the emissions intensity of the country's GDP by 2030, as per the commitment made by the global treaty, and make electricity more affordable, cheap while conserving coal.

With India's new coal plant emission regulations in place, all utility, industrial and captive plant boilers are required to modify their firing systems to improve NOx emissions. GE Power's technology is



Employees working on 500MW brushless exciter servicing oOEM for NTPC Korba

helping the customers in reducing NOx generation to meet the new environmental norms. With more than 130 GW of India's coal fired fleet operating on sub-critical levels, the implementation of this low NOx boiler technology can help the country reduce its NOx up to 50% from the current levels, and help these units meet the new MoEF norms on NOx emissions. In July 2019, GE Power was selected by Hindustan Power for the deployment of low NOx solutions and boiler modification of their Annapur power plant. By getting these first orders in the NOx upgrade market segment in industrial and utility segment, your company is well poised for growth in this market in next 2 to 3 years.

India is also committed to promote Renewable Energy sources for power generation, and it plans to achieve about 40% cumulative electric power installed capacity from non-fossil fuel energy sources by 2030. As a step in this direction, the GoI has taken several initiatives such as setting up the renewable energy capacity addition target to 175GW by 2022. With the increasing share of renewables in the electricity generation-mix, India's daily ramp up requirement is likely to be 60-80 GW. Some coal-based units would be required to address flexibility needs arising from day-of-time and weather-based gaps in daily demand / load generation curve. We expect this need for flexibility upgrade of coal units would increase in the future as the renewable penetration grows. With specific flexibility solutions available in the broad basket of service offerings, your company is well prepared to take lead role and support these upcoming needs of the future.

Overall, your company is well placed to address customers' specific O&M needs, improve the power plant efficiency, reduce CO2/Nox/ PM emissions levels and support with solutions for making existing coal

plants more flexible for integrating higher GW of renewable power in the future.

Following are some of the successful order wins and milestones achieved by your company in FY 2019-20:

- ▶ De-NOx solutions and boiler modification at Hindustan Power-Annapur.
- ▶ Order from Adani Power for revamping of sea water FGD at their Mundra plant.
- ▶ Various orders for parts, repairs and services from several utility and industrial power plants.
- ▶ Executed India's first De-NOx upgrade for industrial units at TATA chemicals Mithapur.
- ▶ Executed Chinese make 660MW-generator rotor rewind for Sembcorp Energy-Nellore, much before the scheduled completion.
- ▶ Repaired and balanced 660MW Chinese make turbine rotor for Adani Power Mundra at our local Sanand factory.
- ▶ Executed ESP overhauling job for Torrent power, Ahmedabad.
- ▶ Executed first of its kind GVPI stator rewind of 270MW Generator of Rattan India, with 95% local engineering, using country's first and special bar extraction tool.
- ▶ Executed several STG overhauls for several utility and industrial power plants.



2x660 MW Sembcorp Energy India Limited, Nellore, Andhra Pradesh.

AUTOMATION AND CONTROL

Your company received the following new orders in the FY 2019-20:

- ▶ Chuzachen hydroelectric power project (2X55 MW) in Sikkim, India successfully achieved HMI upgrade system ALSPA Series 5 to Series 6.
- ▶ AVR and GCP full upgrade system of GT Unit#1 at GACL (115MW), Combine cycle Power Plant in Dahej Gujarat, India
- ▶ AVR Partial Upgrade system at TAQA Nevyeli (250 MW), lignite-fired Steam Power Plant in Nevyeli, Tamil Nadu, India.

Your company achieved the following milestones in the FY 2019-20:

- ▶ Chuzachen (2X55 MW) hydroelectric power project:
ALSPA Series 5 to Series 6 HMI upgrade -Successfully commissioned and the project was handed over to the customer in February, 2020.
- ▶ GACL (115 MW) Combine cycle Power Plant:
AVR & GCP full upgrade - GT Unit#1 - Successfully commissioned and the project was handed over to the customer in March, 2020.
- ▶ TAQA Nevyeli (250 MW), lignite-fired Steam Power Plant:
AVR Partial Upgrade - Successfully commissioned and the project was handed over to the customer in March, 2020.

Export Project

TANJUNG KIDURONG (420 MW) 1 x KA26 – 1 MS CCGP Block-II- ALSPA Series 6 DCS system in Malaysia. This was an export Project where ALSPA Series 6 DCS system was supplied to TANJUNG KIDURONG project in Malaysia in January, 2020.

GAS POWER SYSTEMS

The Gas Power Systems in your company is part of the MENESA (Middle East, North Africa and South Asia) region and is actively involved

in managing projects in South Asia sub region. While managing the projects in the south Asia, it also is supporting gas projects globally for Engineering, Procurement and Construction services including resource deployment to global project sites. The Gas Power Noida Execution centre of your company is presently managing following projects with Centre of Excellence activities:

- ▶ Summit Meghnaghat II, first flagship 9HA.01 project is a dual fuel 600 MW CCGP in Bangladesh.
- ▶ Unique project is a 600 MW CCGP on Turnkey basis in Bangladesh
- ▶ Bhola 2, is a 220 MW Gas based EEP project in Bangladesh
- ▶ Shajibazar, 100 MW Gas based Equipment only project in Bangladesh
- ▶ HPCL Vizag, 75 MW Gas based equipment only project in India
- ▶ Khulna is 300 MW CCGP in Bangladesh

Some of the EPC combined cycle projects where GPS Noida engineering team is involved are Sergipe in Brazil, EVM II in Mexico and Chia Hui in Taiwan. Besides these, there are various Gas Power partner projects such as Dihiqar, Samawa and Waad AL Shamal in Middle East, Ghorasal -3 in Bangladesh, Melaka, Jawa 1, Tambak Lorok in Asia, which are currently underway.

Managing procurement activities for balance of plant equipment for global Gas projects like Alba in Bahrain, Wad Al Shamal in Saudi Arabia, Sabiya in Kuwait, Zubair, Besmaya, Samawa and Dhiqar in Iraq, SEWA Hamriyah in UAE, Bhola 2, Summit Meghnaghat II, Unique Meghnaghat in Bangladesh.

Construction and commissioning expertise and site management services for Gas based power projects at Zubair, Dhiqar and Samawa projects in IRAQ, Waad Al Shamaal in Saudi Arabia, Summit Meghnaghat 2 and Unique Meghnaghat in Bangladesh.

Engineering support is provided across all Centre of Excellence disciplines including structure, pressure parts, piping and equipment etc. HRSG Projects such asare Indeck Niles and Guernsey (US), EVM II (Mexico), Iernut (Romania), SEWA (UAE), Sabiya (Kuwait), Ghorasal 3 & Meghnaghat II (Bangladesh), Alba (Bahrain), Waad Al Shamal (KSA), TJK I & II (Malaysia) and Kirikkale (Turkey) etc.



GE's HA gas turbine

HYDRO

The market witnessed intense competition and in certain cases, customers including PSU's postponed the projects. However, the company sees a strong potential for PSP market, with push from governments for renewables energy, especially Solar and Wind segment, to support storage and grid stability. During the year, Megha Engineering & Infrastructures Limited signed a contract with your company for 500MW Kundah PSP Hydro Electric Project in the state of Tamil Nadu, which has now received the notice to proceed. The company has also started seeing interest and investments from private players in the PSP model.

During the year, the company terminated the Polavaram Contract of 818 Cr INR with Navayuga Engineering Company Limited ("customer"), due to prolonged suspension by the customer. The company is in the process of settlement with the customer.

Project in Execution: Idukki: Renovation and Modernization order for 1st Stage (3x130 MW) of Idukki Hydro Electric power station received in 2016, your company successfully commissioned the two units during the year.

WAY FORWARD

As coal is likely to remain the mainstay of India's energy mix for the foreseeable future, even as the country moves towards mainstreaming renewables, it's imperative that making coal power more efficient, cheaper and more flexible to support renewable integration are going to be a key future asks from the Indian coal power plants.

Several steps in this direction have already been taken by Gol e.g. adopting supercritical technology, deploying higher renewables, coming out with new stricter SO_x, NO_x, SPM pollution, water consumption norms for thermal and deploying Perform, Achieve and Trade (PAT) scheme for energy efficiency improvements across key energy intensive sectors and Implementing SCED scheduling pilot project by POSOCO. It is only expected that these would go through a full implementation phase in coming years creating substantial



Commissioning Engineer working on Governing System Oil Sump tank at Da Nhim Hydro Project site in Vietnam

opportunities in the power sector. Given the need to balance the growing environmental concerns with the objective of providing affordable power to its citizens, it is important for India to manage coal plants with a holistic approach. There are cases where plants are strong candidates for an efficiency improvement or for flexible operations, and for these cases, an integrated approach to address emissions with flexibility/ efficiency retrofit is needed.

Such specific solutions along with leveraging latest digital technologies will ensure coal-based power plants will continue to be the mainstay of India's power system for a sustainable long run, supplying affordable and reliable power to all Indian citizens, meeting the current as well as future growth aspirations of India.

With focus of Governments on Renewable power specially Wind & Solar, more & more intermittent power supplies to Grid is increasing demand for Hydro Pumped Storage market. Hydro Pumped Storage with its unique technical capabilities and GE's experience in Pumped Storage over the years gives us an opportunity to address this market. Further, there is an expectation that the New Hydro Policy will be launched soon by the Government of India, which can support rightful place for Hydro power in the India energy mix, as clean and reliable source of energy. The Company will continue to work for business opportunities that meet the requirements of economic results considering the overall risk-reward profile.

The main scope for Gas business in legal entity is being the Centre of Excellence for the contracts signed by GTM entities, and we are principally supporting execution of the projects globally for Engineering, procurement and construction resources. While for projects that are being project managed from the legal entity we work on behalf of the contracting entities.

DIRECTORS

The Board of Directors, in compliance with Section 161 of the Companies Act, 2013 and the rules made thereunder ('the Act') read with the Articles of Association of the Company and upon recommendation of Nomination and Remuneration Committee, appointed

1. Mr. Mahesh Shrikrishna Palashikar (DIN 02275903) as Non-Executive Chairman w.e.f. 27 May 2020
2. Mr. Vijay Sharma (DIN 06700052), Chief Financial officer, as an Additional Director of the Company w.e.f. 30 May 2020.

Further in compliance with Sections 196 and 203 of the Act read with Schedule V and other applicable provisions of the Act and the Articles of Association of the Company and upon recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on 26 May 2020 appointed Mr. Vijay Sharma as Whole-time Director of your Company for a period of 3 years from 30 May 2020 to 29 May 2023 subject to the approval of the members and such other approvals as may be required.

The Board recommends appointment of Mr. Mahesh Shrikrishna Palashikar as Non-Executive Chairman, liable to retire by rotation and Mr. Vijay Sharma as Whole-time Director of the Company, liable to retire

by rotation. Mr. Vijay Sharma will continue to serve as Chief Financial Officer of the Company in addition to his Whole-time Directorship.

Further in compliance with Sections 196 and 203 of the Act read with Schedule V and other applicable provisions of the Act and the Articles of Association of the Company, the members of the Company approved the appointment of Mr. Prashant Chiranjive Jain (DIN 06828019) as Managing Director of the Company for a period of three (3) years from 17 April 2019 to 16 April 2022 in the 27th Annual General Meeting held on 23 July 2019.

Pursuant to Section 149 of the Act and Regulation 25 of the Listing Regulations Independent Directors viz. Dr. Uddesh Kumar Kohli (DIN 00183409) and Mr. Arun Kannan Thiagarajan (DIN 00292757) were re-appointed at the 27th Annual General Meeting held on 23 July 2019 for second term of 5 consecutive years up to 24 July 2024 and Ms. Neera Saggi (DIN 00501029), was appointed at the 24th Annual General Meeting held on 29 July 2016 for a period of 5 consecutive years up to 13 June 2021.

In terms of Regulation 17(1A) of the Listing Regulations, approval of the members of the Company was obtained in the 27th Annual General Meeting held on 23 July 2019 for the continuation of directorship of Dr. Uddesh Kumar Kohli and Mr. Arun Kannan Thiagarajan as Non-Executive & Independent Director, who had attained/ were to attain the age of 75 years.

All the three Independent Directors have declared that they meet the criteria of independence as laid down under the Act/Listing Regulations/any other applicable law along with a declaration of compliance of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time. The Independent Directors are not liable to retire by rotation. Further the Company has in place the Code of Conduct for Directors and senior management personnel. The Company is in receipt of disclosures from Directors and senior management personnel with respect to adherence of the aforesaid code during FY 2019-20.

The particulars in respect of directors seeking appointment as required under Regulation 36(3) of Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India forms part of the Corporate Governance Report. Pursuant to the provisions of Sections 152, 160 and any other applicable provisions of the Act and the Listing Regulations, *inter-alia* basis their expertise in specific functional areas, background, contribution towards Company's performance etc. and as per the recommendation of the Nomination and Remuneration Committee the Board recommends their appointment.

Mr. Sanjeev Agarwal (DIN: 07833762) was appointed as Whole-time Director for a period of three years from 30 May 2017 to 29 May 2020 by the Board of Directors of the Company. Due to personal and unavoidable circumstances, he expressed his desire not to seek re-appointment and his tenure came to an end on the closing hours of 29 May 2020.

Mr. Vishal Keerti Wanchoo (DIN 02776467), Chairman superannuated from the GE Group and accordingly resigned from the position of Chairman & Non-Executive Director of the Company with effect

from 27 May 2020. Due to personal and unavoidable circumstances, Mr. Andrew H DeLeone (DIN 07840902) resigned from the position of Director and Managing Director of the Company w.e.f. close of business hours on 05 April 2019.

The Board places on record its appreciation for the valuable contributions made by them during their tenure.

GE Share Purchase Plan

GE Share Purchase Plan is an international program offered to employees part of GE Group in various countries. The Company offers Share Purchase Plan (hereinafter referred to as 'GE Share Purchase plan') of its ultimate holding company i.e. General Electric Company to the employees of the Company. Eligible employees have the option to purchase shares (up to 10% of the basic salary or as may be specified in the extant GE Share Purchase plan) of General Electric Company, USA (GE Shares) by electing a monthly amount to be taken out of their pay. GE Shares participants also receive a 15% Company match on their elected contributions. There is no holding or lock-in period on the shares received and they may be sold or transferred at any time.

The GE Share Purchase plan had been approved by the members of the Company in the 27th Annual General Meeting held on 23 July 2019.

SHIFTING OF REGISTERED OFFICE

The Registered Office of the Company stands shifted from The International, V Floor, 16, Marine Lines Cross Road No. 1, Off. Maharshi Karve Road, Churchgate, Mumbai - 400020 to Unit No 211-212, 2nd Floor, The Capital, G Block, Plot No. C-70, Bandra Kurla Complex, Bandra East, Mumbai - 400051 w.e.f. 01 April 2020.

MEETINGS OF BOARD AND ITS COMMITTEES

The Board meets at regular intervals to discuss on Company/business's policy, strategy and financial results apart from other Board business. The Board/ Committee Meetings are pre-scheduled and a tentative quarterly / half yearly calendar of the Board and Committee Meetings is discussed and finalised by the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The maximum interval between any two Board Meetings did not exceed 120 (one hundred and twenty) days.

Your Company has the following Committees:

Audit Committee (AC)

Nomination and Remuneration Committee (NRC)

Corporate Social Responsibility Committee (CSR)

Stakeholders Relationship Committee (SRC)

Risk Management Committee (RMC)

The details of composition/change in composition, meetings and attendance at the meetings of Board and its committees namely AC, NRC, CSR, SRC and RMC held during the FY 2019-20 and its terms of reference are provided in Corporate Governance Report which forms part of this Report.

The Secretarial Standard on Meetings of the Board of Directors (SS-1) and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India have been duly complied.

AUDIT COMMITTEE

Your Company has an Audit Committee of the Board of Directors in place. The terms of reference of the Audit Committee are in line with Section 177 of the Act and the Listing Regulations, as amended. There were no recommendations made by the Audit Committee which were not accepted by the Board. There were no frauds reported by Auditors of your Company under sub-section 12 of section 143 of the Act for the FY 2019-20.

NOMINATION AND REMUNERATION POLICY

Your Company has in place a Nomination and Remuneration Policy to ensure that the Board and top Management is appropriately constituted to meet its fiduciary obligation to stakeholders, to identify and determine the integrity, qualification, expertise and experience of persons who are qualified to become Directors or who may be appointed in senior management and/or as Key Managerial Personnel of the Company. This policy *inter-alia* lays down the guidelines relating to appointment and remuneration for Executive Directors, Non-Executive Directors/ Independent Directors, Key Managerial Personnel and Senior Management.

Nomination and Remuneration Policy of the Company can be accessed at www.ge.com/in/ge-power-india-limited

BOARD EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, the Non-Executive, Non-Independent Directors and the Executive Directors of the Company were evaluated by the Independent Directors of the Company in a separate meeting of Independent Directors held during the year. The formal annual evaluation of the Board as a whole, Chairman of the Company, Committees of the Board namely Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Nomination and Remuneration Committee and all the Directors were undertaken in the Board meeting. More details on the same including the evaluation mechanism are provided in the Corporate Governance Report which forms part of this Annual Report.

AUDITORS AND AUDIT REPORT

Statutory Auditors

The Statutory Auditors of the Company, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number – 101248W/W-100022) were appointed at the 24th Annual General Meeting of the Company to hold office for a term of 5 (five) consecutive years until the conclusion of the 29th Annual General Meeting of the Company.

Cost Auditors

Pursuant to Section 148 of the Act, your Directors, on the recommendation of the Audit Committee, appointed M/s. Shome & Banerjee, Cost Accountants as Cost Auditors of your Company for the FY 2020-21 to carry out the cost audit for the applicable business at a remuneration of ₹ 3,00,000/- (Rupees Three Lacs only) plus applicable taxes and reimbursement of out of pocket expenses. A Certificate from M/s. Shome & Banerjee, Cost Accountants has been received to the effect that their appointment as Cost Auditors of the Company, would be in accordance with the limits specified under Section 141 of the Act.

As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the members of the Company in the general meeting for ratification. Accordingly, the Board of Directors of the Company recommends to members the ratification of the remuneration payable to M/s Shome & Banerjee, Cost Accountants for the FY 2020-21 at the ensuing Annual General Meeting.

The Cost records as specified by the Central Government in compliance with sub-section (1) of section 148 of the Companies Act, 2013 is being duly maintained by the Company.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act your Directors appointed M/s. Hemant Singh & Associates, Company Secretaries to undertake the Secretarial Audit of your Company for FY 2020-21. The Secretarial Audit Report in Form MR-3 for FY 2019-20 is annexed as 'Annexure B' to this Report.

Further in compliance with Regulation 24A of Listing Regulations, Secretarial Compliance Report for the year ended 31 March 2020, issued by M/s. Hemant Singh & Associates, Company Secretaries is annexed as 'Annexure C' to this Report. The same was filed with stock exchanges (BSE & NSE) on 24 June 2020.

There were no qualifications, reservations, observations or adverse remarks made by the Auditors in their report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- I. in the preparation of the annual financial statements for the year ended 31 March 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- II. such accounting policies have been selected and applied consistently and made such judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 31 March 2020 and of the profit of the Company for that period;
- III. proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the

- provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. the annual financial statements have been prepared on a going concern basis;
- V. internal financial controls have been laid down and followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- VI. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SUBSIDIARIES/SPECIAL PURPOSE COMPANY

GE Power Boilers Services Limited ('GEPBSL') is a wholly owned subsidiary of the Company. It is a non-material non-listed Indian subsidiary. It was initially engaged in the business services related

to boilers. From the year 2005 it only has some 'other income'. The aforesaid subsidiary did not have any business operations during the year. During FY 2019-20, GEPBSL had a total income of ₹ 0.085 million (Previous Year : ₹ 1.4 million) along with loss after tax of (₹ 4.7 million) (Previous Year : (₹ 6.6 million)). As at 31 March 2020, GEPBSL's accumulated losses of (₹ 44.9 million) have eroded its paid up equity capital of ₹ 3.4 million.

Your Company has a Special Purpose Company ('SPC') in the name of Alstom Systems India Private Limited. The role of your Company in the SPC is limited only to equity participation not exceeding 5% (not exceeding ₹ 80 million) and that of ALSTOM Transport S.A. is 95% or more. Your Company is not responsible for the execution and day to day management of the transport operations specific to this SPC.

In compliance with the first proviso to sub-section 3 of section 129 of the Act a statement containing salient features of the financial statement of Company's subsidiary for FY 2019-20 in the prescribed format Form AOC-1 is as under :-

Part A Subsidiaries

(₹ in million)

| Name of the subsidiary | The date since when subsidiary was acquired | Share capital | Reserves and surplus | Total assets | Total liabilities | Investments | Turnover | Profit/ (loss) before taxation | Provision for taxation | Profit/ (loss) after taxation | Proposed Dividend | Extent of shareholding (in %) |
|-----------------------------------|---|---------------|----------------------|--------------|-------------------|-------------|----------|--------------------------------|------------------------|-------------------------------|-------------------|-------------------------------|
| GE Power Boilers Services Limited | 31-10-2002 | 3.4 | (44.9) | 1.5 | 43.0 | - | - | (3.3) | 1.4 | (4.7) | - | 100 |

Reporting period for the subsidiary is same as holding Company's reporting period i.e. from 1 April to 31 March. The above-mentioned subsidiary is not a foreign subsidiary and its reporting currency is Indian Rupee (₹)

Part B Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures - Not applicable

PROMOTER SHAREHOLDING

Name of the Promoter entity i.e. Alstom India Tracking BV changed to GE Power India Tracking B.V. w.e.f. 15 April 2020. GE Power India Tracking BV holds 46,102,083 equity shares constituting 68.58% of the paid-up capital of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with provisions of Section 129 of the Act and Listing Regulations, as amended, your Company has prepared Consolidated Financial Statements in accordance with the requirements of Ind-AS Rules. The Audited Consolidated Financial Statements along with the Auditors' Report thereon forms part of this Annual Report.

Further, as per the fourth proviso of Section 136(1) of the Act, Audited Financial Statements of the subsidiary company have been displayed on the website of the Company viz. www.ge.com/in/ge-power-india-limited

Members interested in obtaining a copy of audited financial statements of the subsidiary company may write to the Company Secretary of the Company.

VIGIL MECHANISM

Your Company is committed to best Corporate Practices based on the principle of transparency, accountability, fairness and integrity to create long term sustainable value for its stakeholders. Your Company has in place Vigil Mechanism (Ombuds and Open Reporting Procedure) to provide an avenue to all Stakeholders to report concerns, whether actual or potential, about integrity violation or violation of law. The Company provides adequate safeguard to the Concern Raiser. If a Concern Raiser faces any retaliation as a result of reporting a Concern or supporting an investigation, the aforesaid Procedure provides adequate provision to report the incident to the Chairman of the Audit Committee. In addition, your Company has adopted an internal Code of Conduct namely 'The Spirit & The Letter' ('S&L') which is followed by anyone who works for or represents GE, which includes your Company. During the year, 52 stakeholders' complaints were received out of which 42 complaints have been resolved to the satisfaction of the complainants. Out of the total resolved complaints 25% of the complaints were confirmed.

The aforesaid policies are available on the Company's website viz. www.ge.com/in/ge-power-india-limited

FIXED DEPOSIT

The Company has not accepted any deposits and as such no amount of principal or interest was outstanding as at the end of FY 2019-20.

CREDIT RATING

Summary of the credit rating obtained by the Company during FY 2019-20 is provided below: -

| | |
|---|--|
| Name of the credit rating agency | ICRA Limited |
| Date on which the credit rating was obtained | 27 September 2019 |
| Long Term rating | Reaffirmed as AA-. The outlook on the long-term rating is Stable |
| Short- Term rating | Reaffirmed as A1+ |
| Reasons provided by the rating agency for a downward revision | Not applicable |

ENVIRONMENT, HEALTH AND SAFETY (EHS)

For your Company safety, health and well-being of employees, contractors and customers are of prime importance. Your Company is governed by its EHS directives and instructions to protect itself and its stakeholders. EHS process is managed in accordance with the highest standards and from time to time these standards are evaluated. Your Company follows 'Zero Tolerance Policy'. In addition to this, every stakeholder is authorised to 'Stop Work' when there is a potential threat of individual injury / illness or having chances of property damages. All locations have well-equipped healthcare facilities and arrangement for emergencies. Employees at all levels are given trainings so that they have an understanding of EHS requirements and build a culture of safety and well-being.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis is presented in a separate section, which forms part of this Annual Report.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report is presented in a separate section, which forms part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company placed Inter-Corporate Deposits (ICDs) of ₹ 550 million (closing balance) with GE Power Systems India Private Limited and ₹ 36.6 million (closing balance) with GE Power Boilers Services Limited. Particulars of the ICDs given are provided in Note no. 16 of the Notes to Standalone Financial Statements which forms part of this Annual Report. The rate of interest for aforesaid ICDs were in the range of 7.15% p.a. to 8.70% p.a. All the ICDs were granted in compliance with Section 186 of the Act. The aforesaid ICDs were granted for business purposes only.

Particulars of investments made by your Company have been provided in Note no. 7 of the Notes to Standalone Financial Statements which forms part of this Annual Report. Your Company has not given any Guarantee during the FY 2019-20, except as specified in the notice of ensuing Annual General Meeting.

RELATED PARTY TRANSACTIONS

During the FY 2019-20, Related Party Transactions as defined under Section 188 of the Act and the Listing Regulations, as amended, were at arm's length and in ordinary course of business. Your Company has in place a Related Party Transactions Policy. During the FY 2019-20, your Company entered into material related party transactions, as defined under the Listing Regulations and the Related Party Transaction Policy of the Company, which were duly approved by the members of the Company in the 27th Annual General Meeting. Further material related party transactions entered/proposed to be entered from FY 2020-21 onwards are detailed in the notice of the ensuing Annual General Meeting of the Company.

Omnibus approval for related party transactions (at arm's length and in ordinary course of business) which were foreseen and repetitive in nature was obtained from the Audit Committee. During the period under review, your Company did not enter into any Related Party Transaction which may be considered material in terms of Section 188 of the Act and thus disclosure in Form AOC-2 is not applicable to the Company. The disclosures pertaining to transactions with Related Parties in compliance with applicable accounting standards have been provided in Note no. 38 of the Notes to Standalone Financial Statements.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings & outgo as stipulated under Section 134(3)(m) of the Act is annexed as 'Annexure D' to this Report.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The Board of Directors of your Company has laid down a Risk Management Policy for the Company. It identifies elements of risks inherent to the business pertaining to tender and contract execution, operational and financial, environment, health and safety, reputation and image, currency fluctuation, compliance etc. The framework of Internal Financials Controls (IFC) and the system of Internal Audit complements the Policy by scientifically identifying, scoping and mapping risks to significant businesses, profit centers and functional areas. Risk matrices that map controls against risks in each area, are evaluated periodically. There exists an objective rating criteria for observations and time bound mitigations that are monitored. Every unit and function is required to deploy the control measures and ensure timely reporting. In the opinion of the Board, none of the above mentioned risks threaten the existence of your Company.

REPORTING UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

GE is an equal opportunity provider organization that consciously strives to build a work culture that promotes the dignity of all employees. In compliance with the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder the Company has in place a policy on Sexual Harassment at workplace. The Company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. During FY 2019-20, the Company conducted awareness programmes at its various locations in respect to sexual harassment at work place. No case was reported relating to sexual harassment during the FY 2019-20.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Board of Directors of your Company is satisfied with the internal financial control process with reference to the financial statements. Internal control environment of the Company is reliable with well documented framework to mitigate risks. A detailed analysis is provided in the Management Discussion and Analysis.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed as 'Annexure E' to this Report and is also available on the Company's website viz. www.ge.com/in/ge-power-india-limited

PARTICULARS OF EMPLOYEES

The information as required under Section 197 of the Act in respect of employees of the Company is annexed as 'Annexure F' to this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed against your Company by the regulators or courts or tribunals during the FY 2019-20 impacting the going concern status and your Company's operations in future.

MATERIAL CHANGES AND COMMITMENTS, IF ANY OR ANY OTHER MATERIAL EVENT HAVING AN IMPACT ON THE AFFAIRS OF THE COMPANY.

The changes and commitments affecting the financial position of the Company which have occurred between the end of FY 2019-20 and on the date of the report are given below

▶ COVID-19

India went into a nationwide lockdown due to COVID 19 pandemic on 25 March 2020. As a result of the pandemic and the actions

taken to prevent its spread, the power industry was impacted by crisis as was your Company. The pandemic and consequent lockdown has resulted in disruption in operations at Company's factories at Durgapur and Noida as well as at various project sites. However, both the factories and most of the sites are operational now with due regard to the safety and social distancing protocol prescribed by the regulators. The Company is actively working to offset the impact and is taking all possible steps to sustain its business. The Company's top priority remains the health and safety of its employees, contractors and communities. The Company is taking all precautions, safety and social distancing measures and implementing all applicable guidelines issued by central, state and local authorities/licensing authorities across its operations/offices for prevention and containment of COVID-19. The Company will continue to follow the recommendations/ advisories as may be issued by the relevant authorities.

As your Company is transiting back to work, the GE Guidelines set forth strict expectations and a checklist for site opening and operations to protect employees and contractors. The guidelines focus on four key elements of transitioning: Establishing a COVID-19 Leadership Team and Safety Operating Plan at the outset; Planning and preparing for employee return; Ensuring the ongoing safe site operation consistent with COVID-19 protections and Establishing contractor and visitor protocols.

- ▶ Durgapur factory located in West Bengal received permit to restart with restrictions on 02 May 2020. The factory started operations and is now operating with 250 employees per shift. Sub-Contractors in Durgapur facility have started their operations to support production with all precautions in place.
- ▶ Automation & Control factory in Noida received permit to restart operations with restrictions from 12 May 2020 with a limited capacity. Apart from delivering Cyber Security & R&D projects for global teams, the team was also able to deliver some of critical spare to power utilities.
- ▶ Work at project sites, which were temporarily suspended due to the lockdown are now functional, with the labour present at the respective sites with a limited number of workmen. Workmen numbers have been increased to a certain level with consideration of COVID - 19 requirements. The Company is facing some challenges in rallying skilled labour as many of them have left for their home state. The resumption of work has slowed down due to administrative requirements of quarantine, social distancing etc. The team is working to resolve issues related to supply delays, loss of time & productivity due to demobilization & remobilization of resources etc.
- ▶ The office in Noida was re-opened with 10% of employees since 22 May 2020 with significant new measures on site to protect the health and safety of everyone. The Company's offices in non-restricted locations have also re-opened with applicable restrictions. However, the majority of employees in non-critical functions are advised to continue to work from home. All offices and sites are making a gradual transition back to the office, factory or site.

- ▶ While maintaining all the safety precautions, the team is now focused on slowly ramping up operations for delivering services and projects. 100% Active and Passive screening carried out deliberately for all contractor workmen, staff and GE Employees. All the facilities are regularly being sanitized and disinfected ensuring 100% availability of all necessary PPE's. Special COVID-19 policies are introduced for supporting employees during these unprecedented times by offering broadband re-imbusement, COVID-19 insurance etc.
- ▶ Awareness & trainings on COVID - 19 requirements were organized covering management and all workforce and will continue on a frequent schedule.

During the crisis period, employees of the Company have shown tremendous commitment towards maintaining essential services. They have managed some critical services / deliveries during this crisis period to NTPC/Numaligarh Refineries, NTPC Vindhyachal, DPL Durgapur and few industrial customers, apart from achieving critical project milestones at the NLC Neyvelli BI project, APL Jhajjar FGD project, Panki, Udangudi, Patratu, Hassyan etc.

Your Company, like the rest of the economy has been impacted by the crisis and the shutdown of its production facilities. Even as phased commencement has begun, the evaluation of impact is constantly being updated as the situation unfolds. Meanwhile, the Company has assessed the impact of any delays and inability to meet contractual commitments and has taken appropriate actions such as engaging with the customers in light of the current crisis and invoking of the force-majeure clause. Because long term contracts represent a significant portion of the business' volumes and backlog, there are no impending risks of impairments due to short-term changes in profitability as per the current assessment. The impact experienced has been more related to changes in the timing of sales and other key indicators from one period to another. Due to the pandemic, like the rest of the economy, your Company's financial resources have come under strain and the impact has been felt on the revenue and margins. The negative flows caused by COVID-19 may get mitigated by the end of the fiscal year 20-21, if the situation does not prolong. Your Company has no debt outstanding as at 31 March 2020 and in case of need, there is credit available to meet temporary needs for cash. The impact on accounting estimates have been duly incorporated to reflect the new/changed economic variables.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate social responsibility and inclusiveness are part of GE's sustainability strategy. Diversity, efficient resources management and engaging our partners in the process of sustainability are part of the overall agenda. Through employee volunteering, sustainability goals and CSR efforts, GE as a group has endeavored to prioritise commitment towards sustainable and inclusive development.

Your Company's CSR efforts with local communities during the year were focused on the projects on promoting health care including preventive health care, promoting education, ensuring environmental sustainability and making available safe drinking water, sanitation & hygiene, facilities for senior citizens skills development and livelihood

enhancement projects, access to basic healthcare and support to socio-economically vulnerable population were given continued support.

Key initiatives which your Company has been engaged in FY 2019-20 are as follows:

Primary healthcare through Mobile Medical Units

In Durgapur and Shahabad your Company deployed two mobile medical health units (MHU) in partnership with Helpage India to provide basic healthcare to the people and cater to the essential health care needs, enhance the health status and create awareness amongst the underprivileged and needy senior citizens. MHU provides for essential diagnostic tests, free medication, preventive health care checks and health awareness activities. During FY 2019-20, the project served more than 12,000 patients in Durgapur and 13,000 patients in Shahabad.



Mobile medical unit, Durgapur West Bengal

Promoting Education and Ensuring environmental sustainability

Your Company also focused on promoting education, environmental sustainability and making available safe drinking water programme by partnering with Swami Vivekananda Vani Prachar Samiti (SVVPS).

In tribal villages of Durgapur, i.e., Moldanga, Fuljhore and Kathaldanga, the Company undertook projects to provide basic education to tribal children. Further, to ensure Environmental Sustainability, the project to repair & maintain solar street lightings installed previously to tribal villagers of Fuljhore & Kanthaldanga was undertaken. The Company also augmented the basic facility of drinking water to tribal villagers of Fuljhore.

Community sanitation

Your Company has partnered with Sulabh International to construct a community sanitation structure at Ghaziabad that would benefit men, women and differently abled people.



Three Education Centers for Coaching in Model Tribal Villages of GE Durgapur Facility, West Bengal

Livelihoods and Income-Generation Programmes

Your Company undertook programme on sustainable income-generation and livelihood support in partnership with Construction Industry Development Council (CIDC) across India.

A vocational skills programme was completed in partnership with CIDC. The project was focused to empower individuals through improved skills, knowledge to gain access to decent employment by Onsite Training, Testing and Certification to construction workers. There were around 1024 people who benefitted from the project.

Facilities for senior citizens

Your Company undertook project in Cuddalore, Tamil Nadu in partnership with Helpage India to provide shelter care to the needy elderly. It further aims to provide food and food rations for the destitute elderly, medical support to the elderly residing in the facility in addition to providing a home for the homeless, destitute and disadvantaged elders. The old age home conducts interactions, games and social events.

In compliance with the provisions of Section 135 of the Act, your Company has constituted a CSR Committee and has made spending's towards CSR activities during FY 2019-20. The Annual Report on CSR activities is annexed as 'Annexure -G' to this Report.

INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Pursuant to Section 124(5) of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. In accordance with the aforesaid provisions, ₹ 2,959,880/- was transferred to IEPF Authority in respect of dividend for FY 2011-12.

Pursuant to Section 124(6) of the Act, such shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years shall be transferred to Demat account maintained by IEPF Authority. In accordance with the aforesaid provisions 18,873 equity shares of the Company were transferred to the Demat account maintained by IEPF Authority.

The dividend accruing on 125,193 equity shares (already transferred to IEPF as on 31 March 2019) was credited to the account of IEPF Authority.

Details of year wise amount of unpaid/unclaimed dividend lying in the unpaid account which are liable to be transferred to the IEPF Authority and the due dates for such transfer form part of the notes to notice of ensuing Annual General Meeting of the Company.

As on 31 March 2020, 25,008 equity shares were eligible to be transferred to IEPF Authority after 05 September 2020. Accordingly, the Company vide letter dated 03 June 2020 has already written to such shareholders to claim dividends which stand unpaid/unclaimed for the last seven consecutive years i.e. since FY 2012-13, on or before 05 September 2020. Thereafter the dividend for the year mentioned above shall be transferred to the IEPF and the corresponding eligible shares shall also be transferred to demat account maintained by IEPF.

BUSINESS RESPONSIBILITY REPORT

As per the Listing Regulations top five hundred listed entities based on market capitalization are required to provide Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective, Stakeholder relationship and Customer relationship. In compliance with the aforesaid Regulations, the Business Responsibility Report of the Company is annexed as 'Annexure H' to this Report.

ACKNOWLEDGEMENTS

The Board of Directors take this opportunity to thank all its shareholders, valued customers, banks, Government and statutory authorities, investors and stock exchanges for their continued support to the Company. Your Directors wish to place on record their deep sense of appreciation for the committed services by employees. Your Directors acknowledge with gratitude the encouragement and support extended by the valued shareholders and the Promoters of the Company.

For and on behalf of the Board of Directors

Mahesh Shrikrishna Palashikar

Chairman & Non-Executive Director

(DIN 02275903)

Place: Gurugram

Date: 22 June 2020

ANNEXURE - A

DIVIDEND DISTRIBUTION POLICY

BACKGROUND

This policy is being adopted in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Regulations') as amended. The regulation 43A of the Regulations requires top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The regulation further prescribed that, the dividend distribution policy shall include the following parameters:

- a. the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- b. the financial parameters that shall be considered while declaring dividend;
- c. internal and external factors that shall be considered for declaration of dividend;
- d. policy as to how the retained earnings shall be utilized; and
- e. parameters that shall be adopted with regard to various classes of shares

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

Considering the fact that GE Power India Limited (hereinafter referred to as 'Company') is amongst the top 500 listed entities, as at 31st March 2016, as per the criteria, the dividend distribution policy has been formulated.

The Company has issued only Equity Shares. The Equity Shares are pari-passu with respect to voting rights and dividend. All the members of the Company are entitled to receive the same amount of dividend per share.

APPLICABILITY

This policy is applicable on equity shares of the Company.

OBJECTIVE OF THE POLICY

The policy specifies the parameters of distribution of dividend with objective of delivering sustainable value to its stakeholders.

PROCEDURE

Dividend is declared at the Annual General Meeting (AGM) of the shareholders based on recommendations of the Board in compliance with provisions of Companies Act, 2013. The Board may also declare interim dividend(s) as and when it considers fit.

CONSIDERATIONS

The Board of Directors of the Company ('Board') recommends dividend distribution based on the following factors, which lead to circumstances under which the shareholders of the Company may or may not expect dividend:

1. Reported and Projected Net Profit after Tax (PAT) available for distribution in the financial statements for the current and projected periods.
2. Reported and projected statements of free cash flow generation.
3. Current and projected cash balance.
4. Current and projected debt-raising capacity.
5. Committed and projected cash flow needs owing to forecasted capital expenditure, anticipated investments and working capital requirements for current and projected periods.
6. The macro economic factors and the general business environment.
7. Corporate actions resulting in significant cash outflow for the Company.

The Company may use retained earnings for distribution of dividend in special circumstances except in cases wherein funds needs to be deployed to sustain growth of the business and operations of the Company.

REVIEW OF POLICY

This policy is approved by the Company's Board of Directors. The Board may from time to time review and amend the Policy.

DISCLAIMER

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

ANNEXURE - B

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

FORM NO. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
GE Power India Limited
Unit No. 211-212, 2nd Floor, The Capital,
G- Block, Plot No. C-70, Bandra Kurla Complex,
Bandra, Mumbai -400051

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GE POWER INDIA 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 also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representation made by the Management and considering the relaxation granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March 2020, 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 maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (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;
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Guidelines, 2014;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period);and

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period)
- vi. The operations of the Company include a composite range of activities viz. engineering, procurement, manufacturing, construction and servicing of power plants and power equipment. In our opinion, the Company being operating in the aforesaid diversified activities, various laws/regulations are applicable to it. The other major laws, as informed by the management of the Company which are specifically applicable to the Company based on their sector/industry are:-
- a) Indian Boilers Act, 1923;
 - b) The Environment (Protection) Act, 1986;
 - c) The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned State Rules;
 - d) The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/concerned State Rules;
 - e) The Factories Act, 1948;

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to filing of certain e-forms with additional fees.

We further report that

As per our inspection of records of the Company, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings seven days in advance except one Board Meeting was held on a shorter notice and in due compliance with the provisions of applicable Laws. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

We further report that during the audit period there has not been any such activity having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

Disclaimer: It is to be noted that due to the prevailing nationwide pandemic scenario and unavoidable work from home circumstances, our team could not follow the usual course of audit procedure which includes physical verification of the requisite compliances. Our opinion, as stated in the report is based on documents and information as made available by the Company via email.

For Hemant Singh & Associates
Company Secretaries

Hemant Kumar Singh
(Partner)

Membership No: F6033
COP No : 6370

Date : 22 June 2020
Place: New Delhi

UDIN: F006033B000365733

This report is to be read with Annexure A, which forms an integral part of this report

Annexure A

To,
The Members,
GE Power India Limited
Unit No. 211-212, 2nd Floor, The Capital,
G- Block, Plot No. C-70, Bandra Kurla Complex,
Bandra, Mumbai -400051

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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for your 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 the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random 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 Hemant Singh & Associates
Company Secretaries

Hemant Kumar Singh
(Partner)

Membership No: F6033
COP No : 6370

UDIN: F006033B000365733

Date : 22 June 2020
Place : New Delhi

ANNEXURE C

SECRETARIAL COMPLIANCE REPORT

For the year ended March 31, 2020

To,
GE Power India Limited
Unit No. 211-212, 2nd Floor, The Capital,
G- Block, Plot No. C-70, Bandra Kurla Complex,
Bandra, Mumbai -400051

We, Hemant Singh & Associates, Company Secretaries, have examined:

- All the documents and records made available to us and explanation provided by GE Power India Limited ('the listed entity'),
- The filings/ submission made by the listed entity to the stock exchanges, i.e., BSE Limited and National Stock Exchange of India Ltd (NSE).
- Website of the listed entity,
- Any other document/filing, as may be relevant, which has been relied upon to make this certification,

For the year ended March 31, 2020 ('Review Period') in respect of compliance with the provision of:

- The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the regulations, circulars, guidelines issued thereunder; and
- The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities Exchange Board of India ("SEBI"),

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable on Company during the review period);
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not Applicable on Company during the review period);

- Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not Applicable on Company during the review period);
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable on Company during the review period);
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; (Not Applicable on Company during the review period);
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and circulars/guidelines based thereunder;

and based on the above examination, we hereby report that, during the review period:

- The Listed Company has complied with the provisions of above regulations and circulars/ guideline issued thereunder, except in respect of matters specified below:

| Sr. No | Compliance Requirement (Regulation/circulars/ guidelines including specific clause) | Deviation | Observations/ remarks of the Practicing Company Secretary |
|--------|---|-----------|---|
| | | NIL | |

- The Company has maintained proper records under the provisions of the above regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.

- c) The following are the details of the actions taken against the listed entity/its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchange (including the Standard operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circular/guideline issued thereunder:

| Sr. No | Action Taken By | Details of violation | Detail of action taken E.g. Fines, warning letter, debarment, etc. | Observations/ remarks of Practicing Company Secretary, if any. |
|--------|-----------------|----------------------|--|--|
| Nil | | | | |

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No | Observations of Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended March 31, 2019 | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|--------|--|---|---|---|
| NIL | | | | |

For Hemant Singh & Associates
Company Secretaries

Hemant Kumar Singh
(Partner)

Membership No: F6033

COP No: 6370

UDIN: F006033B000365766

Place : New Delhi
Date : 22 June 2020

ANNEXURE - D

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) CONSERVATION OF ENERGY

I. The steps taken or impact on conservation of energy:

1. Exhaust air ducting provision is implemented in Ingersoll Rand (IR) compressor to reduce energy consumption.
2. In Harvey machine VFD installed for 30 HP main motor to reduce energy consumption.
3. In Bronx machine, for one no. 60 HP & one no. 30 HP, drum controller is replaced with AC drives to reduce energy consumption.
4. Heat leakage restoration with door insulation and refractory lining revamping done in High Temperature /Low Temperature (HT/LT) furnace to improve fuel consumption efficiency. Design modification also done to remove water jacket for door cooling, thus resulting in water conservation & reduction of electrical energy consumption.
5. In Vulcan furnace, heat leakage arrested around Bogie periphery & bottom of furnace through brick lining repairing & sand sealing to improve fuel efficiency of furnace.
6. Approximately 75 nos of 400 W metal halide lamps were replaced with 180 W LED lamps in Panel shop, Header shop, Assembly shop & New Paint shop
7. 140 nos of 18 W LED lamp installed in Technology Centre & MEB block replacing 36 W lamp to reduce energy bill and 40 nos of 30W LED lamps instead of MH lamps installed in shop floor to cater requirement of additional illumination
8. Two nos of 2 Ton Inverter based Air Conditioner installed for Server room

II. The steps taken by the Company for utilising alternate sources of energy:

1. Adoption of CBM (Coal Bed Methane) as low cost fuel to replace costly LPG /Diesel for on stress relieve furnace resulting in significant reduction in fuel cost.

III. The capital investment on energy conservation equipments:

Capital investment for energy conservation mainly done on welding power sources ,LED lights & Room Air conditioners.

(B) TECHNOLOGY ABSORPTION

I. The efforts made towards technology absorption:

NIL

II. The benefits derived:

NIL

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

NIL for last three financial years

IV. The expenditure incurred on Research and Development:

NIL

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO IN TERMS OF ACTUAL OUTFLOWS :-

Foreign Exchange Earnings (on actual basis) - ₹ 4,011 million

Foreign Exchange Outgo (on actual basis) - ₹ 3,615 million

For and on behalf of the Board of Directors

Mahesh Shrikrishna Palashikar
Chairman & Non-Executive Director
(DIN 02275903)

ANNEXURE - E

EXTRACT OF ANNUAL RETURN

FORM NO. MGT-9

As on Financial Year ended 31 March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

| | | |
|------|---|--|
| i) | CIN | L74140MH1992PLC068379 |
| ii) | Registration Date | 02 September 1992 |
| iii) | Name of the Company | GE Power India Limited |
| iv) | Category / Sub-Category of the Company | Company Limited by Shares/Indian Non-Government Company |
| v) | Address of the Registered office and contact details | Unit No 211-212, 2 nd Floor, The Capital, G Block, Plot No. C-70, Bandra Kurla Complex, Bandra East, Mumbai - 400051 Phone: 022 45407200 Fax: 022 45407203 |
| vi) | Whether listed company (Yes / No) | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | KFin Technologies Private Limited Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telangana Ph: 040 67162222 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company are as below:-

| S. No. | Name and description of main products / services | NIC Code of the Product/ service | % to total turnover of the company* |
|--------|--|----------------------------------|-------------------------------------|
| 1. | Construction and maintenance of power plants | 422 | 71% |
| 2. | Manufacture of steam generators | 251 | 22% |

*on the basis of net revenue excluding scrap sales.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name and address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|--------|--|-----------------------|----------------------------------|------------------|--------------------|
| 1. | GE Power India Tracking BV (formerly Alstom India Tracking B.V.) R/O, Bergschot, 69/2, 4817 PA Breda The Netherlands | Not Applicable | Holding | 68.58 | 2(46) |
| 2. | GE Power Boilers Services Limited R/O 11 th Floor, Tower II, Millennium City, IT Park, Plot 62, Block DN, Sector V, Salt Lake City, Bidhan Nagar, Kolkata – 700091, West Bengal | U31200WB1947PLC015280 | Subsidiary | 100.00 | 2(87)(ii) |

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

| Category of Shareholders | Shareholding at the beginning of the year | | | | Shareholding at the end of the year | | | | % Change during the year |
|---|---|----------------|-------------------|-------------------|-------------------------------------|----------------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a. Individual/HUF | - | - | - | - | - | - | - | - | - |
| b. Central Govt | - | - | - | - | - | - | - | - | - |
| c. State Govt(s) | - | - | - | - | - | - | - | - | - |
| d. Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e. Banks/FI | - | - | - | - | - | - | - | - | - |
| f. Any Other | - | - | - | - | - | - | - | - | - |
| Sub Total (A)(1) | - | - | - | - | - | - | - | - | - |
| (2) Foreign | | | | | | | | | |
| a. NRIs-Individuals | - | - | - | - | - | - | - | - | - |
| b. Other-Individuals | - | - | - | - | - | - | - | - | - |
| c. Bodies Corporate | 46,102,083 | - | 46,102,083 | 68.58 | 46,102,083 | - | 46,102,083 | 68.58 | - |
| d. Banks/FI | - | - | - | - | - | - | - | - | - |
| e. Any other | - | - | - | - | - | - | - | - | - |
| Sub Total (A)(2) | 46,102,083 | - | 46,102,083 | 68.58 | 46,102,083 | - | 46,102,083 | 68.58 | - |
| Total shareholding of promoter (A)= (A)(1)+ (A)(2) | 46,102,083 | - | 46,102,083 | 68.58 | 46,102,083 | - | 46,102,083 | 68.58 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a. Mutual funds/UTI | 9,183,880 | 300 | 9,184,180 | 13.66 | 9,868,108 | 300 | 9,868,408 | 14.68 | 7.45 |
| b. Banks/FI | 849,666 | 20,178 | 869,844 | 1.29 | 753,866 | 20,178 | 774,044 | 1.15 | (11.01) |
| c. Central Govt/ State Govt(s) | 0 | 259,742 | 259,742 | 0.39 | 0 | 259,742 | 259,742 | 0.39 | - |
| d. Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| e. Insurance Companies | 298,506 | 0 | 298,506 | 0.44 | 253,303 | 0 | 253,303 | 0.38 | (15.14) |
| f. FIs / FPIs | 1,460,742 | 0 | 1,460,742 | 2.17 | 1,445,905 | 0 | 1,445,905 | 2.15 | (1.02) |
| g. Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| h. Others | - | - | - | - | - | - | - | - | - |
| - Qualified Institutional Buyers | 0 | 0 | 0 | 0.00 | 901,655 | 0 | 901,655 | 1.34 | 100 |
| Sub Total (B)(1) | 11,792,794 | 280,220 | 12,073,014 | 17.96 | 13,222,837 | 280,220 | 13,503,057 | 20.09 | 11.84 |
| 2. Non- institutions | | | | | | | | | |
| a. Bodies Corporate | | | | | | | | | |
| i. Indian | 1,694,785 | 7,360 | 1,702,145 | 2.53 | 716,812 | 6,140 | 722,952 | 1.08 | (57.53) |
| ii. Overseas | - | 8,383 | 8,383 | 0.01 | - | 8,383 | 8,383 | 0.01 | - |
| b. Individual shareholders | | | | | | | | | |
| i. holding nominal share capital upto ₹1 lakh | 5,730,987 | 379,835 | 6,110,822 | 9.09 | 5,348,011 | 329,024 | 5,677,035 | 8.44 | (7.10) |
| ii. holding nominal share capital in excess of ₹1 lakh | 708,473 | 0 | 708,473 | 1.05 | 680,325 | 0 | 680,325 | 1.01 | (3.97) |
| c. Others | | | | | | | | | |
| - Directors | 13,415 | 0 | 13,415 | 0.02 | 13,415 | 0 | 13,415 | 0.02 | - |
| - Trusts | 7,472 | 0 | 7,472 | 0.01 | 47,523 | 0 | 47,523 | 0.07 | 536.01 |
| - Non-resident Indians | 355,642 | 1,298 | 356,940 | 0.53 | 311,783 | 298 | 312,081 | 0.46 | (12.57) |
| - Clearing Members | 14,417 | 3,442 | 17,859 | 0.03 | 11,985 | 3,442 | 15,427 | 0.02 | (13.62) |
| - Foreign Nationals | 22 | 0 | 22 | 0.00 | 22 | 0 | 22 | 0.00 | - |
| -IEPF | 125,193 | 0 | 125,193 | 0.19 | 143,268 | 0 | 143,268 | 0.21 | 14.44 |

(i) Category-wise Share Holding (Contd.)

| Category of Shareholders | Shareholding at the beginning of the year | | | | Shareholding at the end of the year | | | | % Change during the year |
|--|---|----------------|-------------------|-------------------|-------------------------------------|----------------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total shares | |
| - NBFCs registered with RBI | 1,650 | 0 | 1,650 | 0.00 | 1,900 | 0 | 1,900 | 0.00 | 15.15 |
| Sub-total (B)(2) | 8,652,056 | 400,318 | 9,052,374 | 13.47 | 7,275,044 | 347,287 | 7,622,331 | 11.34 | (15.80) |
| Total Public Shareholding (B)= (B)(1) + (B)(2) | 20,444,850 | 680,538 | 21,125,388 | 31.42 | 20,497,881 | 627,507 | 21,125,388 | 31.42 | - |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 66,546,933 | 680,538 | 67,227,471 | 100.00 | 66,599,964 | 627,507 | 67,227,471 | 100.00 | - |

(ii) Shareholding of Promoters

| S. No. | Category of Shareholders | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. Of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. Of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1. | GE Power India Tracking BV (formerly Alstom India Tracking B.V.) | 46,102,083 | 68.58 | - | 46,102,083 | 68.58 | - | - |
| | Total | 46,102,083 | 68.58 | - | 46,102,083 | 68.58 | - | - |

(iii) Change in Promoters' Shareholding

There was no change in the Promoters' shareholding during FY 2019-20.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

| S. No. | Name of the Shareholder | Shareholding | | | Reason for increase / decrease | Cumulative Shareholding during the year | |
|-----------|--|--------------|---------------|-------------------|--------------------------------|---|-------------------|
| | | Date | No. of Shares | % of total Shares | | No. of Shares | % of total Shares |
| 1. | Reliance through its various accounts | | | | | | |
| | At the beginning of the year | 01/04/2019 | 5,977,154 | 8.89 | | | |
| | Date wise increase/decrease | 12/04/2019 | (1,418) | (0.00) | Market Sale | 5,975,736 | 8.89 |
| | in shareholding during the year | 19/04/2019 | (12,700) | (0.02) | Market Sale | 5,963,036 | 8.87 |
| | | 17/05/2019 | (75,935) | (0.11) | Market Sale | 5,887,101 | 8.76 |
| | | 31/05/2019 | 1,751 | 0.00 | Market Purchase | 5,888,852 | 8.76 |
| | | 07/06/2019 | 5,000 | 0.01 | Market Purchase | 5,893,852 | 8.77 |
| | | 14/06/2019 | 2,219 | 0.00 | Market Purchase | 5,896,071 | 8.77 |
| | | 21/06/2019 | 10,500 | 0.02 | Market Purchase | 5,906,571 | 8.79 |
| | | 28/06/2019 | 28,162 | 0.04 | Market Purchase | 5,934,733 | 8.83 |
| | | 05/07/2019 | (13,000) | (0.02) | Market Sale | 5,921,733 | 8.81 |
| | | 12/07/2019 | 20,276 | 0.03 | Market Purchase | 5,942,009 | 8.84 |
| | | 19/07/2019 | 3,863 | 0.01 | Market Purchase | 5,945,872 | 8.84 |
| | | 26/07/2019 | 22,861 | 0.03 | Market Purchase | 5,968,733 | 8.88 |
| | | 02/08/2019 | 5,182 | 0.01 | Market Purchase | 5,973,915 | 8.89 |
| | | 09/08/2019 | 4,600 | 0.01 | Market Purchase | 5,978,515 | 8.89 |
| | | 16/08/2019 | 4,000 | 0.01 | Market Purchase | 5,982,515 | 8.90 |
| | | 30/08/2019 | 68,066 | 0.10 | Market Purchase | 6,050,581 | 9.00 |
| | | 06/09/2019 | 10,599 | 0.02 | Market Purchase | 6,061,180 | 9.02 |
| | | 13/09/2019 | 22,323 | 0.03 | Market Purchase | 6,083,503 | 9.05 |
| | | 20/09/2019 | 14,000 | 0.02 | Market Purchase | 6,097,503 | 9.07 |
| | | 27/09/2019 | 11,902 | 0.02 | Market Purchase | 6,109,405 | 9.09 |
| | | 30/09/2019 | (5,380) | (0.01) | Market Sale | 6,104,025 | 9.08 |
| | | 04/10/2019 | 25,000 | 0.04 | Market Purchase | 6,129,025 | 9.12 |
| | | 11/10/2019 | 25,000 | 0.04 | Market Purchase | 6,154,025 | 9.15 |
| | | 18/10/2019 | 2,500 | 0.00 | Market Purchase | 6,156,525 | 9.16 |
| | | 18/10/2019 | (20,000) | (0.03) | Market Sale | 6,136,525 | 9.13 |
| | | 25/10/2019 | 38,000 | 0.06 | Market Purchase | 6,174,525 | 9.18 |
| | | 25/10/2019 | (38,000) | (0.06) | Market Sale | 6,136,525 | 9.13 |
| | | 01/11/2019 | 2,000 | 0.00 | Market Purchase | 6,138,525 | 9.13 |
| | | 08/11/2019 | 16,600 | 0.02 | Market Purchase | 6,155,125 | 9.16 |
| | | 22/11/2019 | 10,000 | 0.01 | Market Purchase | 6,165,125 | 9.17 |
| | | 29/11/2019 | 25,500 | 0.04 | Market Purchase | 6,190,625 | 9.21 |
| | | 06/12/2019 | 6,575 | 0.01 | Market Purchase | 6,197,200 | 9.22 |
| | | 13/12/2019 | 29,800 | 0.04 | Market Purchase | 6,227,000 | 9.26 |
| | | 20/12/2019 | 18,408 | 0.03 | Market Purchase | 6,245,408 | 9.29 |
| | | 27/12/2019 | 20,578 | 0.03 | Market Purchase | 6,265,986 | 9.32 |
| | | 31/12/2019 | 21,150 | 0.03 | Market Purchase | 6,287,136 | 9.35 |
| | | 31/12/2019 | (94,939) | (0.14) | Market Sale | 6,192,197 | 9.21 |
| | | 03/01/2020 | 103,650 | 0.15 | Market Purchase | 6,295,847 | 9.36 |
| | | 17/01/2020 | 2,353 | 0.00 | Market Purchase | 6,298,200 | 9.37 |
| | | 24/01/2020 | 150,000 | 0.22 | Market Purchase | 6,448,200 | 9.59 |
| | | 24/01/2020 | (175,000) | (0.26) | Market Sale | 6,273,200 | 9.33 |
| | | 31/01/2020 | 12,039 | 0.02 | Market Purchase | 6,285,239 | 9.35 |
| | | 07/02/2020 | 46,185 | 0.07 | Market Purchase | 6,331,424 | 9.42 |
| | | 14/02/2020 | 162,440 | 0.24 | Market Purchase | 6,493,864 | 9.66 |
| | | 21/02/2020 | 19,792 | 0.03 | Market Purchase | 6,513,656 | 9.69 |
| | | 06/03/2020 | 36,162 | 0.05 | Market Purchase | 6,549,818 | 9.74 |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs): (contd.)

| S. No. | Name of the Shareholder | Shareholding | | | Reason for increase / decrease | Cumulative Shareholding during the year | |
|-----------|---|--------------|---------------|-------------------|--------------------------------|---|-------------------|
| | | Date | No. of Shares | % of total Shares | | No. of Shares | % of total Shares |
| | | 20/03/2020 | 28,521 | 0.04 | Market Purchase | 6,578,339 | 9.79 |
| | | 27/03/2020 | 8,115 | 0.01 | Market Purchase | 6,586,454 | 9.80 |
| | At the end of the year | 31/03/2020 | | | | 6,586,454 | 9.80 |
| 2. | Aditya Birla Sun Life Trustee Private Limited | | | | | | |
| | At the beginning of the year | 01/04/2019 | 1,024,336 | 1.52 | | | |
| | Date wise increase/decrease in shareholding during the year | 24/05/2019 | (4,456) | (0.01) | Market Sale | 1,019,880 | 1.52 |
| | | 31/03/2020 | 3,000 | 0.00 | Market Purchase | 1,022,880 | 1.52 |
| | At the end of the year | 31/03/2020 | | | | 1,022,880 | 1.52 |
| 3. | Aditya Birla Sun Life Insurance Company Limited | | | | | | |
| | At the beginning of the year | 01/04/2019 | 895,305 | 1.33 | | | |
| | Date wise increase/decrease in shareholding during the year | 05/04/2019 | 8,285 | 0.01 | Market Purchase | 903,590 | 1.34 |
| | | 12/04/2019 | 3,289 | 0.00 | Market Purchase | 906,879 | 1.35 |
| | | 19/04/2019 | 1,530 | 0.00 | Market Purchase | 908,409 | 1.35 |
| | | 05/07/2019 | 15,100 | 0.02 | Market Purchase | 923,509 | 1.37 |
| | | 26/07/2019 | 26,397 | 0.04 | Market Purchase | 949,906 | 1.41 |
| | | 15/11/2019 | 10,230 | 0.02 | Market Purchase | 960,136 | 1.43 |
| | | 22/11/2019 | (76,050) | (0.11) | Market Sale | 884,086 | 1.32 |
| | At the end of the year | 31/03/2020 | | | | 884,086 | 1.32 |
| 4. | SBI Magnum Global Fund | | | | | | |
| | At the beginning of the year | 01/04/2019 | 836,027 | 1.24 | | | |
| | At the end of the year | 31/03/2020 | | | | 836,027 | 1.24 |
| 5. | LIC of India Pension Plus Mixed Fund | | | | | | |
| | At the beginning of the year | 01/04/2019 | 734,463 | 1.09 | | | |
| | Date wise increase/decrease in shareholding during the year | 13/09/2019 | (2,899) | (0.00) | Market Sale | 731,564 | 1.09 |
| | | 20/09/2019 | (2,318) | (0.00) | Market Sale | 729,246 | 1.08 |
| | | 27/09/2019 | (26,281) | (0.04) | Market Sale | 702,965 | 1.05 |
| | | 04/10/2019 | (47,038) | (0.07) | Market Sale | 655,927 | 0.98 |
| | | 11/10/2019 | (423) | (0.00) | Market Sale | 655,504 | 0.98 |
| | | 18/10/2019 | (2,000) | (0.00) | Market Sale | 653,504 | 0.97 |
| | | 01/11/2019 | (8,597) | (0.01) | Market Sale | 644,907 | 0.96 |
| | At the end of the year | 31/03/2020 | | | | 644,907 | 0.96 |
| 6. | HDFC Trustee Co Ltd A/C HDFC Housing Opportunities | | | | | | |
| | At the beginning of the year | 01/04/2019 | 509,596 | 0.76 | | | |
| | At the end of the year | 31/03/2020 | | | | 509,596 | 0.76 |
| 7. | UTI-MNC Fund | | | | | | |
| | At the beginning of the year | 01/04/2019 | 502,682 | 0.75 | | | |
| | Date wise increase/decrease in shareholding during the year | 28/02/2020 | (5,251) | (0.01) | Market Sale | 497,431 | 0.74 |
| | At the end of the year | 31/03/2020 | | | | 497,431 | 0.74 |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs): (contd.)

| S. No. | Name of the Shareholder | Shareholding | | | Reason for increase / decrease | Cumulative Shareholding during the year | |
|------------|---|--------------|---------------|-------------------|--------------------------------|---|-------------------|
| | | Date | No. of Shares | % of total Shares | | No. of Shares | % of total Shares |
| 8. | KOTAK PIONEER FUND | | | | | | |
| | At the beginning of the year | 01/04/2019 | 271,616 | 0.40 | | | |
| | Date wise increase/decrease in shareholding during the year | 05/04/2019 | 2,050 | 0.00 | Market Purchase | 273,666 | 0.41 |
| | | 12/04/2019 | (3,559) | (0.01) | Market Sale | 270,107 | 0.40 |
| | | 19/04/2019 | (2,431) | (0.00) | Market Sale | 267,676 | 0.40 |
| | | 28/06/2019 | 2,964 | 0.00 | Market Purchase | 270,640 | 0.40 |
| | | 02/08/2019 | 2,960 | 0.00 | Market Purchase | 273,600 | 0.41 |
| | | 16/08/2019 | 1,408 | 0.00 | Market Purchase | 275,008 | 0.41 |
| | | 18/10/2019 | 7,100 | 0.01 | Market Purchase | 282,108 | 0.42 |
| | | 15/11/2019 | 25,286 | 0.04 | Market Purchase | 307,394 | 0.46 |
| | | 22/11/2019 | 85,719 | 0.13 | Market Purchase | 393,113 | 0.58 |
| | | 29/11/2019 | 12,101 | 0.02 | Market Purchase | 405,214 | 0.60 |
| | | 06/12/2019 | 6,000 | 0.01 | Market Purchase | 411,214 | 0.61 |
| | At the end of the year | 31/03/2020 | | | | 411,214 | 0.61 |
| 9. | NATIONAL INSURANCE COMPANY LTD | | | | | | |
| | At the beginning of the year | 01/04/2019 | 175,000 | 0.26 | | | |
| | At the end of the year | 31/03/2020 | | | | 175,000 | 0.26 |
| 10. | INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY | | | | | | |
| | At the beginning of the year | 01/04/2019 | 125,293 | 0.19 | | | |
| | Date wise increase/decrease in shareholding during the year | 30/09/2019 | 18,743 | 0.03 | Market Purchase | 144,036 | 0.21 |
| | | 29/11/2019 | (100) | (0.00) | Market Sale | 143,936 | 0.21 |
| | | 06/12/2019 | (85) | (0.00) | Market Sale | 143,851 | 0.21 |
| | | 24/01/2020 | (197) | (0.00) | Market Sale | 143,654 | 0.21 |
| | | 31/01/2020 | (260) | (0.00) | Market Sale | 143,394 | 0.21 |
| | | 14/02/2020 | (26) | (0.00) | Market Sale | 143,368 | 0.21 |
| | | 28/02/2020 | (100) | (0.00) | Market Sale | 143,268 | 0.21 |
| | At the end of the year | 31/03/2020 | | | | 143,268 | 0.21 |

(v) Shareholding of Directors and Key Managerial Personnel:

| S. No. | Name of the Director / Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year |
|--------|---|---|------|---|
| 1. | Mr. Arun Kannan Thiagarajan (Independent Director) | | | |
| | At the beginning of the year | 13,415 | 0.02 | |
| | Date wise increase/decrease in Shareholding during the year alongwith the reasons for increase/decrease | - | - | |
| | At the end of the year | 13,415 | 0.02 | |

No other Director/ Key Managerial Personnel holds any equity shares in the Company.

V. INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment - NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Director and/or Manager:**

(₹ in million)

| S. No. | Particulars of Remuneration | Name of the MD/WTD/Manager | | | Total Amount |
|--------|---|--|--|---|---------------|
| | | Mr. Prashant Chiranjive Jain Managing Director [#] | Mr. Andrew H DeLeone* Managing Director | Mr. Sanjeev Agarwal Whole-time Director [^] | |
| 1. | Gross salary | | | | |
| (a) | Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 35.92 | - | 16.43 | 52.35 |
| (b) | Value of perquisites u/s 17(2) of Income Tax Act, 1961 | 0.03 | - | 0.56 | 0.59 |
| (c) | Profits in lieu of salary under section 17(3) of Income Tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission -as % of profit -others, specify | - | - | - | - |
| 5. | Others | 1.16 | - | 0.82 | 1.98 |
| | Total (A) | 37.10 | - | 17.81 | 54.91 |
| | Ceiling as per the Act | - | - | - | 118.29 |

Managing Director and Whole-time Director are not in receipt of any remuneration or commission from any of Company's holding or subsidiaries.

[#]Mr. Prashant Chiranjive Jain was appointed as Managing Director w.e.f 17 April 2019

^{*}Mr. Andrew H DeLeone resigned from the position of Managing Director w.e.f. close of business hours on 05 April 2019

[^] Mr. Sanjeev Agarwal resigned from the position of Whole-time Director w.e.f. 30 May 2020

B. Remuneration to other Directors:

(₹ in million)

| S. No. | Particulars of Remuneration | Name of the Directors | | | Total amount |
|------------|---|----------------------------------|-----------------------------|-----------------|---------------|
| | | Dr. Uddesh Kumar Kohli | Mr. Arun Kannan Thiagarajan | Ms. Neera Saggi | |
| (1) | Independent Directors | | | | |
| (a) | Fee for attending Board / committee meetings | 1.65 | 1.48 | 1.48 | 4.61 |
| (b) | Commission* | 1.10 | 1.10 | 1.10 | 3.30 |
| (c) | Others, please specify | - | - | - | - |
| | Total (1) | | | | |
| (2) | Other Non-Executive Directors | | | | |
| | | Mr. Vishal Keerti Wanchoo | | | |
| (a) | Fee for attending Board/committee meetings | - | - | - | - |
| (b) | Commission | - | - | - | - |
| (c) | Others, please specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B) = (1+2) | | | | |
| | Total Managerial Remuneration (A+B) | 2.75 | 2.58 | 2.58 | 62.83 |
| | Overall Ceiling as per the Act[^] | | | | 130.12 |

*The Board of Directors in its meeting held on 22 June 2020, in compliance with provisions of the Act, upon recommendation of Nomination and Remuneration Committee approved payment of commission of ₹ 1.1 million to each of the Independent Director for FY 2019-20. The aforesaid commission would be paid in FY 2020-21.

[^] The overall ceiling as per the Act does not include the sitting fee payable to Non-Executive Directors in terms of Section 197 of the Act.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in million)

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | Total |
|--------|---|--|--|--------------|
| | | Mr. Pradeepta Kumar Puhan (Company Secretary) | Mr. Vijay Sharma# (Chief Financial Officer) | |
| 1. | Gross salary | | | |
| (a) | Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 8.94* | 14.79 | 23.73 |
| (b) | Value of perquisites u/s 17(2) of Income Tax Act, 1961 | 0.17 | 0.69 | 0.86 |
| (c) | Profits in lieu of salary under section 17(3) of Income Tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission -as % of profit -others, specify | - | - | - |
| 5. | Others (Retirals eg. PF, Gratuity, Superannuation) | 0.49 | 0.70 | 1.19 |
| | Total | 9.60 | 16.18 | 25.78 |

*Inclusive of one-time payment of Rs. 3.89 million

#Mr. Vijay Sharma, CFO was appointed as Whole-time Director w.e.f. 30 May 2020.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES- None

For and on behalf of the Board of Directors

Place: Gurugram
Date : 22 June 2020

Mahesh Shrikrishna Palashikar
Chairman & Non-Executive Director
(DIN 02275903)

ANNEXURE - F

PARTICULARS OF EMPLOYEES AND OTHER RELATED DISCLOSURES

(I) DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| S. No | Name and Designation of the Director / Key Managerial Personnel (KMP) | % increase in remuneration in FY 2019-20 | Ratio of remuneration of each Director to median remuneration |
|-------|--|--|---|
| 1 | Mr. Mahesh Shrikrishna Palashikar Non-Executive Chairman (appointed w.e.f. 27 May 2020) | - | Not applicable |
| 2 | Mr. Vishal Keerti Wanchoo Non-Executive Chairman (upto 26 May 2020) | - | Not applicable |
| 3 | Mr. Prashant Chiranjive Jain Managing Director | Not comparable | 25.06 |
| 4 | Mr. Sanjeev Agarwal Whole-time Director | 22.37 | 12.03 |
| 5 | Mr. Arun Kannan Thiagarajan Non-Executive Independent Director | NIL | 1.74 |
| 6 | Ms. Neera Saggi Non-Executive Independent Director | NIL | 1.74 |
| 7 | Dr. Uddesh Kumar Kohli Non-Executive Independent Director | NIL | 1.86 |
| 8 | Mr. Vijay Sharma (appointed as Whole-time Director & Chief Financial Officer w.e.f. 30 May 2020) | 9 | Not applicable |
| 9 | Mr. Pradeepta Kumar Puhan Company Secretary | 13 | Not applicable |

Notes:

- The Company did not pay any remuneration to Non-Executive Directors except sitting fees (for each Board/Committee meetings attended by them) and commission to Independent Directors.
- Percentage increase in remuneration of Independent Directors is computed basis the commission paid to them.
- Remuneration of Mr. Prashant Chiranjive Jain is not comparable as he was appointed as Managing Director w.e.f. 17 April 2019

OTHER INFORMATION

- The percentage increase in the median remuneration of employees in the FY 2019-20 : 11.7
- The number of permanent employees on the rolls of the Company as on 31 March 2020 : 1,684
- Average percentile increases 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 : 12.8% (The calculation excludes incomparable/ committed ad-hoc pay-out in FY 2019-20).
- Affirmation that the remuneration is as per the remuneration policy of the company : It is hereby affirmed that remuneration is as per the remuneration policy of the Company.

(II) STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| S. No. | Name of the employee | Designation of the employee | Remuneration received (in ₹) | Qualifications | Total Experience | Date of commencement of employment | The age of such employee | The last employment held by such employee before joining the Company |
|---|-------------------------------|--|------------------------------|--|------------------|------------------------------------|--------------------------|--|
| A. Particulars of top 10 employees for the reporting financial year in terms of remuneration drawn | | | | | | | | |
| 1 | Prashant Chiranjive Jain | Managing Director | 37,104,480 | B.Tech (Electrical & Electronics Engineering) | 26 | 17-Apr-19 | 48 | Siemens Limited |
| 2 | Sanjeev Agarwal | Whole-time Director | 17,810,272 | Mechanical Engineer, Master of Management Sciences | 28 | 01-Dec-09 | 51 | Austin Energy |
| 3 | Vijay Sharma | Chief Financial Officer | 16,169,475 | Cost Accountant (CWA) | 25 | 02-Jan-95 | 49 | Ranutrol Instrumentation Limited |
| 4 | Wanachat Thongchan | Lead Engineer - Instrumentation & Controls Commissioning | 16,075,898 | Bachelors of Industrial Engineering | 10 | 01-Jun-16 | 32 | DOW Chemical |
| 5 | Wilfred John Ventura Sandoval | Lead Project Management Quality Specialist | 15,532,444 | BS Mechanical Engineer | 14 | 01-Nov-15 | 35 | Pilbara Insulation Southeast Asia |
| 6 | Murugu Magaranthan | Executive - Proposals | 13,366,267 | MBA | 35 | 09-Feb-16 | 55 | Bharat Heavy Electrical Ltd |
| 7 | Alok Jha | Executive - Sales | 14,645,068 | Chemical Engineering, MBA | 23 | 17-Aug-06 | 47 | AKZO Nobel |
| 8 | Ajay Kalra | Executive- Business Operations | 12,110,698 | BE Mechanical, MBA (Finance) | 18 | 22-Apr-02 | 49 | L&T Limited |
| 9 | Ayan Ganguly | Executive - Sales | 13,038,284 | MBA, BE | 26 | 05-May-08 | 49 | Andritz Hydro |
| 10 | Manohar Lal Gupta | Senior Finance Staff Manager | 12,187,584 | Chartered Accountant, Company Secretary, M.Com, Advanced Management Seminar, INSEAD France, Member- Institute of Directors, London | 33 | 01-Jul-91 | 56 | Sona Steering Systems Limited |
| B. Particulars of employees employed throughout the reporting financial year and in receipt of remuneration for that year which, in the aggregate, was not less than Rupees one crore and two lakhs (₹1.02 crores) per annum | | | | | | | | |
| 1 | Anand Mohan Awasthy | Senior Business Operations Manager | 10,346,292 | B.Sc Engg (Mechanical) | 36 | 01-Feb-19 | 60 | ABB |
| 2 | Kamlesh Kumar Baradia | Executive - Proposals | 11,045,118 | B.E. (Chem.) | 30 | 03-Jan-94 | 51 | L&T Limited |
| 3 | Tarun Kumar Gugnani | Executive - Sales | 10,469,783 | PGCBM, BE(Prod.) | 29 | 09-May-05 | 51 | GEA Energy System (I) Ltd. |
| 4 | Rajeev Sharma | Region Quality Leader India | 11,440,194 | BE (Mech), MBA (Marketing) | 27 | 31-Mar-93 | 52 | NTPC GE Power Services Private Limited |
| C. Particulars of employees employed for part of the reporting financial year and in receipt of remuneration for any part of that year at a rate which, in the aggregate, was not less than Rupees Eight lacs and fifty thousand (₹8.50 lakhs) per month | | | | | | | | |
| 1 | Amaresh Singh | Executive - HR Business Partnership | 4,448,430 | LLB, PGDBM & IR | 28 | 01-Jul-03 | 53 | VA Tech |
| 2 | Rajesh Murlidhar Chawla | Global Engineering leader | 2,098,064 | Bachelor of Engineering (Mechanical) | 23 | 17-Feb-20 | 47 | Worleyparsons India Private Limited |

| S. No. | Name of the employee | Designation of the employee | Remuneration received (in ₹) | Qualifications | Total Experience | Date of commencement of employment | The age of such employee | The last employment held by such employee before joining the Company |
|--------|--------------------------|--|------------------------------|--|------------------|------------------------------------|--------------------------|--|
| 3 | Pramath Nath | Executive - HR Business Partnership | 3,610,516 | Post Graduate Diploma in Business Management | 19 | 02-Dec-19 | 48 | KPMG Global Services |
| 4 | Ashish Kumar Sitoke | Senior Leader - Contract Management OTR | 2,587,829 | MBA (Finance) | 32 | 09-Feb-16 | 51 | Premium Foods Sprl, France |
| 5 | Avinash Saladkar | Lead Specialist - Contract Management | 1,338,413 | Diploma in Computer Applications | 27 | 09-Feb-16 | 45 | ABB (Gujarat Prime Motors) |
| 6 | Anoop Hegde | Senior Project Management Staff Manager | 2,987,918 | B.E (Electronics & Communication) | 21 | 01-Oct-18 | 45 | Subbulakshmy Enterprises |
| 7 | Achintya Kumar Gangrade | Site Management Specialist | 3,534,639 | B.E. Electrical | 37 | 09-Feb-16 | 60 | Not applicable |
| 8 | Sur Shyam Singh | Senior Installation & Construction Manager | 3,757,862 | Diploma in Mech. Engg. | 38 | 09-Feb-16 | 61 | Renusagar Power Ltd |
| 9 | Ramanarayanan Sambasivan | Senior Project Management Staff Manager | 5,702,273 | B.E (Mech) | 23 | 01-Apr-18 | 46 | VA Tech Hydro |
| 10 | Ajish Thomas | Executive - Sourcing | 4,454,818 | M.Com, PGDBA | 17 | 01-Apr-18 | 41 | GE Global Sourcing India Pvt. Ltd. |

Remuneration includes salary, bonus, various allowances, contribution to Provident Fund and Superannuation Fund and NPS, taxable value of taxable perquisites and gratuity paid but excluding gratuity provision, RSU income, lumpsum earnings consequent to termination, Notice pay, leave encashment and severance allowance.

None of the employees mentioned above is related to any director of the Company.

During FY 2019-20, no employee was in receipt of remuneration in excess of the Managing Director or the Whole-time Director of the Company AND held himself or along with his spouse and dependent children two percent or more of the equity shares of the Company.

All appointments are contractual in nature.

For and on behalf of the Board of Directors

Place: Gurugram
Date : 22 June 2020

Mahesh Shrikrishna Palashikar
Chairman & Non-Executive Director
(DIN 02275903)

ANNEXURE - G

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

| | |
|---|--|
| 1. A brief outline of the Company' CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programs | <p>The Company has framed a CSR Policy in compliance with section 135 of the Companies Act, 2013 ('the Act'). Your Company intends to be a significant and durable contributor to CSR initiatives in India by devising and implementing social improvement projects wherein it could employ technological innovation(s) in favour of disadvantaged communities, towns and villages. Through CSR initiatives, your Company is committed to its duty of providing environment friendly products and services and improve the lives of individuals and communities in the country. The CSR policy <i>inter-alia</i> guides on CSR budget and utilization, project identification and selection criteria, monitoring and reporting framework etc.</p> <p>The complete CSR policy of the Company may be accessed at www.ge.com/in/ge-power-india-limited</p> <p>An overview of projects/programs/initiatives undertaken by the Company is detailed under the Corporate Social Responsibility section of the Directors' Report.</p> |
| 2. Composition of the CSR Committee | <p>Mr. Prashant Chiranjive Jain, Chairman (w.e.f. 06 May 2019) Mr. Vishal Keerti Wanchoo, Member (upto 26 May 2020) Mr. Mahesh Shrikrishna Palashikar, Member (w.e.f 27 May 2020) Dr. Uddesh Kumar Kohli, Member (Independent Director) Mr. Andrew H DeLeone, Chairman (upto 05 April 2019)</p> |
| 3. Average net Profit of the Company for last three immediately preceding financial years | ₹ 745.2 million |
| 4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) | ₹ 14.9 million |
| 5. Details of CSR spent during the FY 2019-20 | <p>(a) Total amount to be spent for FY 2019-20 ₹ 14.9 million (The Company has spent ₹15.18 million in FY 2019-20)</p> <p>(b) Amount unspent, if any Not Applicable</p> <p>(c) Manner in which the amount was spent during the FY 2019-20 The manner in which the amount was spent is detailed in Annexure- G1</p> |
| 6. Reasons for not spending the prescribed amount | Not Applicable |
| 7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company. | <p>The Company has adopted its CSR policy that complies with the objectives and requirements set out in section 135 of the Act, and the Rules notified thereunder. As an organization with a strong thrust on corporate citizenship and sustainability, the Company has continued to support in Community Development to provide basic healthcare to the people and cater to the essential health care needs, enhance the health status and create awareness amongst the underprivileged and needy senior citizens. Your Company also undertook CSR programmes related to healthcare, community sanitation, providing shelters to elderly, environment sustainability, promoting rural development and Income-Generation. During the year, Company's projects have made difference in the lives of thousands of beneficiaries.</p> <p>The implementation and monitoring of CSR Policy, follows CSR objectives and plan of the Company. The CSR Committee has taken all initiatives to ensure that all the identified projects are in line with the Act. Proper monitoring and review mechanism are in place and is led by the Chairman of the CSR Committee.</p> |

ANNEXURE - G1

(₹ in million)

| S. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise for FY 2019-20 | Amount spent on the projects or programs | | Cumulative expenditure upto the reporting period# | Amount spent: Direct or through implementing agency* |
|--------------|--|---|--|--|--|-----------|---|--|
| | | | | | Direct expenditure on the projects or programs | Overheads | | |
| 1 | Rural Development | (x) of Schedule VII of the Act (Rural development, promoting livelihood, education, health, hygiene, water and sanitation) (i) of Schedule VII of the Act (making available safe drinking water) | Local Area: Durgapur State: West Bengal | 1.45 | 1.45 | - | 5.98 | Through implementing agency - Swami Vivekananda Vani Prachar Samiti (SVVPS) |
| 2 | Basic healthcare through mobile medical units | (i) of Schedule VII of the Act (promoting health care including preventive health care) | Local Area: Durgapur & Shahabad State: West Bengal & Karnataka | 8.20 | 8.20 | - | 25 | Through implementing agency - HelpAge India |
| 3 | Old Age Home | (iii) of Schedule VII of the Act (facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups) | Local Area; Cuddalore State: Tamil Nadu | 2.38 | 2.38 | - | 2.38 | Through implementing agency - HelpAge India |
| 4 | Support for health, hygiene and sanitation | (i) of Schedule VII of the Act (Preventive health care and sanitation) | Local Area: Ghaziabad State: Uttar Pradesh | 0.2 | 0.2 | - | 2.03 | Through implementing agency - Sulabh International |
| 5 | Onsite training, testing and certification of construction workers | (ii) of Schedule VII of the Act (Employment enhancing vocation skills) | Local Area: Tanda, Solapur, Nabinagar, Ramagundam & Ghatampur State: Uttar Pradesh, Maharashtra, Bihar, Telangana & Uttar Pradesh | 2.95 | 2.95 | - | 2.95 | Through Implementing agency - Construction Industry Development Council (CIDC) |
| TOTAL | | | | 15.18 | | | 38.34 | |

#Cumulative expenditure includes prior period spent on the aforesaid CSR projects.

*Details about implementing agencies:-

Swami Vivekananda Vani Prachar Samiti ('SVVPS') - SVVPS is one of the oldest and reputed welfare organizations of Durgapur. It is well known for its various welfare programmes throughout Durgapur and the suburbs.

HelpAge India - HelpAge India is a leading Non-Profit Organization in India working with and for disadvantaged elderly senior citizens for nearly four decades.

Construction Industry Development Council ('CIDC') -The Construction Industry Development Council (CIDC), has been set up jointly by the Planning Commission, Government of India and the Indian construction industry. They undertake a wide range of activities to benefit the construction industry. This includes conducting training at various levels, organizing workshops and conferences, publishing journals and newsletters, welfare programmes for construction workers, grading, placement and so on.

Sulabh International - Sulabh International was established in 1970. It works to promote human rights, environmental sanitation, non-conventional sources of energy, waste management and social reforms through education with several innovations in waste management and sanitation.

ANNEXURE - H

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of the Listing Regulations

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | |
|----|---|--|
| 1 | Corporate Identity Number (CIN) of the Company | L74140MH1992PLC068379 |
| 2 | Name of the Company | GE Power India Limited |
| 3 | Registered address | Unit No 211-212, 2 nd Floor, The Capital, G Block, Plot No. C-70, Bandra Kurla Complex, Bandra East, Mumbai - 400051 |
| 4 | Website | www.ge.com/in/ge-power-india-limited |
| 5 | E-mail id | in.investor-relations@ge.com |
| 6 | Financial Year reported | Financial Year ended 31 March 2020 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Construction and maintenance of power plants-422 Manufacture of steam generators-251 |
| 8 | List three key products/services that the Company manufactures/provides (as in balance sheet) | a. Construction of industrial and non- industrial plants, structures and facilities b. Architectural and engineering services c. Boilers and accessories |
| 9 | Total number of locations where business activity is undertaken by the Company | |
| | (a) Number of International Locations | Nil |
| | (b) Number of National Locations | Noida Durgapur |
| 10 | Markets served by the Company: Local/State/National/International | All markets (India and International) |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|---|---|--|
| 1 | Paid up Capital | ₹ 672.3 million |
| 2 | Total Turnover | ₹ 24,458.6 million (excluding other income) |
| 3 | Total profit after taxes | ₹ 850.7 million |
| 4 | Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | Total spending on CSR during the year is ₹ 15.18 million which is 1.79% of the profit after tax |
| 5 | List of activities in which expenditure in 4 above has been incurred:- | List of CSR activities are detailed in the Annual Report of CSR activities (Annexure – G1 to the Directors' Report) Rural Development, making available safe drinking water Promoting health care including preventive health care through mobile medical units Facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups Preventive health care and sanitation Employment enhancing vocation skills |

SECTION C: OTHER DETAILS

| | | |
|---|--|--|
| 1 | Does the Company have any Subsidiary Company/ Companies? | Yes |
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | No |
| 3 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | Yes, as a practice the extent of supplier involvement in Company's supply chain responsibility is that, suppliers are required to sign the GE integrity guide for suppliers, contractors and consultants, which is a guiding document on applicable local laws and best practices in employment, ethical business, environment, health and safety. Exact percentage is not available at this stage |

SECTION D: BR INFORMATION**1 Details of Director/Directors responsible for BR****(a) Details of the Director/Directors responsible for implementation of the BR policy/policies**

| | | |
|----|-------------|-------------------------------|
| 1. | DIN Number | 06828019 |
| 2. | Name | Mr. Prashant Chiranjive Jain* |
| 3. | Designation | Managing Director |

(b) Details of the BR head

| | | |
|----|----------------------------|--|
| 1. | DIN Number (if applicable) | Not applicable |
| 2. | Name | Mr. Pradeepta Kumar Puhan |
| 3. | Designation | Company Secretary and Compliance Officer |
| 4. | Telephone number | 0120-5011011 |
| 5. | e-mail id | pradeepta.puhan@ge.com |

*Mr. Prashant Chiranjive Jain was appointed as Managing Director of the Company w.e.f. 17 April 2019

2 Principle-wise (as per NVGs) BR Policy/policies

| (a) Details of compliance (Reply in Y/N) | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1. Do you have a policy/ policies for | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2. Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. Does the policy conform to any national / international standards? If yes, specify? (50 words) | <p>GE, and its affiliates, have adopted comprehensive ethical standards, that have been adopted by GE's Board and are fully supported by GE's management. Contained in GE's The Spirit and The Letter, the policies cover and reflect GE's commitment to support the:</p> <ul style="list-style-type: none"> ▶ OECD guidelines for Multinational Enterprises ▶ Universal Declaration of Human Rights ▶ International Labour Organization's (ILO's), Declaration on Fundamental Principles and Rights at Work ▶ Voluntary Principles on Security and Human Rights ▶ UN Global Compact and its 10 principles ▶ For more detailed description of GE's Integrity policies please visit -www.gesustainability.com | | | | | | | | |

2 Principle-wise (as per NVGs) BR Policy/policies (Contd.)

| (a) Details of compliance (Reply in Y/N) | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------|
| 4. Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/ CEO/ appropriate Board Director? | Few of the policies have been approved by the Board and other policies which are GE Group policies are adopted by the Company. GE Power India Ltd, as a GE Group Company follows the convention accepted and approved by GE Global Board on social responsibility, responsible business and sustainability in alignment with local laws. | | | | | | | | |
| 5. Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy? | Yes, the Company is having a committee for Corporate Social Responsibility, Sexual Harassment of women at workplace. For other policies, the company is having adequate internal controls/ procedure for its implementation. | | | | | | | | |
| 6. Indicate the link for the policy to be viewed online? | www.gesustainability.com & www.ge.com/in/ge-power-india-limited | | | | | | | | |
| 7. Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes | | | | | | | | |
| 8. Does the company have in-house structure to implement the policy/ policies | Yes | | | | | | | | |
| 9. Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Yes | | | | | | | | |
| 10. Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Yes | | | | | | | | |
| (b) If answer to the question at serial number 1 against any principle is 'No', please explain why: (Tick up to 2 options) | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| 1. The company has not understood the Principles | | | | | | | | | |
| 2. The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3. The company does not have financial or manpower resources available for the task | | | | | | | | | Not Applicable |
| 4. It is planned to be done within next 6 months | | | | | | | | | |
| 5. It is planned to be done within the next 1 year | | | | | | | | | |
| 6. Any other reason (please specify) | | | | | | | | | |

3 Governance related to BR

| | |
|--|---|
| a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year. | The Board/committee would review the BR performance at least annually. |
| b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | Yes the BR for the FY 2019-20 is a part of the Annual Report which is available on the website of the Company i.e. www.ge.com/in/ge-power-india-limited. It would be published annually |

SECTION E -PRINCIPLE WISE PERFORMANCE

Principles

1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

2

Businesses should provide goods and services that are safe and contribute to sustainability through out their life cycle

3

Businesses should promote the well-being of all employees

4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

5

Businesses should respect and promote human rights

6

Businesses should respect, protect and make efforts to restore the environment

7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

8

Businesses should support inclusive growth and equitable development

9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

| S. No. | Questions | Answers |
|--------|--|---|
| 1 | Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others? | No. 'The Spirit & The Letter' policy on ethics, bribery and corruption covers the Company. Same and / or similar policy is implemented by the Joint Venture companies. All the company's vendors, contractors, NGOs and others (anyone who works for or represents GE) by way of their acknowledgement sign up to the same set of policies. |
| 2 | How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so | During the year, 52 stakeholders complaints were received out of which 42 complaints have been resolved to the satisfaction of the complainants as on 31 March 2020. Out of the total resolved complaints 25% of the complaints were confirmed. Company is committed to best Corporate Practices based on the principle of transparency, accountability, fairness and integrity to create long term sustainable value for its stakeholders. The Company has in place Vigil Mechanism (Ombuds and Open Reporting Procedure) to provide an avenue to all stakeholders to report concerns, whether actual or potential, about integrity violations or any violation of law. In addition the Company has an internal Code of Conduct namely 'The Spirit & The Letter' which is followed by anyone who works for or represents GE. All concerns received are duly investigated and resolved with appropriate corrective actions. |

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability through their life cycle

| S. No. | Questions | Answers |
|--------|--|--|
| 1 | List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. | <p>a. Boilers- State of the art technology and design features for highly efficient combustion of pulverized coal thereby reducing coal combustion and stack emission for sustainable power generation.</p> <p>b. Flue Gas Desulphurizer (FGD)- Designed to arrest SOx in flue gases coming out of the boiler, to ensure minimal SOx content in flue gases as prescribed by new pollution control norms / tender.</p> <p>c. Electro-Static Precipitator (ESP)- Designed to keep particulate matter in exhaust flue gases within the limit as prescribed under new pollution control norms /tender</p> |
| 2 | For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): | |
| | a. Reduction during sourcing /production/ distribution achieved since the previous year throughout the value chain? | Not Available |
| | b. Reduction during usage by consumers (energy, water) has been achieved since the previous year? | Not Available |
| 3 | Does the company have procedures in place for sustainable sourcing (including transportation)? | Yes |
| | a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. | GE has specific and well laid down supplier selection process. The process is aligning suppliers for Integrity, Compliance with rules and regulations. The supplier onboarding process is stringent and mandates supplier accepting GE Integrity Guide for Suppliers. It includes a Supplier Approval process under which GE assesses Supplier's Management System and Social aspects, Supplier capabilities (engineering, manufacturing, R&D etc.) and Supplier EHS policy and compliance. |

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability through their life cycle (Contd.)

| S. No. | Questions | Answers |
|--------|--|--|
| 4 | <p>Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?</p> <p>If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p> | <p>The Supplier Responsibility Guidance (SRG) audits are deployed to strategic and key suppliers to ensure that GE engages with suppliers that comply with local laws and GE Expectations that may apply in the areas of employment, human rights, environment, health, safety, and security. The supplier contracts are secured for compliance with GE Terms and Conditions and EHS guidelines including labor laws and human rights.</p> <p>GE India team works for increasing the local spend. The continuous endeavor is to develop suppliers and encourage them to horizontally deploy more enhancement of skills. There is continuous use of MSME (Micro, Small and Medium Enterprises) suppliers base to encourage small scale industrial setup. The Supplier & Procurement team of GE are in continuous touch with the active supplier base for ensuring on time supply of the right quality.</p> <p>GE vendor base is continuously encouraged with various developmental Quality & SRG (Supplier Responsibility Guidelines) audits. GE SQE (Supplier Quality Engineer) team supports continuously in the journey of development.</p> <p>The MSME suppliers base is part of GE supply chain. GE approach towards suppliers is continuously to provide support on development of suppliers by way of exchanging feedbacks and learnings, advising / sharing best practices with suppliers to help them in improving their processes, engaging with suppliers to understand root causes in cases of quality issues (NCRs) and delays and implement corrective actions.</p> |
| 5 | <p>Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5%-10%, >10%). Also, provide details thereof, in about 50 words or so.</p> | <p>Durgapur facility:</p> <ol style="list-style-type: none"> All metal scrap, SS, boring chips, aluminum, plastic and mixed metal scraps are lifted by scrap traders for recycling in their facility. Metallic Scrap sold for FY 2019-20 : 733MT (Previous Year: 2,121MT) Sewage Treatment Plant – With the recent installation of STP 60% of sewage water is recycled every month (1,410 KL is recycled out of 3,600 KL) this is 40% of total consumption per month (Monthly consumption is 3,600 KL) <p>Noida facility:</p> <p>The unit ensures that all Hazardous and e-waste generated by it is sent to GE approved recycling agents for further processing at their facility.</p> |

Principle 3 Businesses should promote the well-being of all employees

| S. No. | Questions | Answers | |
|---------------|--|--|--|
| 1 | Please indicate the total number of employees. | 1,684 | |
| 2 | Please indicate the total number of employees hired on temporary/contractual/casual basis. | 858 | |
| 3 | Please indicate the number of permanent women employees | 158 | |
| 4 | Please indicate the number of permanent employees with disabilities | 2 | |
| 5 | Do you have an employee association that is recognized by management? | Yes | |
| 6 | What percentage of your permanent employees is members of this recognized employee association? | 55% (Durgapur facility) | |
| 7 | Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as at the end of the financial year. | | |
| | Category | No. of complaints filed during the financial year | No. of complaints pending as on end of the financial year |
| | a. Child labour/forced labour/involuntary labour | Nil | Nil |
| | b. Sexual harassment | Nil | Nil |
| | c. Discriminatory employment | Nil | Nil |
| 8 | What percentage of your under mentioned employees were given safety and skill upgradation training in the last year? | | |
| | | Skill upgradation | EHS |
| | a) Permanent Employees | 3% | 100% |
| | b) Permanent Women Employees | NIL | 100% |
| | c) Casual/Temporary/Contractual Employees | 7% | 100% |
| | d) Employees with Disabilities | NIL | 100% |

Principle 4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

| S. No. | Questions | Answers |
|--------|---|--|
| 1 | Has the company mapped its internal and external stakeholders? | Yes. At GE, we draw upon the insights of experts across our Company and around the globe to assess our sustainability priorities and relate them to our business strategy. We work regularly with customers, regulators, non-governmental organizations, academics, government bodies and other partners to identify emerging issues and develop collaborative solutions. GE also leverages the knowledge of our employees at all levels of the organization who are often closest to our customers, partners and communities as part of their work responsibilities and/or volunteer initiatives. |
| 2 | Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? | GE is a signatory to UN Global Compact and follows its 10 principles. The first 6 principles have a strong thrust on social dimensions covering labour, women's empowerment and gender equality, children, indigenous people, people with disabilities, and business impacts on poverty. In addition, to being an equal opportunity providing organisation, GE's CSR activities specifically target vulnerable and marginalized groups, including children, women, elderly and people with disabilities. |
| 3 | Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so. | The Company's CSR efforts with local communities during the year were focused on the projects on promoting health care including preventive health care, promoting education, ensuring environmental sustainability and making available safe drinking water, sanitation & hygiene, facilities for senior citizens skills development and livelihood enhancement projects, access to basic healthcare and support to socio-economically vulnerable population were given continued support. |

Principle 5 Businesses should respect and promote human rights

| S. No. | Questions | Answers |
|--------|--|---|
| 1 | Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others? | The Spirit & The Letter' policy, that covers human rights, covers the Company and all its vendors, contractors, NGOs and others (anyone who works for or represents GE) |
| 2 | How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? | No complaints were received during FY 2019-20 with regard to Human Rights |

Principle 6 Businesses should respect, protect and make efforts to restore the environment

| S. No. | Questions | Answers |
|---------------|--|--|
| 1 | Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/others? | The policy covers the Company and its suppliers, contractors and other stakeholders. |
| 2 | Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage, etc. | GE focuses on providing its customers with cleaner and more productive solutions to meet rising energy demand. At the same time, we are working in our own operations and value chains to increase resource efficiency in production. Ecomagination is GE's growth strategy to enhance resource productivity and reduce environmental impact on a global scale through commercial solutions for our customers and in our own operations. As part of this strategy, we are investing in cleaner technology and business innovation; developing solutions to enable economic growth while avoiding emissions and reducing water consumption; committing to reduce the environmental impact in our own operations and developing strategic partnerships to solve some of the toughest environmental challenges at scale to create a cleaner, faster, smarter tomorrow. www.gesustainability.com/building-things-that-matter/energy-and-climate/ |
| 3 | Does the company identify and assess potential environmental risks? Y/N | Yes |
| 4 | Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? | The Company does not have any Clean Development Mechanism projects. |
| 5 | Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? Y/N. If Yes, please give hyperlink for web page, etc | The Company's products have a strong thrust on energy efficiency and clean technology. For details please refer to Annexure D to the Director's Report. GE's thrust on sustainability in business is reflected at http://www.gesustainability.com/building-things-that-matter/energy-and-climate/ |
| 6 | Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? | Yes, except at Durgapur factory, where the hazardous waste generation limits exceeded the permissible limits given by WBPCB. However, the same was duly notified to the WBPCB and necessary application has also been made for enhancement of limits. |
| 7 | Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year | NIL |

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

| S. No. | Questions | Answers |
|---------------|--|--|
| 1 | Is your company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with | Yes. Engineering Export Promotion Council, Confederation of Indian Industry and FICCI - New Delhi. |
| 2 | Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No. If Yes, specify the broad areas (Drop Box :- Governance and administration, Economic reforms, Inclusive Development policies, Energy security, Water, Food security, Sustainable business principles, Others.) | No. |

Principle 8 Businesses should support inclusive growth and equitable development

| S. No. | Questions | Answers |
|--------|--|---|
| 1 | Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If Yes, details thereof. | Yes, the Company undertakes various projects through its CSR initiatives (for details please refer to Annexure-G1 to Directors' Report). |
| 2 | Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? | The CSR projects of the Company are implemented through internally validated implementing agencies, vendors and contractors. |
| 3 | Have you done any impact assessment of your initiative? | The programmes are developed and implemented with measurable outcomes. The Company has been doing regular field monitoring as well as obtains reports regularly from implementing agencies in order to measure progress against target indicator. |
| 4 | What is your company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken? | For details please refer to Annexure-G1 of Directors' Report. |
| 5 | Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. | The CSR programmes are created in consultation with beneficiaries and other key stakeholders. The officials of the Company including the representatives of the implementing agencies visit various CSR project sites in regular intervals to assess the impact of such CSR projects on the beneficiaries/stakeholders. The said officials also interact with the beneficiaries/stakeholders and guide them how to avail the benefits out of such CSR projects. The programmes, therefore, aim to embed ownership and sustainability. |

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

| S. No. | Questions | Answers |
|--------|--|--|
| 1 | What percentage of customer complaints/consumer cases are pending as at the end of financial year | As at 31 March 2020, the Company has no pending consumer complaints. |
| 2 | Does the company display product information on the product label, over and above what is mandated as per local laws. Yes/No/NA/Remarks(additional information). | Yes |
| 3 | Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as at end of financial year. If so, provide details thereof, in about 50 words or so. | No |
| 4 | Did your company carry out any consumer survey/consumer satisfaction trends? | Yes |

For and on behalf of the Board of Directors

Place: Gurugram
Date : 22 June 2020**Mahesh Shrikrishna Palashikar**
Chairman & Non-Executive Director
(DIN 02275903)

MANAGEMENT DISCUSSION AND ANALYSIS





Till January 2020, World Bank estimates were showing positive growth of global GDP, but slightly trimming its estimated to 2.5% in 2020. The World Bank expected a weaker overall global growth in 2020. However, in the last quarter of the financial year 2019-20, the global situation has changed dramatically, due to the spread of COVID-19 pandemic worldwide.

Till January 2020, World Bank estimates were showing positive growth of global GDP. However, in the last quarter of the financial year 2019-20, the global situation has changed dramatically, due to the spread of COVID-19 pandemic worldwide.

There are millions who have got affected and the corona virus continues to spread rapidly across the world. It's tragic, that many human lives are lost due to this pandemic and global economic activities are getting severely affected. Many countries have adopted lockdown measures to restrict the spread of the corona virus and this is likely to have a strong impact on the global economic growth. Although countries are still gauging the COVID-19 impact on their economies and there are lot of uncertainties involved in assessing and predicting the COVID-19 impact, as per IMF's latest estimates, the global economy is projected to contract sharply by -3% in 2020.

If the COVID-19 pandemic fades later in the year, it is likely to allow for gradual release of containment efforts and is likely to normalize the economic activities once again to support the global economic growth. However, it is too early to estimate this and there are many uncertainties mainly-how the COVID -19 pandemic unfolds, effectiveness of the various containment efforts, extent of progress on cures-like vaccine/ therapy etc, extent of disruption in economic activities/ productivity losses, shift in consumer behaviours etc. Once we have a better understanding of these uncertainties, we will be able to estimate the proper growth estimates. However, till now it's clear that global economies are likely to go into slump/ contraction.

INDIAN ECONOMY

India is one of the fastest growing trillion-dollar economy of the world. It has overtaken the UK and France in 2019 to become the 5th largest economy in the world. Compared on power purchasing parity, India ranks much higher at 3rd place only behind China and the USA. The Indian economy has become a dominant economic power globally.



Shop floor employee at Durgapur factory

Post-Independence, the journey of India, which began as an agrarian economy, has changed over the years and now emerged strongly as manufacturing and service sectors. In fact, the service sector is the fastest growing sector in the world, contributing to 60% to its economy and accounting to ~28% of the employment. Manufacturing has been an important sector with fillip being given to it by the government schemes such as "Make in India", coming out with domestic competitive bidding & public procurement norms with preference to local manufacturers.

The strength of the economy lies in its growing domestic market, limited dependence on exports, favourable demographics and rising middle class. The political situation in India is stable and the government has been re-elected in 2019 with full majority.

In the financial year 2019-20, there has been a decline in the GDP growth rate majorly due to poor manufacturing and construction sector performance. Also, towards the end of FY2019-20, there has been a sudden break in the economic momentum due to the nationwide lockdown, to tackle the COVID-19 spread. Although it's quite uncertain and challenging to predict, when the economy would regain the growth momentum in the near future, although over longer-term, the prospects of Indian economy looks promising.

India aspires to be a \$5 trillion economy by 2024 and steps are being planned or taken by the government in order to achieve this objective. There have been ambitious public infrastructure development plans such as Smart Cities, Housing for All, network of expressways, ports, airports, Bullet Trains, defence etc., that are likely to help the Indian economy to accelerate the growth momentum. With new Insolvency and Bankruptcy code-2016, faster resolution of stressed assets and boost in the private investment is expected to also give fillip to the growth momentum. The challenge shall remain to be how fast and effectively, India checks COVID-19 spread in the country and comes back to track of economic growth post the pandemic.

INDUSTRY OVERVIEW

There has been an increase in the capacity addition to take the installed capacity to ~370GW, which has been led by capacity additions in renewables ~8.4GW, followed by ~6.2GW of thermal. Although conventional sources of energy (coal, gas, large hydro, nuclear) constitutes more than 3/4th of the installed capacity, there has been significant growth in renewables with ~22% CAGR growth in their capacity additions in last 5 years. (From 32GW in March 2015 to 87GW in March 2020)

However, the domestic power sector is seen to be impacted by the prevailing slowdown in the Indian economy. The Country's power generation grew at the slowest pace in last 5 years. Per provisional data from CEA, for 11 months, the all India generation grew by 1.6% compared to 5.4% growth during previous FY for similar 11-month period. There are several factors which have contributed to this and these are- extended monsoons, lower than expected and subdued economic/ industrial activities and financial stress of the power DISCOMs. Power generation from conventional sources grew by 1.1%, whereas, generation from renewables grew by 8.2% in the 11-month period in the FY.

A combination of subdued electricity demand and growth in the new build capacity additions, PLF of thermal power units has seen a decline of 56.4% for the period of April 2019 – February 2020. This has been the lowest PLF seen in the country for a couple of decades. In fact, in October 2019 coal power plant PLF went down below 50%, the lowest recorded level. This softening of electricity demand has been weighing down on generating companies and their issues have been further compounded by growing overdues (>88 '000 Crore by January 2020) from DISCOMs. Further, in spite of all efforts the AT&C losses are still hovering @ 20% and poses a great challenge to the overall power ecosystem.

For growing electricity demand, the government has embarked upon giving access to electrical connections to houses/ villages through various schemes like Saubhagya, Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) etc. Also, railways are planning to electrify its routes up from current 58% to 100% in next 3 years. Electric vehicles are also being promoted to boost demand. On the other hand, efforts are being made to reduce wasteful electricity consumption through implementation of efficiency improvement schemes like distribution of large number of LED bulbs and PAT scheme for conservation of electricity / resources.

Also, many policy interventions were made by the government in FY20, to tackle the problems of power sector. As a payment security mechanism, DISCOMs are now required to furnish Letter of Credit (LC) for buying power from generating companies. This is likely to improve the cash flows and its predictability. Tariff caps on solar and wind power auctions were removed. The government also opened coal mining in the country for non-coal companies while removing restrictions on the end use of the fuel. This move is likely to help create an efficient energy market by creating competition. This shall boost the domestic coal production, reducing coal imports, also ending the monopoly of state-owned coal miners. Ultimately, this is likely to reduce the fuel cost and thereby the electricity cost to the end consumer.



250MW TAQA Neyveli lignite-fired plant

In order to efficiently manage schedules and dispatches and optimize the costs, the power system operator POSOCO undertook a pilot project of doing SCED (Security Constrained Economic Dispatch) of all Inter State Generating Stations (ISGS) in FY20. As per this scheme, with generation company wise optimization, the lower cost generating stations got dispatched up to their maximum capacity before scheduling the costlier stations till the power requisitioned by all the beneficiaries is met. All the generation sources were pooled together to satisfy demand as per their individual PPA obligations, fully honouring the existing constraints. About 135 generating units (totalling ~58GW) participated in this pilot, which ran for 9 months. The pilot was implemented successfully with substantial cost savings of Rs. 845 Cr. (Avg. ~Rs.3.1Cr./day, ~1.5% reduction in overall electricity generation cost). Results of the pilot have been encouraging and such scheme is being recommended to be implemented across all India basis, covering all other state/ private units. Thus, this is likely to move in the direction of "One Nation-One Merit" order for the entire country in the future and reap greater cost benefits to the consumers. This is likely to drive healthy competition between utilities for a schedule that is expected to drive the need for the efficient generation and low generation cost operation.

With energy and peak deficit approaching almost zero, the focus now has been shifted towards making the electricity generation more affordable and cleaner. Hence, it's seen in the last few years ordering of FGDs for coal-based power plants to comply with new SOX emission norms has picked up further in FY20. Central utility enterprises such as NTPC, NLC, DVC and certain private utilities also placed orders for installation of FGDs in their power plants. Apart from FGD implementation, utilities and industries are taking up implementation /modifications of units for achieving NOX and SPM norms. In FY20, NTPC ordered 9.98GW of capacities for NOX reduction and many other central, state and private utilities are floating tenders for the implementation of FGDs and NOx reduction solutions in their units to meet new norms which are likely to be finalized FY21 and beyond. It is expected that ordering of FGDs/ NOx upgrade would pick up now as users approach the deadline of 2022 for implementation and meeting the norms.

The domestic power sector is also feeling the impact of the COVID-19 pandemic and resultant lockdown implemented across India. There has been further reduction in the load/ demand and electricity prices in the market. Although its early to estimate COVID-19 impact on the sector, these are likely to add further to the financial stress of Genco's and DISCOMs.

OUTLOOK

India's energy consumption has almost doubled since the year 2000 and there is even more potential for further growth. India's economy, already the world's third largest by Purchasing Power Parity (PPP), is growing rapidly and has become the world's fastest growing major economy. Riding on this rapid economic growth, coupled with population growth, which will make India the most populous country in the world in next 8 years, India is set to become a leading country contributing to 25% of the world energy demand till 2040. India's power

system is expected to almost quadruple in size by 2040 to catch up and keep pace with electricity demand and increases at almost 5% per year.

Power generation projects, like all other infrastructure projects, depend heavily on the governments' policies and plans. At present, the power availability situation is quite comfortable in India, mainly due to large capacity addition in the last few years. However, long-term potential of the Indian power sector remains intact given the future energy growth needs of India. Although significant renewable capacity is planned to be added to the grid, coal shall remain in the forefront and one of the best options for meeting demand of electricity in India.

Due to comfortable power availability, the focus is likely to be shifted more towards making it cheaper and cleaner. On one side, push towards growing renewables is likely to continue and on the other hand, stricter implementation of new environmental norms, FGDs/ NOx and PM are likely to be followed. However, not all units are likely to be installed with FGDs/ NOx/ PM upgrades due to techno-commercial reasons, especially older ones and small-sized units, could be retired and or replaced. In fact, it is estimated that replacement could be the driving factor for new-built market for next few years. This market need is expected to intensify as the utilities near the target year of implementation, i.e. 2022.

For making electricity affordable, improving the system efficiencies are likely to be focused upon in the future. Reducing AT&C losses and optimizing generation schedule from existing assets by implementing 'One Nation-One Merit' order is likely to be frontrunner focus areas.

With an increasing share of renewables comes the big challenge of integration of such variable energy sources into the grid while maintaining grid stability and reliability. There would be increased requirement of power for meeting, peaking and load balancing requirement. In absence of gas availability, limited hydro – normal as well as PSP, - coal based power would remain the mainstay of Indian economy for decades to come. With many mid-range capacity units being available to support flexibility needs effectively, utilities are



Shaping the future

likely to adopt such units to work in flexible mode while utilizing large size supercritical units to run in the base load thereby optimizing the flexibility costs and emissions.

In the immediate short future, the primary focus is likely to be supporting the government in fighting the COVID-19 pandemic, supporting through lockdown and getting back to full economic activities. The entire power sector is fully geared up and committed to taking up this challenge. The timing and extent of future growth of the power sector shall depend upon rebound of the economic activities post COVID-19 restrictions in the country.

BUSINESS PERFORMANCE DURING FY 2019-20

The summarized performance is as under:

| | (₹ in million) | |
|-----------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Orders received | 36,615 | 37,199 |
| Sales | 24,459 | 19,027 |
| Orders in hand | 73,975 | 76,570 |

This has been another great year in a row for Orders, mainly fuelled by the orders related to the new environmental norms for SOx and NOx emissions. Your Company was awarded four more contracts for installation of air quality control systems (using Wet Flue Gas Desulphurization (WFGD) technology) for a combined value of ₹ 30,210 million. The four orders are Jhajjar FGD (3*500 MW), Simhadri FGD (3*660 MW), Sipat (4*500 MW) and Unchahar (5*210 MW).

BHEL has awarded your Company, one order for the supply of pressure parts equipment for Bhusawal for a value of ₹ 980 million.

Orders for Polavaram and Ratle (together amounting to ₹ 15 billion) have been removed from the Orders in hand as at 31 March 2020.

The impact of COVID-19 has been felt by all businesses and your Company too has felt the brunt. Other than COVID -19 impact, the execution of the WFGD contracts acquired in the past years have been the engine of the years revenue accounting for ₹ 6,575 million in sales. The relative importance going up with the progression of each quarter. Your Company is cognizant of the fact that the discipline of execution in contracts that is to be the mainstay of the near future is of paramount importance. The sales in other businesses of the Company in the year have been in line with expectation as per the execution schedule of their orders in hand.

OPPORTUNITIES, RISKS AND THREATS

Opportunities

In the next few decades, coal will continue to play an important role in the country's energy mix with 50% share, considering factors such as energy security and grid stability. Coal being the most cost-effective source of electricity is likely to remain the main source of

electricity for meeting additional demand from the growing Indian economy. Apart from demand of additional electricity, replacement of currently operating older, inefficient and emission non-compliant units would present opportunities for new power generation units. Due to COVID-19, there is likely to be recalibration in the approach and some short-term delays/ postponement are expected, however, the long-term story looks positive.

Largest opportunities in the power sector would continue to come from implementing new environmental norms for thermal power generation units – public utilities as well as captive units in India. Of all proposed norms, FGDs/ NOx and PM present a large market for OEMs. The Central Pollution Control Board has revised the implementation timeline for FGDs to 2022 providing enough time for installation. Ordering for FGDs has begun to pick pace, with NTPC leading the way. It is expected that significant ordering for FGDs would continue for next few years. DeNOx solutions too would present opportunities for power sector OEMs. Increasing share of power from renewables is expected to lead new retrofit and flexibility upgrade opportunities. With schedule dispatches that are likely to be governed by “One Nation-One Merit” order in the future, it’s expected that utilities would adopt efficiency improvement solutions/measures to reduce generation cost and undertake such retrofits on merits to stay ahead in the race. This provides opportunity for offering cost effective, relatively quick implementable efficiency retrofit solutions. As the industry expands scale, opportunities for deploying digital solutions for better asset utilization/ reliability/ efficient operation etc.

Your Company has been successfully demonstrating various FGD, NOx, efficiency improvement etc. projects in the country and is well placed to reap these upcoming opportunities in the Indian power sector. With COVID-19 presenting threat of disruption in the global material supply chain/ logistics etc., users are finding it difficult to get support from foreign OEM’s and hence need for development of domestic local support system option, for such units are likely to grow. India has substantial Chinese OEM sourced units, and these are likely to have this need. With substantial locally developed supply chain, local manufacturing/repair facilities and extensive experience in serving such units of other OEM’s, your company is well poised to respond to such needs in the future. This poses good service-related business opportunities for your company to support such units continue to maintain unit availability and sustainable efficient, reliable operation.

With focus of Governments on Renewable power specially Wind & Solar, more & more intermittent power supplies to Grid is increasing demand for Hydro Pumped Storage market. Hydro Pumped Storage with its unique technical capabilities and GE’s experience in Pumped Storage over the years gives us an opportunity to address this market effectively.

Also, Gas business of the legal entity, being a Centre of Excellence, several global opportunities are being served and supported for execution of the projects globally for Engineering, procurement and construction resources.

Risks and Threats

Government of India (GoI) has taken several initiatives for cleaner and cheaper ‘Power for All’, such as scaling up the renewable energy



Employee at workshop

capacity addition target to 175GW by 2022. There is an oversupply situation in power generation. In such a scenario, the most important concern is lack of orders for new power projects. With many private developers stuck with stranded power assets, they are already in poor shape and have added to NPA’s and strained the Indian banking sector. Although there has been some resolution in the sector through IBC, much more remains to be desired and achieved.

Indian Power sector is heavily indebted one with DISCOM’s owing >90000 Cr. dues to generating companies as of March-2020 (Source: www.Prapti.in). Financial health of DISCOM’s is not good and situation of COVID is making it only worse due to falling demand, revenues & collections. Inability by DISCOM’s to clear huge past dues, has created liquidity gap in the sector & impacts every element of the power value chain namely-Genco’s Transco’s & various vendors/ service providers of the sector. This potentially impacts their ability to buy fuel, meet debt repayments, other obligations & investment decisions. Although GOI has announced a 90000 Cr. Liquidity injection package for DISCOM’s, it may take several months before the liquidity improves across the value chain and till such time, we can expect a cautious investment approach being adopted by all.

GOI has deployed Perform, Achieve and Trade (PAT) scheme for energy efficiency improvements across key energy intensive sectors, that includes Power and have made law for adopting new stricter pollution standard norms for SOx, NOx, PM, Hg and water consumption for thermal power plants in India. However, implementation of many of these measures has been a bit slow and lax. There is risk of shifting of such implementation plans beyond targets of 2022

For hydro, there are challenges in Pumped Storage Hydro, with respect to low tariffs, long schedules, implementation hurdles etc. are putting pressure on margins and changing customer profiles as well as change the risk profile being handled by the suppliers.

Further, with growth of COVID-19 in the country and subsequent lockdown measures being implemented by the government, the economic activities

are likely to remain affected and muted for a considerable period. There is immense uncertainty around how fast and effectively the country would get some control over the COVID-19 situation and economic activities restart once again and achieve full scale of operation. COVID-19 impact and its related fallout presents single most challenging threat and it would be extremely crucial for the country to conquer over this challenge and rebound to growth at the earliest.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

One of the key requirements of the Companies Act, 2013 is that companies should have adequate Internal Financial Controls (IFC) and that such controls should operate effectively.

Internal Financial Controls means the policies and procedures adopted by the company for ensuring orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

Your Company process of assessment ensures that not only does adequate control exist, but it can be evidenced by unambiguous documentation. The process involves scoping and planning to identify and map significant accounts and processes based on materiality. Thereafter risk is identified and their associated controls are mapped,

else remediation is implemented. These controls are tested to assess operating effectiveness.

The auditor performs independent testing of controls. The Auditors' Report is required to comment on whether the Company has adequate IFC system in place and such controls are operating effectively.

Your Company's Internal Control System is robust and well established. It includes documented rules and guidelines for conducting business. The environment and controls are periodically monitored through procedures/ processes set by the management, covering critical and important areas. These controls are periodically reviewed and updated to reflect the changes in the business and environment.

Management reviews actual performance of the business on a regular basis. In all about 60 key controls across the organisation's units were identified to be tested in a systematic basis. Design gaps and weaknesses were identified to particular business and to specific process owners and followed through methodically for closure.

In line with the internal audit program, internal audit of five processes/ areas was done. The implementation of audit recommendations was followed through on a monitored and timebound plan.

The audit committee met 7 (seven) times during the year. The committee reviewed the adequacy and results of the testing of Internal Financial Controls and Internal Audit actions.

KEY FINANCIAL RATIOS

| S.No. | Particulars | 2019-20 | 2018-19 | Variance | Reason for variance |
|--------|-----------------------------|---------|---------|----------------|--|
| (i) | Debtors Turnover | 2.1 | 2.0 | 7% | - |
| (ii) | Inventory Turnover | 9.7 | 11.8 | (18%) | - |
| (iii) | Interest Coverage Ratio | | | Not applicable | |
| (iv) | Current Ratio | 1.3 | 1.2 | 5% | - |
| (v) | Debt Equity Ratio | | | Not applicable | |
| (vi) | Operating Profit Margin (%) | 9.1 | 9.9 | (8%) | - |
| (vii) | Net Profit Margin (%) | 3.5 | 4 | (13%) | - |
| (viii) | Return on net worth(%) | 9.1 | 7.9 | 14% | mainly due to net income for the year and dividend |

HUMAN RESOURCES MANAGEMENT

The total number of permanent employees on the rolls of the Company stood at 1684 as on 31 March 2020.

Employees are the most important of all resources. Your Company in FY 2019-20 saw minimum external hiring. The focus was on inter business transfer of talents to drive efficiency levels

Industrial Relations

At your Company's factory in Durgapur, West Bengal as a result of strong harmonious labour relations no man days were lost on the shop floor. A total of 40 workmen were hired on permanent rolls to strengthen

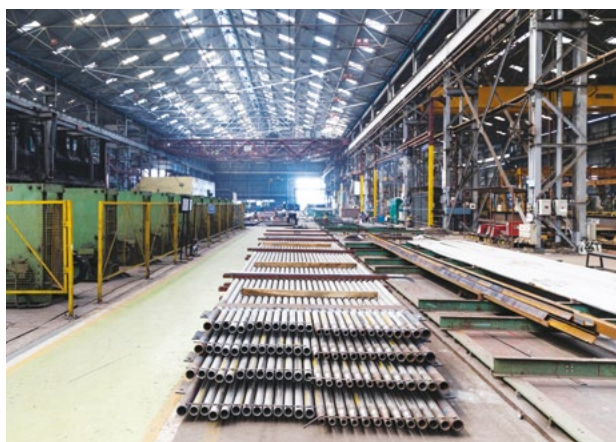
our production capacity at the factory. For Hydro business subsequent to the implementation of VRS and closure of factory operations, the factory license was not renewed in 2019. All employees moved from a factory establishment to Shops and Establishment.

Capability development is a key HR focus area where multiple initiatives were taken. A people leader tool kit is developed to provide managers with the necessary resources and tools to facilitate them in enhancing their roles as people managers. The launch of the "Upward People Leader Feedback Survey" enabling managers in eliciting objective feedback from their direct reportees. Your company has launched a Technical Training Academy, which focuses on building employee technical skills. The first series had 6 sessions focused on all power plant

products covering 900+ employees. "Career Week", an effort to provide career enhancement opportunities for all employees was successfully conducted which was a week-long initiative covering career navigation, Individual Development Plans, speed coaching sessions with senior leadership, roundtables and skip levels. Your company also provided multiskilling and redeployment opportunities for 215 employees considering the changes in market dynamics. In order to offer job rotation and skill enhancement opportunities, bubble assignments and mission-based teams were created. For soft skill enhancement various trainings like Crotonville training, classroom and online sessions were conducted for employees across the organization. It also made sure to invest in leadership programs like Financial Management Program, Project Management Leadership program and Corporate Audit staff to build a strong talent pipeline.

The underlying fabric of all HR efforts of your company is in strengthening of an inclusive and performance driven organization culture. For which we established a strong people review rhythm in 2019, focused on differentiation and accountability. Bi-annual culture survey were conducted that saw increased employee participation of ~40%. Your company is strongly focused on diversity in employee demographics through inclusive hiring practices which resulted in inducting ~35% women apprentices at our Durgapur factory and 15+ in the Hydro office. Your company has also received the "Renewable CEO award" in 2019 for increasing gender diversity and strengthening its inclusive environment for its Hydro business. The "diversity and inclusion" culture was again encouraged through the "GE Women's Network" by engaging women employees in multiple platforms to engage with senior women leaders in the industry, thought leaders and peer network. Prevention of Sexual Harassment refresher trainings were conducted across the organization. No POSH cases were reported in 2019. The culture of driving a "Lean Mindset" is driven rigorously through trainings, workshops and breakout sessions across the organization.

Carrying on the culture of engagement with a focus on health and fitness various sessions of Zumba, yoga and dance are conducted across all sites three days a week and employees are encouraged to participate free of cost. Not only that employee talent shows,



Durgapur factory, West Bengal

Appreciation week and festive celebrations are a few of the highlights of employee engagement conducted by your company. Our continuous focus is to enable the business to meet the demand of today and tomorrow through a focused HR agenda.

SUMMARY

Long-term demand for electricity in Indian market remains intact. However, the need for additional coal-based electricity is under severe stress. Given the requirement to balance the growing environmental concerns with the objective of providing affordable power to its citizens, it is important for India to manage coal plants with a holistic approach. There are cases where plants are strong candidates for an efficiency improvement or for flexible operations and for these cases, an integrated approach to address emissions with flexibility/efficiency retrofit is an operationally and financially optimal solution. These solutions along with the latest digital technologies will ensure coal-based power plants continue to be the mainstay of India's power system supplying affordable and reliable power to all Indian citizens and meeting the growth aspirations of Indian economy. The COVID-19 has impacted the industry immensely this year, affecting the global economy significantly. The situation of the virus still prevails challenging the world to bounce back at the earliest.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'projects' or other words of similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, 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 undertakes no obligations to publicly update or revise forward looking statements, whether as a result of new information, future event or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Therefore, as a matter of caution, undue reliance on the forward-looking statements should not be made as they speak only of their dates. The above discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

For and on behalf of the Board of Directors

Mahesh Shrikrishna Palashikar

Chairman & Non-Executive Director

(DIN 02275903)

Place : Gurugram

Date : 22 June 2020

CORPORATE GOVERNANCE REPORT



I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate governance is a reflection of our policies, culture and relationship with shareholders, employees, customers, suppliers and diverse stakeholders.

GE Power India Limited ('the Company') follows the best of corporate governance practices in its day-to-day operations aimed at building trust with all stakeholders.

The Company's corporate governance principles consists mainly of transparency, equity, integrity, accountability and environmental duty that conform and adheres to all the relevant and applicable laws, rules and regulations. The Company believes that sound corporate governance is critical to enhance and retain stakeholders' trust. The Company always strives to ensure that it attains professional goals with integrity. The basic purpose of Company's corporate governance policy is to continue and maintain the corporate culture of conscience and consciousness towards shareholders and other stakeholders. The Company has constantly striven to implement the best corporate governance practices, reflecting its strong values and ethical business conduct aimed at maximising value for all stakeholders.

The Company pursues the process of Corporate Governance in compliance with Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time, and in this regard, submits a report, on the practices followed by the Company.

II. BOARD OF DIRECTORS

As at 31 March 2020, the Board of Directors of the Company consisted of six (6) Directors comprising of a Non-Executive and Non-Independent Chairman, two Executive Directors and three Non-Executive Independent Directors including one woman director. All Board members are accomplished professionals in their respective fields of expertise.

The Board met seven (7) times during the financial year ended 31 March 2020 ('FY 2019-20') as follows:

1. 05 April 2019
2. 27 May 2019
3. 23 July 2019
4. 04 November 2019
5. 05 February 2020
6. 19 March 2020
7. 31 March 2020

As is evident, the maximum time gap between any two meetings was not more than 120 days

The details of category of Directors, attendance at the Board Meetings held during FY 2019-20 and at the last Annual General Meeting (AGM) of the Company and the number of other Directorships and Committee Memberships as at 31 March 2020 are as below:

| Name of the Director | Director Identification Number | Category | No. of Board meetings attended | Attendance at last AGM | No. of other Directorships (excluding this entity) | No. of Committee | | Names of the listed entities where the person is a director and the category of directorship (excluding this entity) |
|-------------------------------|--------------------------------|-----------------------------|--------------------------------|------------------------|--|------------------|-------------|---|
| | | | | | | As a Chairperson | As a Member | |
| Mr. Vishal Keerti Wanchoo~ | 02776467 | Non-Executive Chairman | 7 | Yes | 2 | 0 | 3 | Chairman in GE T&D India Limited |
| Mr. Prashant Chiranjive Jain# | 06828019 | Executive | 7 | Yes | 1^ | - | 1 | NIL |
| Mr. Sanjeev Agarwal* | 07833762 | Executive | 7 | Yes | - | - | 1 | NIL |
| Mr. Arun Kannan Thiagarajan | 00292757 | Non-Executive & Independent | 7 | Yes | 5 | 1 | 4 | Independent Director in following entities: 1. TTK Prestige Limited 2. Vodafone Idea Limited 3. Aditya Birla Fashion & Retail Limited 4. Grasim Industries Limited |
| Dr. Uddesh Kumar Kohli | 00183409 | Non-Executive & Independent | 7 | Yes | 1 | 3 | 3 | NIL |
| Ms. Neera Saggi | 00501029 | Non-Executive & Independent | 7 | Yes | 8 | 0 | 8 | Independent Director in following entities: 1. Honeywell Automation India Limited 2. GE T&D India Limited 3. Swaraj Engines Limited 4. TRF Limited 5. Tata Steel BSL Limited |
| Mr. Andrew H DeLeone\$ | 07840902 | Executive | 0 | Not applicable | - | - | - | NIL |

~ Resigned from the position of Non-Executive Chairman w.e.f. 27 May 2020

Appointed as Managing Director w.e.f. 17 April 2019

^ under liquidation

* Completed the tenure of Whole-time Director w.e.f. 30 May 2020

\$ Resigned from the position of Manager Director w.e.f. close of business hours on 05 April 2019

Notes:

- # Memberships of only Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies (whether listed or not) have been considered for number of committee memberships as per the Listing Regulations. It includes committee membership(s) in GE Power India Limited. Membership also includes chairmanship in aforesaid committees.
- # None of the Directors of the Company have any inter-se relationships.
- # The information as required under Schedule II of the Listing Regulations is made available to the Board regularly. The Managing Director reviews compliance reports of all laws applicable to the Company, prepared by the respective departments/functions and reports the same to the Board of Directors at Board Meetings held after the end of each quarter.

The Board confirms that in its opinion, the independent directors fulfill the conditions specified in the listing regulations and are independent of

the management.

The Board has identified the following skills/expertise/ competencies in the context of Company's businesses for the effective functioning of the Company and the said skills/expertise/ competencies are actually available with the Board:

1. Global business
2. Industry knowledge
3. Leadership
4. Strategic oversight
5. Understanding of relevant laws, rules, regulation and policy
6. Accounting and Finance
7. Compliance and risk
8. Technology
9. Integrity and ethical standards

The Directors on the Board are from diverse backgrounds and possess special skills with regard to the industries/fields from where they come. The skills/expertise/competencies mapped against each of the director is given below:

| Mr. Mahesh Shrikrishna Palashikar | Mr. Prashant Chiranjive Jain | Mr. Vijay Sharma | Dr. Uddesh Kumar Kohli | Mr. A. K. Thiagarajan | Ms. Neera Saggi |
|------------------------------------|--|--|--|-------------------------------------|---|
| i) Global business | i) Global business | i) Global business | i) Global business | i) Global business | i) Global business |
| ii) Industry knowledge | ii) Industry knowledge | ii) Industry knowledge | ii) Industry knowledge | ii) Industry knowledge | ii) Industry knowledge |
| iii) Leadership | iii) Leadership | iii) Leadership | iii) Leadership | iii) Leadership | iii) Leadership |
| iv) Strategic oversight | iv) Strategic oversight | iv) Strategic oversight | iv) Strategic oversight | iv) Strategic oversight | iv) Strategic oversight |
| v) Accounting and Finance | v) Understanding of relevant laws, rules, regulations and policies | v) Understanding of relevant laws, rules, regulations and policies | v) Understanding of relevant laws, rules, regulations and policies | v) Accounting and Finance | v) Understanding of relevant laws, rules, regulation and policy |
| vi) Compliance and risk | vi) Accounting and Finance | vi) Accounting and Finance | vi) Accounting and Finance | vi) Integrity and ethical standards | vi) Accounting and Finance |
| vii) Integrity & ethical standards | vii) Compliance and risk | vii) Compliance and risk | vii) Compliance and risk | | vii) Integrity and ethical standards |
| | viii) Technology | viii) Integrity & ethical standards | viii) Integrity and ethical standards | | |
| | ix) Integrity & ethical standards | | | | |

Any skills/expertise/competencies not appearing against a Director's name does not necessarily mean that the said Director does not possess basic knowledge or understanding about such matter(s).

Induction & Training of Board Members

On appointment of an Independent Director, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The familiarization and training of Directors is conducted in line with the 'Familiarization Program for Independent Directors' as adopted by the Company and Regulation 25 of the Listing Regulations. During the FY 2019-20, the Company conducted familiarisation programmes for its Directors. The details about the same are available on the website of the Company viz. www.ge.com/in/ge-power-india-limited

Disclosures regarding Directors seeking appointment at the ensuing Annual General Meeting

| Particulars | Name of Directors | |
|--|--|---|
| | Mr. Mahesh Shrikrishna Palashikar | Mr. Vijay Sharma |
| DIN | 02275903 | 06700052 |
| Age | 52 | 49 |
| Qualification | Bachelor's degree in Engineering, a degree in Cost and Works Accounting from India and a Master's degree in Business Administration from USA. He has also received GE's Six Sigma Master Black Belt certification while in the USA. | Bachelor of Commerce degree from Delhi University and a degree in Cost and Works Accounting. He also is a graduate of the Manager's Development Course (MDC) of the GE Crotonville campus. |
| Experience | 32 | 25 |
| Brief Profile | <p>Mr. Mahesh Shrikrishna Palashikar has assumed the role of President and CEO of GE South Asia, from 01 February 2020. In his most recent role before this, he led GE's Onshore Wind business for the Asia Pacific region (including Greater China and ANZ), since October 2014. Under his leadership, the Asia Pacific region teams achieved record profitable growth in several key markets of China, Japan and India.</p> <p>Mr. Palashikar is a 20 year GE veteran who has worked and advanced through a series of complex and increasingly responsible assignments in manufacturing operations, global supply chain, quality, lean six sigma, sales, projects and services within GE's Healthcare, Power and Renewable Energy businesses.</p> <p>Prior to joining GE in 2000, he worked for more than a decade with Philips Electronics N.V. in their industrial and automotive electronics business in India.</p> | Mr. Vijay Sharma has been with the Company for over 25 years wherein he has held positions of increasing responsibility to the time of his appointment as the Chief Financial Officer on 01 September 2013. He brings with him hands on and deep understanding of the Key Performance Indicators (KPIs) of the business, corporate governance, mergers and acquisitions, funding, investor relations, financial accounting & internal controls. At the same time, he stays committed to creation of shareholder value, while ensuring highest levels of integrity and corporate governance. |
| Details of Remuneration sought to be paid/ variation of the terms of remuneration | NIL | Refer Notice of the AGM |
| Last drawn Remuneration (FY 2019-20) | Not applicable | Not applicable |
| Date of first appointment on the Board of the Company | Appointed as Additional Director and Non-Executive Chairman w.e.f. 27 May 2020 in the meeting of the Board of Directors held on 26 May 2020 | Appointed as Additional Director and Whole-time Director of the Company w.e.f. 30 May 2020 in the meeting of the Board of Directors held on 26 May 2020 |
| No. of equity shares held in the Company | NIL | NIL |
| Directorships in other Indian Public Companies | NIL | NIL |
| Chairmanship/ Membership of Committees[^] | Audit Committee, GE Power India Limited – Member (w.e.f. 27 May 2020) | Stakeholders Relationship Committee, - GE Power India Limited – Member (w.e.f. 30 May 2020) |
| Relationship with any other Director or Key Managerial Personnel | NIL | NIL |
| Terms and Conditions of appointment | Refer to Notice of the AGM | |
| The number of meetings of the Board attended during the year | Not applicable | |

| Particulars | Name of Directors | |
|--|-----------------------------------|------------------|
| | Mr. Mahesh Shrikrishna Palashikar | Mr. Vijay Sharma |
| Summary of the Performance Evaluation Report of Independent Directors seeking reappointment | Not applicable | |

^Memberships of only Audit Committee and Stakeholders Relationship Committee in Public Limited Companies (whether listed or not) have been considered.

III. AUDIT COMMITTEE

All the members of the Committee possess requisite accounting and financial knowledge. Dr. Uddesh Kumar Kohli, the Chairman of the Committee has accounting and financial management expertise. The Executive Directors, Statutory Auditors, Internal Auditors, Cost Auditors and other financial experts are invitees to the meetings.

Mr. Pradeepta Kumar Puhan, Company Secretary, is the Secretary to the Audit Committee.

Terms of Reference

The terms of reference of the Audit Committee include the matters as specified under the Act and the rules made thereunder and Regulation 18 read with Schedule II of the Listing Regulations. The Committee acts as a link between the Statutory/Internal Auditors and the Board of Directors of the Company.

The terms of reference of the Audit Committee *inter-alia* includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval;
3. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
4. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. review and monitor the auditor's independence and performance, and effectiveness of audit process;
6. examination of the financial statement and the auditors' report thereon;
7. approval or any subsequent modification of transactions of the company with related parties;
8. scrutiny of inter-corporate loans and investments;
9. valuation of undertakings or assets of the company, wherever it is necessary;
10. evaluation of internal financial controls and risk management systems;
11. monitoring the end use of funds raised through public offers, if any, and related matters.

Composition of Audit Committee, Meetings and attendance during the year

The Audit Committee of the Company comprised of four (4) Directors (three Independent and one Non-Executive & Non-Independent) as at 31 March 2020. During FY 2019-20, seven (7) Audit Committee Meetings were held on following dates:

1. 05 April 2019
2. 27 May 2019
3. 23 July 2019
4. 04 November 2019
5. 05 February 2020
6. 19 March 2020
7. 31 March 2020

The details of composition, meetings and attendance at the meetings of the Audit Committee are as under:

| S. No. | Name | Category | Designation | No. of Meetings | |
|--------|-----------------------------|---------------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1. | Dr. Uddesh Kumar Kohli | Independent | Chairman | 7 | 7 |
| 2. | Mr. Arun Kannan Thiagarajan | Independent | Member | 7 | 7 |
| 3. | Ms. Neera Saggi | Independent | Member | 7 | 7 |
| 4. | Mr. Vishal Keerti Wanchoo* | Non-Executive | Member | 7 | 7 |

* The Audit Committee was reconstituted w.e.f. 27 May 2020 wherein Mr. Mahesh Shrikrishna Palashikar was inducted in place of Mr. Vishal Keerti Wanchoo.

The previous AGM of the Company was held on 23 July 2019 and it was attended by the Chairman of the Audit Committee.

IV. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the Nomination and Remuneration ('NR') Committee include the matters as specified under Section 178 and other applicable provisions of the Act and the rules made thereunder and Regulation 19 of the Listing Regulations. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees; formulation of criteria evaluation and manner of effective evaluation of Independent Directors, Board, its committees and every Director's performance; devising a policy on diversity of Board of Directors; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and remuneration.

Composition of NR Committee, Meetings and attendance during the year

The NR Committee of the Company comprised of four (4) Directors (three Independent and one Non-Executive & Non-Independent) as at 31 March 2020. During FY 2019-20, three (3) NR Committee meetings were held on following dates:

- 05 April 2019
- 27 May 2019
- 05 February 2020

The details of composition, meetings and attendance at the meetings of the NR Committee are as under:

| S. No. | Name | Category | Designation | No. of Meetings | |
|--------|-----------------------------|---------------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1. | Mr. Arun Kannan Thiagarajan | Independent | Chairman | 3 | 3 |
| 2. | Dr. Uddesh Kumar Kohli | Independent | Member | 3 | 3 |
| 3. | Ms. Neera Saggi | Independent | Member | 3 | 3 |
| 4. | Mr. Vishal Keerti Wanchoo* | Non-Executive | Member | 3 | 3 |

* The Nomination and Remuneration Committee was reconstituted w.e.f. 27 May 2020 wherein Mr. Mahesh Shrikrishna Palashikar was inducted in place of Mr. Vishal Keerti Wanchoo

The previous AGM of the Company was held on 23 July 2019 and it was attended by the Chairman of the NR Committee.

Nomination and Remuneration Policy – The Company has a Nomination and Remuneration Policy in place. The aforesaid Policy *inter-alia* guides on powers, responsibilities and duties of NR Committee. Further it also includes provisions with respect to NR Committees' membership, meetings, quorum, minutes, compensation to committee members. It also guides on appointment, remuneration and removal of Directors, Key Managerial Personnel and Senior Management. The same is accessed at www.ge.com/in/ge-power-india-limited

Performance Evaluation of Board, Committees and Individual Directors

The Performance Evaluation Policy of the Company prescribes a formal process and criteria of evaluation of performance of the Board, its committees, Executive and Non-Executive Directors and Chairman of the Company. The performance evaluation criteria *inter-alia* includes the parameters prescribed by SEBI in its Guidance Note on Board Evaluation issued on 5 January 2017 and Listing Regulations.

The Independent Directors of the Company, in their meeting held on 19 March 2020, evaluated the performance of the Non-Independent Directors, the Chairman of the Company and the Board as a whole.

The NR Committee in its meeting held on 26 May 2020 conducted formal annual evaluation of the Directors of the Company for FY 2019-20, in line with the Performance Evaluation Policy of the Company. The results of evaluation were discussed at the Board Meeting held after the aforesaid Meeting on 26 May 2020. Further, the Board also reviewed the performance of the Board as a whole and the performance of its Committees for FY 2019-20 in its meeting held on 26 May 2020.

Chairman of the Board, wherever required, provides the feedback/responses received to the entire Board, its Committees and to each Member separately.

V. REMUNERATION OF DIRECTORS

Remuneration/sitting fees paid/payable to Directors for the year ended 31 March 2020 is as under:

Non-Executive Directors

(₹ in million)

| S. No. | Name of the Director | Designation | Salaries and Perquisites | Commission* | Sitting fees | Total |
|--------|-----------------------------|-----------------------------------|--------------------------|-------------|--------------|-------|
| 1 | Mr. Vishal Keerti Wanchoo | Chairman & Non-Executive Director | Nil | Nil | Nil | Nil |
| 2 | Dr. Uddesh Kumar Kohli | Independent Director | Nil | 1.10 | 1.65 | 2.75 |
| 3 | Mr. Arun Kannan Thiagarajan | Independent Director | Nil | 1.10 | 1.48 | 2.58 |
| 4 | Ms. Neera Saggi | Independent Director | Nil | 1.10 | 1.48 | 2.58 |

*The Board of Directors in its meeting held on 22 June 2020, in compliance with provisions of the Act, upon recommendation of Nomination and Remuneration Committee approved payment of commission of ₹1.1 million to each of the Independent Director for FY 2019-20. The aforesaid commission would be paid in FY 2020-21.

Executive Directors

(₹ in million)

| S. No. | Name of the Director | Designation | Salary | Allowances | Bonus | Perquisites | Retirals | Others | Total |
|--------|----------------------|---------------------|--------|------------|-------|-------------|----------|--------|-------|
| 1 | Mr. Prashant Jain | Managing Director | 6.88 | 9.40 | 19.64 | 0.03 | 1.16 | - | 37.10 |
| 2 | Mr. Sanjeev Agarwal | Whole-time Director | 4.85 | 6.58 | 5.00 | 0.56 | 0.82 | - | 17.81 |
| 3 | Mr. Andrew H DeLeone | Managing Director | - | - | - | - | - | - | - |

Notes:

- (a) The agreement with the Managing Director is usually for a period of three (3) years. The terms and conditions for the appointment and remuneration of Mr. Prashant Chiranjive Jain, Managing Director were approved by the members of the Company at the 27th AGM held on 23 July 2019. As per the agreement between Mr. Prashant Chiranjive Jain and the Company, either party to the agreement is entitled to terminate the agreement by giving notice of 2 months in writing to the other party as per the provisions contained in the aforesaid agreement. His total fixed compensation is 59% of his Annual Total Compensation and target variable incentive is 70% of his Total Fixed Compensation as per GE Annual Executive Incentive Plan. The Managing Director is entitled to participate and benefit under Stock Option Scheme(s), Stock Attribution Scheme(s), Share Purchase Scheme(s), Share Preferential Allotment Scheme(s) and such other similar scheme of General Electric Company, USA as may be announced from time to time, subject to compliance of applicable laws. Mr. Prashant Chiranjive Jain has been serving as Managing Director of the Company w.e.f. 17 April 2019.
- (b) The agreement with the Whole-time Director is for a period of three (3) years. Mr. Sanjeev Agarwal was appointed as Whole-time Director of the Company w.e.f. 30 May 2017 to 29 May 2020. The terms and conditions for the appointment and remuneration/revision in remuneration of Mr. Sanjeev Agarwal, Whole-time Director were approved by the members of the Company at the 25th AGM and 26th AGM held on 31 July 2017 and 21 July 2018 respectively. As per the agreement between Mr. Sanjeev Agarwal and the Company, either party to the agreement is entitled to terminate the agreement by giving notice of 60 days in writing to the other party as per the provisions contained in the aforesaid agreement. His Total Fixed Compensation is 74% of his Annual Total Compensation. His target variable incentive is 35% of his Total Fixed Compensation as per GE Annual Executive Incentive Plan. Mr. Sanjeev Agarwal was entitled to participate and benefit under Stock Option Scheme(s), Stock Attribution Scheme(s), Share Purchase Scheme(s), Share Preferential Allotment Scheme(s) and such other similar scheme(s) of the General Electric Company, USA as may be announced from time to time. Mr. Sanjeev Agarwal had conveyed his desire not

to seek re-appointment and resign from the directorship as well as the Whole-time Directorship of the Company after completion of his current tenure on 29 May 2020.

- (c) The agreement with the Managing Director is usually for a period of three (3) years. The terms and conditions for the appointment and remuneration of Mr. Andrew H DeLeone, Managing Director were approved by the members of the Company at the 26th AGM held on 21 July 2018. As per the agreement between Mr. Andrew H DeLeone and the Company, either party to the agreement is entitled to terminate the agreement by giving notice of 90 days in writing to the other party as per the provisions contained in the aforesaid agreement. Mr. Andrew H DeLeone was receiving remuneration from GEIL, USA, a GE Group Company in accordance with the policies of GEIL. The Managing Director was entitled to participate and benefit under Stock Option Scheme(s), Stock Attribution Scheme(s), Share Purchase Scheme(s), Share Preferential Allotment Scheme(s) and such other similar scheme of General Electric Company, USA as may be announced from time to time. Mr. Andrew H DeLeone was appointed as an Additional Director of the Company w.e.f. 20 June 2017 and was serving as Managing Director of the Company w.e.f. 01 August 2017. He resigned as Managing Director w.e.f. close of business hours of 05 April 2019.
- (d) The Company did not pay any remuneration to Non-Executive Directors except sitting fees to Independent Directors of ₹ 100,000 for each meeting of the Board of Directors and Audit Committee, ₹ 20,000 for each meeting of Independent Directors / other Committees and ₹ 50,000 for Risk Management Committee and Commission of ₹ 1,100,000 to each of the Independent Director. Increments/Bonus/variable incentive component to Executive Directors is paid in terms of the group/ Company policy and is determined basis the performance of the specific business, performance of Executive Directors and global performance matrix within the maximum managerial remuneration limits laid down under the Act.
- (e) Mr. Arun Kannan Thiagarajan, Non-Executive & Independent Director holds 13,415 equity shares in the Company. No other Director holds any equity shares in the Company as at 31 March 2020.
- (f) None of the Non-Executive Directors have any pecuniary relationships or transactions vis-à-vis the Company other than stated above.
- (g) The criteria of making payments to non-executive directors forms part of the Nomination and Remuneration Policy of the Company which has been hosted on the Company's website viz. www.ge.com/in/ge-power-india-limited

VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the requirement of Section 178 of the Act and Regulation 20 of the Listing Regulations, the Company has in place a 'Stakeholders Relationship Committee' to *inter-alia* look into complaints and grievances of the stakeholders of the Company.

Composition of the Committee, Meetings and attendance during the year

The Stakeholders Relationship Committee of the Company comprised of three Directors (One Independent and two Executive) as at 31 March 2020. During FY 2019-20, three (3) Committee meetings were held on following dates:-

1. 27 May 2019
2. 04 November 2019
3. 19 March 2020

The details of composition, meetings and attendance at the meetings of the Stakeholders Relationship Committee are as under:

| S. No. | Name | Category | Designation | No. of Meetings | |
|--------|------------------------------|-------------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1. | Dr. Uddesh Kumar Kohli | Independent | Chairman | 3 | 3 |
| 2. | Mr. Prashant Chiranjive Jain | Executive | Member | 3 | 3 |
| 3. | Mr. Sanjeev Agarwal | Executive | Member | 3 | 3 |

The Stakeholders Relationship Committee was reconstituted:

w.e.f. 06 May 2019 wherein Mr. Prashant Chiranjive Jain was inducted in place of Mr. Andrew H DeLeone

w.e.f. 30 May 2020 wherein Mr. Vijay Sharma was inducted in place of Mr. Sanjeev Agarwal

The previous AGM of the Company was held on 23 July 2019 and it was attended by the Chairman of the Stakeholders Relationship Committee. Further, Mr. Pradeepta Kumar Puhan, Company Secretary of the Company is the Compliance Officer for the purpose.

The details of complaints received, resolved and pending as on 31 March 2020 are as below:

| Complaints pending as on 01 April 2019 | Complaints received during FY 2019-20 | Complaints resolved during FY 2019-20 | Complaints unresolved as on 31 March 2020 |
|--|---------------------------------------|---------------------------------------|---|
| NIL | 31 | 31 | NIL |

The complaints received were duly attended and resolved to the satisfaction of shareholders.

VII. RISK MANAGEMENT COMMITTEE

In compliance with the provisions of the Listing Regulations, the Company has in place a Risk Management Committee. The roles and responsibilities of the Risk Management Committee are as prescribed under Regulation 21 of the Listing Regulations and as may be referred by the Board of Directors, from time to time. The details of composition, meetings and attendance at the meetings of the Risk Management Committee are as under:

Composition of the Committee, Meetings and attendance during the year

The Risk Management Committee of the Company comprised of five members (One Independent, one Executive Director, one Non-Executive Director, CFO and Business head) as at 31 March 2020. During FY 2019-20, one (1) Committee Meeting was held on 18 December 2019

The details of composition, meetings and attendance at the meetings of the Risk Management Committee are as under:

| S. No. | Name | Category/ Designation | Designation | No. of Meetings | |
|--------|------------------------------|--------------------------------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1. | Mr. Vishal Keerti Wanchoo | Non- Executive | Chairman | 1 | 0 |
| 2. | Dr. Uddesh Kumar Kohli | Independent | Member | 1 | 1 |
| 3. | Mr. Prashant Chiranjive Jain | Executive | Member | 1 | 1 |
| 4. | Mr. Vijay Sharma# | Chief Financial Officer | Member | 1 | 1 |
| 5. | Mr. Ajay Kalra | Executive -Business Operations | Member | 1 | 1 |

The Risk Management Committee was reconstituted as under:

w.e.f. 27 May 2020 Mr. Mahesh Shrikrishna Palashikar was inducted in place of Mr. Vishal Keerti Wanchoo

w.e.f. 06 May 2019 Mr. Prashant Chiranjive Jain was inducted in place of Mr. Andrew H DeLeone

appointed as Whole-time Director w.e.f. 30 May 2020

VIII. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In terms of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Company has Corporate Social Responsibility Committee. The Corporate Social Responsibility Committee functions in accordance with the provisions of section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time and the Corporate Social Responsibility Policy of the Company.

Composition of the Committee, Meetings and attendance during the year

The Corporate Social Responsibility Committee of the Company comprised of three Directors (One Independent, one Executive and one Non-Executive) as at 31 March 2020. During FY 2019-20, three (3) Committee meetings were held on following dates:-

- 27 May 2019
- 23 July 2019
- 05 February 2020

The details of composition, meetings and attendance at the meetings of the Corporate Social Responsibility Committee are as under:

| S. No. | Name | Category | Designation | No. of Meetings | |
|--------|------------------------------|---------------|-------------|-----------------|----------|
| | | | | Held | Attended |
| 1. | Mr. Prashant Chiranjive Jain | Executive | Chairman | 3 | 3 |
| 2. | Dr. Uddesh Kumar Kohli | Independent | Member | 3 | 3 |
| 3. | Mr. Vishal Keerti Wanchoo | Non-Executive | Member | 3 | 3 |

*The Corporate Social Responsibility Committee was reconstituted as under:

w.e.f. 06 May 2019 Mr. Prashant Chiranjive Jain was inducted in place of Mr. Andrew H DeLeone

w.e.f. 27 May 2020 Mr. Mahesh Shrikrishna Palashikar was inducted in place of Mr. Vishal Keerti Wanchoo

IX. GENERAL BODY MEETINGS

1) Particulars of AGM / EGM for the last three years: -

| Particulars | Date & Time | Venue | Details of the Special Resolutions passed at AGM |
|----------------------|--------------------------|--|--|
| 27 th AGM | 23 July 2019 10:15 am | Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wanchha Road, Churchgate, Mumbai-400020 | <ol style="list-style-type: none"> Re-appointment of Mr. Arun Kannan Thiagarajan (DIN: 00292757) as an Independent Director for second term of five (5) consecutive years upto 24 July 2024 Re-appointment of Dr. Uddesh Kumar Kohli (DIN: 00183409) as an Independent Director for second term of five (5) consecutive years upto 24 July 2024 Approval for GE share Purchase Plan offered by General Electric Company, USA to the Company's employees |
| 26 th AGM | 21 July 2018 11:00 am | Same as above | <ol style="list-style-type: none"> Approval for appointment of Mr. Andrew H DeLeone (DIN: 07840902) as Managing Director of the Company for a period of three (3) years w.e.f. 01 August 2017. Approval for continuation of directorship of Dr. Uddesh Kumar Kohli as an Independent Director upto 24 July 2019 who has exceeded the age of 75 years. |
| 25 th AGM | 31 July 2017 11:00 am | Same as above | None |

2) Postal Ballot:-

During FY 2019-20, no resolutions were proposed to be passed by the members through the postal ballot process.

No Special Resolutions are proposed to be conducted through Postal Ballot as on the date of this Report.

X. MEANS OF COMMUNICATION

The quarterly/annual results of the Company were widely published in leading newspapers such as Mint, Free Press Journal and Navshakti (Marathi) and also displayed at the Company's website www.ge.com/in/ge-power-india-limited

All official press releases, presentations made to analysts and institutional investors and other general or statutory information/ communication related to the Company are also available on the Company's website.

The presentations made to the institutional investors or analysts, if any, are not communicated individually to them, however, in addition to uploading the same on the website of the Company, the presentations are sent to BSE Ltd. and National Stock Exchange of India Limited for dissemination.

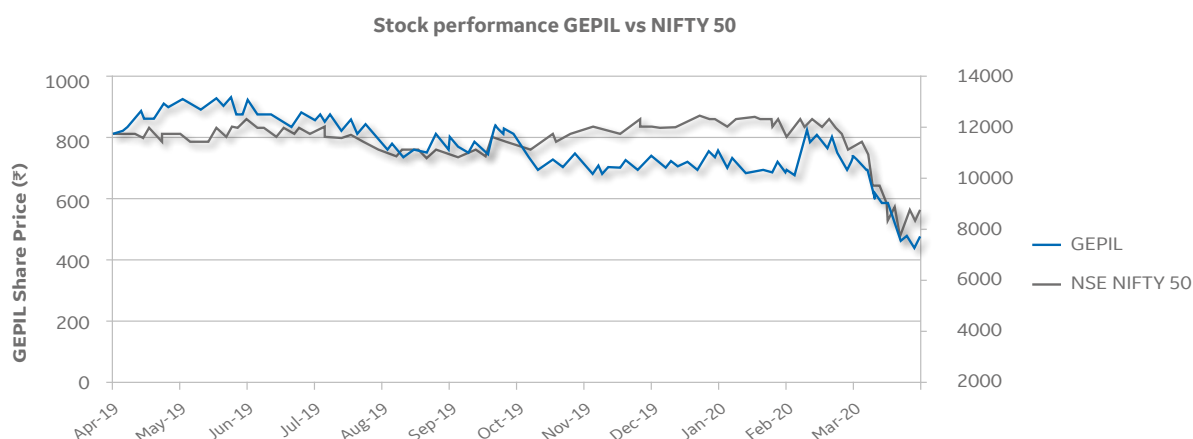
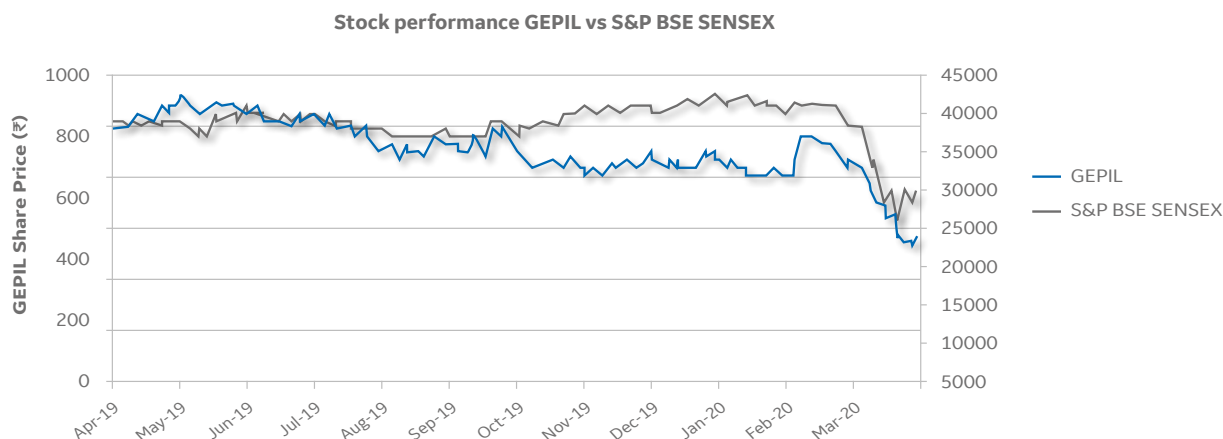
XI. GENERAL SHAREHOLDER INFORMATION

| | |
|---|--|
| 1) Annual General Meeting | |
| - Date and Time | 10 September 2020 at 11:00 a.m. |
| - Deemed Venue | Registered Office : Unit No 211-212, 2nd Floor, The Capital, G Block, Plot No. C-70, Bandra Kurla Complex, Bandra East, Mumbai – 400051 |
| - Mode | Video conference/ other audio-visual means |
| 2) Financial Year | 01 April to 31 March |
| 3) Date of Book Closure | 04 Sep 2020 to 10 Sep 2020 (both days inclusive) |
| 4) Dividend Payment Date | On and from 21 Sep 2020 |
| 5) Listing on Stock Exchanges | BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 National Stock Exchange of India Limited (NSE) 'Exchange Plaza', Bandra Kurla Complex, Bandra (E), Mumbai-400 051 The Listing Fee for FY 2019-20 has been duly paid to BSE and NSE |
| 6) Stock Code / Symbol | |
| - Bombay Stock Exchange | 532309 |
| - National Stock Exchange | GEPIL |
| - International Securities Identification Number (ISIN) | INE878A01011 |
| 7) Corporate Identity Number (CIN) | L74140MH1992PLC068379 |

8) Market Price Data :

The market capitalisation of the Company's scrip as on 31 March 2020 was ₹32,023.81 million on BSE and ₹31,933.04 million on NSE.

| S. No. | S&P BSE SENSEX | | NSE NIFTY 50 | |
|----------------|----------------|--------|--------------|--------|
| | High | Low | High | Low |
| April 2019 | 914.30 | 810.80 | 916.30 | 810.00 |
| May 2019 | 933.00 | 863.45 | 938.00 | 865.00 |
| June 2019 | 930.40 | 815.00 | 929.00 | 810.00 |
| July 2019 | 910.00 | 755.00 | 914.00 | 753.00 |
| August 2019 | 822.00 | 696.00 | 820.00 | 695.10 |
| September 2019 | 850.00 | 733.05 | 853.45 | 731.20 |
| October 2019 | 802.20 | 672.90 | 803.95 | 685.25 |
| November 2019 | 749.00 | 665.00 | 753.25 | 669.60 |
| December 2019 | 760.00 | 674.40 | 759.80 | 673.00 |
| January 2020 | 747.80 | 673.15 | 749.30 | 675.00 |
| February 2020 | 820.90 | 657.00 | 827.00 | 666.00 |
| March 2020 | 733.55 | 420.00 | 735.05 | 426.75 |

9) Stock Performance of GE Power India limited (GEPIL) VS S&P BSE SENSEX and NSE NIFTY 50**10) Registrar and Transfer Agent**

The name of the Company's Registrar and Transfer Agent was changed to KFin Technologies Private Limited from Karvy Fintech Private Limited during the year 2019-20. The Company has communicated this information on the Company's website.

The details of Company's Registrar and Transfer Agent is as follows:-

KFin Technologies Private Limited

Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telangana

E-mail ID: einward.ris@kfintech.com

11) Share Transfer System

KFin Technologies Private Limited is the Registrar and Transfer Agent of the Company. With effect from 01 April 2019, SEBI vide notification no. SEBI/LAD-NRO/GN/2018/24 dated 08 June 2018 and further notification no. SEBI/LAD-NRO /GN/ 2018/49 dated 30 November 2018, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. Shareholders, whose shares are in the physical mode, are requested to dematerialize their shares and update their bank accounts and email IDs with the respective depository participants to enable the Company to provide better service.

However, during FY 2019-20 the Company processed a total of 1,583 equity shares in physical form which were initially received by the Company before 01 April 2019.

12) Equity Shares in the Suspense Account as per Regulation 39 read with Schedule VI of the Listing Regulations:

Following are the details in respect of equity shares lying in the suspense account which were issued pursuant to the Scheme of Arrangement between Asea Brown Boveri Limited and the Company and the Bonus issue by Asea Brown Boveri Limited:

| Particulars | Number of equity shares |
|---|-------------------------|
| Number of shares lying in the suspense account as on 01 April 2019 | 5,108 |
| Number of shares transferred during the years from suspense account | Nil* |
| Number of shares lying in the suspense account as on 31 March 2020 | 5,108 |

* No request has been received from any shareholder of the Company during the year for transfer of shares from suspense account.

The voting rights on the shares outstanding in the suspense account as on 31 March 2020 shall remain frozen till the rightful owner of such shares claims the shares.

These shares are kept in trust and will be transferred into one folio in the name of 'Unclaimed Suspense Account' in due course.

All such shares, in respect of which dividend remained unpaid or unclaimed for the last seven consecutive years has been transferred in accordance with Section 124(6) of the Act and rules made thereunder.

13) (A) Distribution of Shareholding as on 31 March 2020:

| Slab | Number of shareholders | | Number of shares | |
|-------------------|------------------------|-------------------|-------------------|--------------------|
| | Number | % to shareholders | Number | % to share capital |
| 1 - 5,000 | 33742 | 99.42 | 5,813,457 | 8.65 |
| 5,001 - 10,000 | 94 | 0.28 | 663,446 | 0.99 |
| 10,001 - 20,000 | 41 | 0.12 | 582,195 | 0.87 |
| 20,001 - 30,000 | 16 | 0.05 | 412,974 | 0.61 |
| 30,001 - 40,000 | 5 | 0.01 | 175,800 | 0.26 |
| 40,001 - 50,000 | 6 | 0.02 | 275,253 | 0.41 |
| 50,001 - 1,00,000 | 9 | 0.03 | 582,944 | 0.87 |
| 1,00,001 - Above | 25 | 0.07 | 58,721,402 | 87.35 |
| Total | 33,938 | 100.00 | 67,227,471 | 100.00 |

(B) Shareholding pattern as on 31 March 2020:

| S. No. | Shareholders | Number of shares held | % shareholding |
|--------|--|-----------------------|----------------|
| 1 | Promoters | 46,102,083 | 68.58 |
| 2 | Mutual Funds / UTI | 9,868,408 | 14.68 |
| 3 | Financial Institutions/Banks | 774,044 | 1.15 |
| 4 | Central Government/State Government(s) | 259,742 | 0.39 |
| 5 | Insurance Companies | 253,303 | 0.38 |
| 6 | Foreign Institutional Investors | 1,447,340 | 2.15 |
| 7 | Bodies Corporate | 1,623,172 | 2.41 |
| 8 | Resident Individuals | 6,357,360 | 9.46 |
| 9 | Directors and their relatives | 13,415 | 0.02 |
| 10 | Trusts | 47,523 | 0.07 |
| 11 | Foreign Bodies Corporate | 8,383 | 0.01 |
| 12 | Non Resident Individuals | 312,081 | 0.46 |
| 13 | Clearing Members | 15,427 | 0.02 |
| 14 | Foreign Nationals | 22 | 0.00 |
| 15 | NBFCs registered with RBI | 1,900 | 0.00 |
| 16 | IEPF | 143,268 | 0.21 |
| | Total | 67,227,471 | 100.00 |

| 14) Dematerialization of shares and liquidity | <p>Trading in Company's share is permitted compulsorily in dematerialised form from 24 July 2000 as per notification issued by SEBI and the Company's shares are traded in compulsory rolling settlement.</p> <p>As on 31 March 2020, a total of 66,599,964 equity shares of the Company, which forms 99.07% of share capital of the Company, are held in dematerialized form.</p> | | | | | | | | | | | | | | |
|---|--|--|------------------------------|-------|----------------|-------------------------|------------------------------|----|--------------|---------|-----------|----|--------|-------|----|
| 15) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, if any. | Not Applicable | | | | | | | | | | | | | | |
| 16) Commodity price risk or foreign exchange risk and hedging activities | <p>Your Company has a framework and governance mechanism in place to ensure that it is adequately protected from the market volatility. In doing business, any Company is exposed to the risk of price fluctuation in commodities including metals and alloys. However, your Company proactively manages these risks through sagacious contract negotiation, inventory management and proactive vendor development practices to the maximum extent possible.</p> <p>Your Company manages the foreign exchange risk in accordance with the Company's Treasury Risk & Foreign Exchange Risk Policy. This policy sets governing standards around foreign exchange exposures and related hedging transactions and provide a framework for the practices used by the Company to define measure, monitor and manage its Foreign Exchange Risk in a manner that is consistent with the overall business objectives of the Company.</p> <p>The details of financial risk management as at 31 March 2020 have been disclosed in Note no. 45 in notes to the Standalone financial statements.</p> <p>Exposure of the Company to commodity and commodity risks faced by the Company throughout the year</p> <table border="1" data-bbox="489 897 1390 936"> <tr> <td>Total exposure of the Company to Commodities</td> <td>₹ 1,616.85 million</td> </tr> </table> <p>Exposure of the Company to various commodities is as follows:-</p> <table border="1" data-bbox="489 966 1390 1064"> <thead> <tr> <th>S.No.</th> <th>Commodity Name</th> <th>Exposure in million (₹)</th> <th>Exposure in quantity (in MT)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Iron & Steel</td> <td>1588.71</td> <td>17,636.50</td> </tr> <tr> <td>2.</td> <td>Copper</td> <td>28.14</td> <td>49</td> </tr> </tbody> </table> <p>Notes:-</p> <ol style="list-style-type: none"> The Company does not have any exposure hedged through commodity derivatives during the FY 2019-20. Commodity risks faced by the Company are managed in the manner as stated hereinabove. The figures provided above are on estimated basis. | Total exposure of the Company to Commodities | ₹ 1,616.85 million | S.No. | Commodity Name | Exposure in million (₹) | Exposure in quantity (in MT) | 1. | Iron & Steel | 1588.71 | 17,636.50 | 2. | Copper | 28.14 | 49 |
| Total exposure of the Company to Commodities | ₹ 1,616.85 million | | | | | | | | | | | | | | |
| S.No. | Commodity Name | Exposure in million (₹) | Exposure in quantity (in MT) | | | | | | | | | | | | |
| 1. | Iron & Steel | 1588.71 | 17,636.50 | | | | | | | | | | | | |
| 2. | Copper | 28.14 | 49 | | | | | | | | | | | | |
| 17) Plant Locations | Durgapur - 713 206, West Bengal, Noida – 201 309, Uttar Pradesh | | | | | | | | | | | | | | |
| 18) Address for correspondence | <p>Registered. Office : Unit No 211-212, 2nd Floor, The Capital, G Block, Plot No. C-70, Bandra Kurla Complex, Bandra East, Mumbai - 400051 Tel.No.: (022) 45407200 Fax No. : (022) 45407203 Email ID: in.investor-relations@ge.com Website: www.ge.com/in/ge-power-india-limited SEBI toll-free helpline service for investors: 1800 22 7575 or 1800 266 7575 (available on all days from 9:30 a.m. to 5:30 p.m. excluding declared holidays). SEBI investors' contact for feedback and assistance: Tel No. 022-26449950, E-mail ID: sebi@sebi.gov.in</p> | | | | | | | | | | | | | | |

XII. LIST OF CREDIT RATINGS

During FY 2019-20, your Company obtained rating from ICRA limited. Please refer to Directors' Report for more details.

XIII. OTHER DISCLOSURES

- 1) The Company has entered into certain material related party transactions with group companies in the ordinary course of business and at arm's length. However, there are no materially significant related party transactions which may have potential conflict with the interest of the Company at large. The Company has in place a 'Related Party Transactions Policy' and the same can be accessed at the website of the Company viz. www.ge.com/in/ge-power-india-limited
- 2) The Company has complied with the requirements of regulatory authorities on capital markets including the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended and there were no other penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- 3) Vigil Mechanism (Ombuds & Open Reporting Procedure)
The Company has a Vigil Mechanism (Ombuds & Open Reporting Procedure) in place and no personnel has been denied access to the Audit Committee.
- 4) Compliance with mandatory requirements
The Company has complied with all mandatory requirements of the Listing Regulations during the year ended 31 March 2020.
- 5) Subsidiaries
The Company has only one subsidiary namely GE Power Boilers Services Limited as at 31 March 2020, which is not a material non-listed Indian subsidiary
The Company has put in place the 'Policy on Material Subsidiaries' and the same can be accessed at the website of the Company viz. www.ge.com/in/ge-power-india-limited
- 6) Adoption of non-mandatory requirements as at 31 March 2020
 - a) The Board
The Chairman of the Company is a Non-Executive Director. However, the Chairman is not entitled to any compensation for holding Chairman's office.
 - b) Shareholder Rights
The quarterly and year to date financial statements are disseminated through Stock Exchanges, published in newspapers and also uploaded on Company's website. However, the Company does not send any other half-yearly declaration of financial performance and summary of the significant events in last six months to its shareholders.
 - c) Modified Opinion(s) in Audit Report
The Statutory Auditors of the Company have issued an unqualified Audit Report i.e. unmodified opinion in the Audit Report on the financial statements of the Company for year ended 31 March 2020.
 - d) Separate posts of Chairman and Chief Executive Officer
The Company has appointed separate Directors as its Chairman and the Managing Director.
 - e) Reporting of Internal Auditor
The Internal Auditors report directly to the Audit Committee.
- 7) Certificate from the Statutory Auditors, B S R & Co., LLP, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, read with Schedule V of the listing Regulations is annexed to this Report.
- 8) Certificate from Hemant Singh and Associate, 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 Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this Report.
- 9) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part – ₹ 16.07 million

- 10) The details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are given below:
- number of complaints filed during the financial year – Nil
 - number of complaints disposed of during the financial year – Not Applicable
 - number of complaints pending as on end of the financial year - Not Applicable
- 11) The Company has duly complied with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations.

XIV. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF THE COMPANY

The Company has adopted the Code of Conduct for Board Members and Senior Management of the Company. The Code of Conduct is posted on the Company's website at www.ge.com/in/ge-power-india-limited. All Board Members and Senior Management Personnel have affirmed compliance with the code as at 31 March 2020. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director of the Company.

XV. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has in place GE Power India Limited: Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons ('the Code') pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. Mr. Pradeepta Kumar Puhan, Company Secretary is the Compliance Officer under the Code. This code is applicable to all the Designated Persons of the Company and their immediate relatives as defined therein.

The Code is posted on the Company's website at www.ge.com/in/ge-power-india-limited

XVI. CEO/ CFO CERTIFICATION

In compliance with Regulation 17 read with Schedule II of the Listing Regulations, a declaration signed by the Managing Director and the Chief Financial Officer was placed before the Board, certifying the accuracy of Financial Statements for FY 2019-20 and the adequacy of internal controls pertaining to Financial Reporting.

For and on behalf of the Board of Directors

Mahesh Shrikrishna Palashikar
Chairman & Non-Executive Director
(DIN 02275903)

Place: Gurugram
Date: 22 June 2020

CEO / CFO CERTIFICATION

The Board of Directors,
GE Power India Limited

Sub: Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, Prashant Chiranjive Jain, Managing Director and Vijay Sharma, Whole-time Director & CFO, hereby certify that:

- A. We have reviewed the financial statements for the year ended 31 March 2020 and to the best of our knowledge and belief:
1. These statements do not contain any materiality untrue statements or omit any material fact or contain statements that might be misleading.
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are to the best of our knowledge and belief, no transactions entered into by the Company during year ended 31 March 2020, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal controls and that we have taken the required steps to rectify these deficiencies.
- D. We have indicated the Auditors and the Audit Committee that:
1. There have been no significant changes in the internal control over financial reporting during the year ended 31 March 2020.
 2. There have been no significant changes in the accounting policies.
 3. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Prashant Chiranjive Jain

Managing Director

Vijay Sharma

Whole-time Director & Chief Financial Officer

Date: 22 June 2020

Sub : Declaration on compliance with the Code of Conduct

Dear Sir(s),

In accordance with Clause D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Prashant Chiranjive Jain, Managing Director of the Company, hereby declare that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board Members and Senior Management for the year ended 31 March 2020.

For **GE Power India Limited**

Prashant Chiranjive Jain

Managing Director

Date : 22 June 2020

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of **GE Power India Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 4 June 2020.
2. This report contains details of compliance of conditions of Corporate Governance by GE Power India Limited ('the Company'), for the year ended 31 March 2020, as stipulated in Regulations 17-27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations'), pursuant to the Listing Agreement of the Company with the National Stock Exchange Limited and the Bombay Stock Exchange Limited (collectively referred to as the 'Stock exchanges').

Management's Responsibility

3. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31 March 2020.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certification for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of the Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the 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.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration number: 101248W/W-100022

Adhir Kapoor
Partner
Membership No: 098297
ICAI UDIN: 20098297AAAABV6165

Place: New Delhi
Date: 22 June 2020

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
GE Power India Limited
Unit No. 211-212, 2nd Floor, The Capital,
G- Block, Plot No. C-70, Bandra Kurla Complex,
Bandra, Mumbai -400051

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **GE POWER INDIA LIMITED** having CIN L74140MH1992PLC068379 and having its registered office at 'Unit No. 211-212, 2nd Floor, The Capital, G- Block, Plot No. C-70, Bandra Kurla Complex, Bandra, Mumbai -400051 (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 and 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 March 31, 2020 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 |
|------|--------------------------|----------|---------------------|
| 1. | Uddesh Kumar Kohli | 00183409 | 28/12/2005 |
| 2. | Arun Kannan Thiagarajan | 00292757 | 28/12/2005 |
| 3. | Neera Saggi | 00501029 | 14/06/2016 |
| 4. | Vishal K Wanchoo | 02776467 | 30/05/2017 |
| 5. | Sanjeev Agarwal | 07833762 | 30/05/2017 |
| 6. | Prashant Chiranjive Jain | 06828019 | 17/04/2019 |

Ensuring the eligibility of 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 Hemant Singh & Associates
Company Secretaries

Hemant Kumar Singh

(Partner)

Membership No: F6033

COP No : 6370

UDIN: F006033B000365700

Date: 22 June 2020

Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of
GE Power India Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of GE Power India Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant 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 ("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 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 standalone 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 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 of the current period. 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.

Description of Key Audit Matter

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| <p>Revenue recognition</p> <p>A significant portion of Company's business comprises long-term projects, including construction-type and fixed price projects.</p> <p>Revenue from these contracts is recognized in accordance with accounting policies as detailed in "significant accounting policies" in the financial statements</p> <p>There are various complexities, judgements and estimates involved in accounting for revenue recognized on "over the time" basis, including:</p> <ul style="list-style-type: none"> • Estimation of total contract costs at inception and remaining costs to completion. • Assessment of various risks emanating from operational delays, contract terms, changes in estimations. This requires the Company to estimate various costs to capture such risks, including liquidated damages and warranties. • Accounting for variations and claims, including timing of recognition | <p>In view of the significance of the matter, following audit procedures were applied in this area, amongst others to obtain sufficient audit evidence:</p> <ol style="list-style-type: none"> Obtained an understanding of the processes adopted to carry out accounting for revenue on "over the time" basis. Tested key controls (both design and operating effectiveness) over project accounting from initiation to recording on the above-mentioned projects. For selected contracts (selected on the basis of size of contracts, quantum of changes in margins, completion progress and other relevant criteria) tested the following: <ul style="list-style-type: none"> - Examined contracts, its significant terms and conditions, correspondences with customers; - Evaluated various assumptions and estimates including estimated contract revenue/ costs, risk provisions, contract variation claims, provision for liquidated damages, contract modifications etc; |

| The key audit matter | How the matter was addressed in our audit |
|---|--|
| <p>Revenues, contract costs and resultant margin recognition may deviate significantly from original estimates. Such deviations may be caused due to inherent risks in this business or resulting from possible effects of the ongoing COVID -19 pandemic.</p> <p>In view of above, we determined this area to an area involving significant risk and an area of audit focus, and accordingly, a key audit matter.</p> <p>Tax (including litigations)</p> <p>The Company's operations are subject to complexities arising from applicability of various laws and regulations with respect to positions on matters relating to income tax, sales tax, goods and services tax, service tax, excise, customs etc. (either past or present).</p> <p>Provision for taxes is recognized or contingent liabilities are disclosed in accordance with accounting policies as detailed in "significant accounting policies" in the financial statements.</p> <p>Judgment is required in assessing the range of possible outcomes for some of these matters. These judgments could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax and other authorities and other judicial precedents.</p> <p>The Company makes an assessment to determine the outcome of these tax positions and decides to make an accrual or consider it to be a possible contingent liability. In particular, this affects the measurement and accuracy of provision for taxes.</p> <p>Due to above mentioned factors, we have determined this to be a key audit matter</p> <p>Recoverability of Trade Receivables</p> <p>Trade receivables, including retention money with customers which is significant part of the total assets of the Company.</p> <p>Impairment loss on trade receivables is recognized in accordance with accounting policies as detailed in "significant accounting policies" in the financial statements.</p> <p>Customer contracts typically involve time consuming and complex conditions around closure of contracts, including technical acceptances, which lead to longer and significant time for realization of receivables.</p> <p>As a result of above, assessment of realizability of trade receivables, involves critical evaluation of various factors, including impact of external environment.</p> <p>The Company makes an estimate of impairment allowance for trade receivables on the basis of an "expected credit loss" model in accordance with Ind AS 109, <i>Financial Instruments</i>. The Company further considers impact of external environment, such as possible effect from the COVID-19 pandemic.</p> <p>In view of above, we determined this area to an area of audit focus, and accordingly, a key audit matter.</p> | <ul style="list-style-type: none"> - In respect of contracts with significant changes in margins during the year, read the "project management review" documents (as evidence of project reviews), wherever available. Discussed with project controllers, the reasons for such changes in revenues/ costs; - We have performed a retrospective analysis of cost incurred with estimated cost for contracts completed during the current year to assess the reliability of the Company's forecasting process. <p>In view of the significance of the matter, following audit procedures were applied in this area, amongst others to obtain sufficient audit evidence:</p> <ol style="list-style-type: none"> a) We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year. b) Tested key controls (both design and operating effectiveness) over estimate of provisions for various taxes. c) We analysed the Company's judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how the Company has considered past experience, where available, with the authorities in the respective jurisdictions. d) We have involved our tax specialists to evaluate and assessed the estimates on the basis of the facts of the case, internal evaluations, legal precedence, assumptions made, legal opinion and judicial ruling. <p>In view of the significance of the matter, following audit procedures were applied in this area, amongst others to obtain sufficient audit evidence:</p> <ol style="list-style-type: none"> a) Obtained an understanding of the processes implemented to estimate impairment provision against trade receivables. b) Tested key controls (both design and operating effectiveness) over estimation of impairment loss. c) Evaluated the "expected credit loss" model adopted to estimate the impairment allowance and tested the related computations. d) Obtained and tested the base data used in the above-mentioned model such as trade receivables ageing and evaluated the various judgement and assumption applied. |

Other information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the 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 the other information is materially inconsistent with the standalone 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.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows 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. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 standalone 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.

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 of the current period 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, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report 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.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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, 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 as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 47 to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co LLP**
Chartered Accountants
Firm's Registration No.: 101248W/ W100022

Adhir Kapoor
Partner
Membership No.: 098297
UDIN: 20098297AAAABU8258

Place: New Delhi
Date: 22 June, 2020

ANNEXURE A REFERRED IN THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GE POWER INDIA LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020.

We report that:

- i. (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment and intangible assets).
- (B) According to the information and explanations given to us, the fixed assets are physically verified by the management in accordance with a phased programme designed to cover all items of fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. In accordance with this programme, a portion of fixed assets has been physically verified by the management during the year. As informed to us, no material discrepancies were observed on such verification.
- (C) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company, except the following land (and buildings appurtenant thereto), held in erstwhile name of the Company for which name change is in process:

(Amount in million)

| Name of the property | Gross Block as at 31 March 2020 | Accumulated Depreciation as at 31 March 2020 | Net Block as at 31 March 2020 |
|----------------------|------------------------------------|--|----------------------------------|
| Freehold Land | 3.2 | - | 3.2 |
| Factory Building | 90.9 | 75.0 | 15.9 |
| Office Building | 14.6 | 12.4 | 2.2 |
| Total | 108.7 | 87.4 | 21.3 |

- ii. According to the information and explanations given to us, the inventories (excluding goods in transit and inventories lying with third parties) have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For inventories lying with third parties, substantially written confirmations have been obtained. Further, as informed, the discrepancies noticed on verification between the physical inventory and the book records were not material.
- iii. According to the information and explanations given to us, the Company, has not granted any loans, secured or unsecured, to companies or other parties covered in the register maintained under Section 189 of the Act. Further, there are no firms and limited liability partnerships covered in the register required under Section 189 of the Act. Accordingly, para 3 (iii) of the Order is not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made. The Company has not given any guarantee and security during the year.
- v. According to the information and explanations given to us, the Company has not accepted any deposits covered under Section 73 to 76 of the Act.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products and services where, pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- vii. (A) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Duty of Customs, Goods and Service tax, Cess and any other material statutory dues, to the extent applicable, have generally been regularly deposited with the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Service tax, Duty of Customs, Cess and other material statutory dues, to the extent applicable, were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

- (B) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of Income-tax, Sales-tax, Service tax, Goods and Service Tax, Duty of Customs, Value Added Tax and Duty of Excise which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

| Name of the Statute | Nature of Statutory dues | Amount of dispute | Amount paid | Period to which it relates | Forum where dispute is pending |
|---|---------------------------|-------------------|--------------------------------------|---------------------------------------|---|
| | | (₹ in million) * | (₹ in million) | | |
| Central Sales Tax and Local Sales Tax Acts (including works contract tax) | Sales tax | 640.2 | 44.7 | 2013-14,2016-18 | Tax Officer |
| | | 490.4 | 35.3 | 2010-11, 2015-16 | Assessing Officer |
| | | 229.5 | 24.2 | 2006-17,2014-15 | First Appellate authority |
| | | 173.4 | 5.0 | 2011-15, 2012-14, April-14 to June 17 | Appellate Authority- Up to Commissioner Level |
| | | 69.0 | - | 2011-15 | High Court |
| | | 57.2 | 26.4 | 1984-85, 2004-05, 2011-14, 2013-14 | Second Appellate Authority |
| | | 42.4 | 2.9 | 2010-16 | Revision Board |
| | | 13.9 | - | 2012-13 | Sales Tax Tribunal |
| | | 2.4 | - | 2013-15 | CTO-Circle-Jammu |
| | | 90.1 | - | 2005-08 | Tax Officer |
| | Works contract tax matter | 25.1 | - | 1984-89, 1992-97 | High Court |
| | | 5.22 | - | 1993-94 to 1996-97 | Second Appellate Authority |
| | | 2,370.7 | 8.7 | February,2011 to March 2017 | Adjudicating Authority |
| | | 50.3 | 7.4 | 2001-04, 2010-11 | Second Appellate Authority |
| Central Excise Act, 1944 | Excise duty | 6.8 | - | 2014-15 | Tribunal , CESTAT |
| | | 280.6 | 10.4 | 2011 to 2015 | Tribunal , CESTAT |
| | 71.3 | 8.9 | 2011 to 2015, June 2015 to June 2017 | Commissioner Appeal | |
| Finance Act, 1994 | Service tax | 33.33 | 2.50 | May 2006 to October 2011 | Second Appellate Authority |
| | | 19.1 | - | January 2010 to October 2014 | Tribunal , CESTAT |
| | | 7.5 | - | November 2014 to March 2016 | Commissioner, Appeal |
| | | 1.0 | - | Apr'16 to Jun'17 | Assistant Commission-Central Excise |
| | | 0.7 | - | 2007-08, 2008-09 | First Appellate authority |
| DGFT | Duty draw back | 18.4 | - | 2009-2010 | Hon'ble Supreme Court |
| Income Tax Act, 1961 | Income tax | 1,225.9 | 100.0 | 2001-03, 2007-08, 2009-14 | ITAT, Mumbai |
| | | 305.5 | - | 2015-16 | Dispute resolution panel |

* amount as per demand orders including interest and penalty, wherever indicated in the order.

- viii. According to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
- ix. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- xiv. According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to information and explanations given to us, the Company has not entered into any noncash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **BSR & Co LLP**

Chartered Accountants

Firm's Registration No.: 101248W/ W100022

Adhir Kapoor

Partner

Membership No.: 098297

UDIN: 20098297AAAABU8258

Place: New Delhi

Date: 22 June 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

ON THE STANDALONE FINANCIAL STATEMENTS OF GE POWER INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2020.

Report on the Internal Financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of GE Power India Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were established and maintained and whether 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to 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 financial statements include 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 FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: New Delhi
Date: 22 June 2020

For **BSR & Co LLP**

Chartered Accountants

Firm's Registration No.: 101248W/ W100022

Adhir Kapoor

Partner

Membership No.: 098297

UDIN: 20098297AAAABU8258

BALANCE SHEET

(All amounts in ₹ million, except share data and unless otherwise stated)

| | Notes | As at 31 March 2020 | As at 31 March 2019 |
|--|-------|------------------------|------------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 1,683.0 | 1,510.8 |
| (b) Capital work-in-progress | 4 | 46.3 | 115.8 |
| (c) Intangible assets | 5 | 2.6 | 0.1 |
| (d) Right of use assets | 6 | 1,379.5 | - |
| (e) Financial assets | | | |
| (i) Investments | 7 | 26.7 | 26.7 |
| (ii) Loans | 8 | 121.0 | 114.7 |
| (f) Deferred tax assets (net) | 9 | 1,213.3 | 1,813.4 |
| (g) Non-current tax assets | 10 | 784.0 | 1,023.9 |
| (h) Other non-current assets | 11 | 557.9 | 110.7 |
| | | 5,814.3 | 4,716.1 |
| (2) Current assets | | | |
| (a) Inventories | 12 | 2,301.5 | 1,804.2 |
| (b) Financial assets | | | |
| (i) Trade receivables | 13 | 13,266.2 | 9,793.1 |
| (ii) Cash and cash equivalents | 14 | 3,778.1 | 1,113.8 |
| (iii) Bank balances other than cash and cash equivalents | 15 | 14.4 | 7,166.0 |
| (iv) Loans | 16 | 618.4 | 1,625.4 |
| (v) Other financial assets | 17 | 89.9 | 513.8 |
| (c) Other current assets | 18 | 7,784.3 | 7,914.4 |
| (d) Assets held for sale | 19 | 64.0 | 975.7 |
| | | 27,916.8 | 30,906.4 |
| | | 33,731.1 | 35,622.5 |
| Total assets | | | |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 20 | 672.3 | 672.3 |
| (b) Other equity | 21 | 8,530.8 | 8,178.4 |
| | | 9,203.1 | 8,850.7 |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 23 | 1,119.5 | - |
| (b) Provisions | 22 | 1,088.5 | 865.1 |
| | | 2,208.0 | 865.1 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 23 | 253.5 | - |
| (i) Trade payables | 24 | | |
| total outstanding dues of micro enterprises and small enterprises | | 676.7 | 94.4 |
| total outstanding dues of creditors other than micro enterprises and small enterprises | | 8,099.5 | 7,257.2 |
| (iii) Other financial liabilities | 25 | 1,273.4 | 1,201.9 |
| (b) Other current liabilities | 26 | 8,623.3 | 12,902.8 |
| (c) Provisions | 27 | 3,393.6 | 3,629.2 |
| (d) Current tax liabilities | 28 | - | 821.2 |
| | | 22,320.0 | 25,906.7 |
| | | 33,731.1 | 35,622.5 |
| Total equity and liabilities | | | |
| Significant accounting policies | 2 | | |

The notes referred to form an integral part of these standalone financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number:

101248W/W-100022

For and on behalf of the Board of Directors of **GE Power India limited**

Prashant Chiranjive Jain

Managing Director

DIN 06828019

Place : Gurugram

Date: 22 June 2020

Vijay Sharma

Whole-time Director and Chief Financial Officer

DIN 06700052

Place : Noida

Date: 22 June 2020

Adhir Kapoor

Partner

Membership No. : 098297

Place : New Delhi

Date: 22 June 2020

Pradepta Puhan

Company Secretary

FCS-5138

Place : Noida

Date: 22 June 2020

STATEMENT OF PROFIT AND LOSS

(All amounts in ₹ million, except share data and unless otherwise stated)

| | Notes | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operations | 29 | 24,458.6 | 19,027.2 |
| Other income | 30 | 1,252.2 | 1,326.2 |
| Total income | | 25,710.8 | 20,353.4 |
| Expenses | | | |
| Cost of material and erection services | 31 | 16,936.2 | 10,688.8 |
| Changes in work in progress | 31 | 86.4 | 548.3 |
| Employee benefits expense | 32 | 3,714.5 | 3,418.7 |
| Finance costs | 33 | 492.5 | 411.3 |
| Depreciation and amortisation expense | 34 | 664.7 | 314.2 |
| Other expenses | 35 | 2,409.7 | 2,585.2 |
| Total expenses | | 24,304.0 | 17,966.5 |
| Profit before exceptional items and tax | | 1,406.8 | 2,386.9 |
| Exceptional items | 48 | (329.1) | 922.9 |
| Profit before tax | | 1,735.9 | 1,464.0 |
| Tax expense: | | | |
| (1) Current tax | | 268.5 | 859.4 |
| (2) Tax related to earlier years | | 33.6 | 202.5 |
| (3) Deferred tax charge/(credit) | 9 | 583.1 | (358.4) |
| Profit for the year (A) | | 850.7 | 760.5 |
| Other comprehensive income | | | |
| (a) Items that will be not reclassified to profit or loss | | | |
| Remeasurements of defined benefit liability | | (19.8) | (89.3) |
| Income tax relating to above | | 5.0 | 31.3 |
| Other comprehensive income for the year, net of tax (B) | | (14.8) | (58.0) |
| Total comprehensive income for the year (A+B) | | 835.9 | 702.5 |
| Basic and diluted earnings per equity share | 43 | 12.65 | 11.31 |
| [Nominal value per share ₹ 10 (previous year ₹ 10)] | | | |
| Significant accounting policies | 2 | | |

The notes referred to form an integral part of these standalone financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number:

101248W/W-100022

For and on behalf of the Board of Directors of **GE Power India limited**

Prashant Chiranjive Jain

Managing Director
DIN 06828019
Place : Gurugram
Date: 22 June 2020

Vijay Sharma

Whole-time Director and Chief Financial Officer
DIN 06700052
Place : Noida
Date: 22 June 2020

Adhir Kapoor

Partner

Membership No. : 098297

Place : New Delhi

Date: 22 June 2020

Pradeepta Puhan

Company Secretary
FCS-5138

Place : Noida

Date: 22 June 2020

CASH FLOW STATEMENT

(All amounts in ₹ million, except share data and unless otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| A. Cash flows from operating activities | | |
| Profit before tax | 1,735.9 | 1,464.0 |
| Adjustments for | | |
| Depreciation and amortisation expense | 664.7 | 314.2 |
| Liabilities/ provision no longer required written back | (444.0) | (96.6) |
| Allowance for doubtful debts and advances | 14.1 | 173.0 |
| Bad debts written off | 103.4 | 188.0 |
| Unrealised loss / (gain) on restatement of foreign currency assets and liabilities, net | 252.6 | (339.8) |
| (Profit) / Loss on sale / impairment of property, plant and equipment, net | (553.3) | 345.9 |
| Discounting of financial assets/liabilities at effective interest method | 113.0 | 108.0 |
| Interest income | (362.5) | (623.4) |
| Finance costs | 373.8 | 295.8 |
| Operating profit before changes in assets and liabilities | 1,897.7 | 1,829.1 |
| Adjustments for changes in assets and liabilities | | |
| Decrease/(increase) in non current loans | (0.6) | 47.3 |
| (Increase) in other non-current assets | (447.2) | (82.3) |
| (Increase) in inventories | (497.3) | (619.4) |
| (Increase) in trade receivables | (3,531.1) | (680.8) |
| Decrease/(increase) in current loans | 9.7 | (27.2) |
| Decrease in other current financial assets | 13.9 | 6,147.5 |
| Decrease/(increase) in other current assets | 60.1 | (5,597.7) |
| Increase in other non current provisions | 223.4 | 1,589.8 |
| Increase/(decrease) in trade payables | 1,810.7 | (1,029.8) |
| Increase in other financial liabilities | 59.6 | 81.2 |
| (Decrease) in other current liabilities | (4,024.5) | (2,926.5) |
| (Decrease) in current provisions | (349.0) | (278.1) |
| Cash (used in) operating activities | (4,774.6) | (1,546.9) |
| Income tax (payments), net | (858.7) | (862.0) |
| Net cash (used in) operating activities | (5,633.3) | (2,408.9) |
| B. Cash flows from investing activities | | |
| Inter corporate deposits received back/(given) | 994.4 | (550.0) |
| Advance (refunded) / received against assets held for sale | (400.0) | 300.0 |
| Interest received | 439.5 | 682.8 |
| Purchase of property, plant and equipment (including Capital work in progress and capital advances) | (96.0) | (73.0) |
| Purchase of Intangible assets | (2.5) | - |
| Sale proceeds of property, plant and equipment | 1,082.1 | 189.4 |
| Term deposits with maturity more than 90 days | 7,150.0 | 1,680.0 |
| Net cash generated from investing activities | 9,167.5 | 2,229.2 |
| C. Cash flows from financing activities | | |
| Dividend and corporate dividend tax paid | (486.3) | (243.6) |
| Principal payment of lease liabilities | (243.2) | - |
| Interest paid on lease liabilities | (135.2) | - |
| Interest paid | - | (150.3) |
| Net cash (used in) financing activities | (864.7) | (393.9) |
| Net cash flows during the year (A+B+C) | 2,669.5 | (573.6) |
| Cash and cash equivalents, beginning of year | 1,113.7 | 1,687.3 |
| Cash and cash equivalents, end of year | 3,783.2 | 1,113.7 |

CASH FLOW STATEMENT

(All amounts in ₹ million, except share data and unless otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Components of cash and cash equivalents as at end of the year | | |
| Cash on hand | - | 0.2 |
| Bank balances | | |
| - In current account | 3,026.1 | 1,113.6 |
| - Term deposits (less than 3 months maturity) | 752.0 | - |
| Cash and cash equivalents (refer note 14) | 3,778.1 | 1,113.8 |
| Less : Effect of exchange differences on cash and cash equivalents held in foreign currency | 5.1 | (0.1) |
| Cash and cash equivalents as restated | 3,783.2 | 1,113.7 |

- The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 on Statement of Cash Flows as notified under Section 133 of the Companies Act, 2013.
- During the year, the Company paid in cash ₹ 15.2 million (31 March 2019: ₹ 6.5 million) towards corporate social responsibility (CSR) expenditure - refer note 39.
- In the previous year, the adoption of Ind AS 115 did not have material impact on the Company's operating, investing and financing cash flows except certain adjustments on account of changes to the carrying amounts of assets and liabilities. Refer note 46 for adjustments to respective heads.
- Refer Note 23 for changes in liabilities arising from financing activities.

The notes referred to form an integral part of these standalone financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number:

101248W/W-100022

For and on behalf of the Board of Directors of **GE Power India limited**

Prashant Chiranjive Jain

Managing Director

DIN 06828019

Place : Gurugram

Vijay Sharma

Whole-time Director and Chief Financial Officer

DIN 06700052

Place : Noida

Adhir Kapoor

Partner

Membership No. : 098297

Place : New Delhi

Date: 22 June 2020

Pradeepta Puhan

Company Secretary

FCS-5138

Place : Noida

STATEMENT OF CHANGES IN EQUITY

(All amounts in ₹ million, except share data and unless otherwise stated)

A. EQUITY SHARE CAPITAL 20

| | Total |
|---------------------------------|-------|
| As at 1 April 2018 | 672.3 |
| Changes in equity share capital | - |
| As at 31 March 2019 | 672.3 |
| Changes in equity share capital | - |
| As at 31 March 2020 | 672.3 |

B. OTHER EQUITY 21

| | Reserve and surplus | | Other comprehensive income | Total |
|---|---------------------|-------------------|----------------------------|----------------|
| | General reserve | Retained earnings | | |
| As at 1 April 2018 | 2,481.9 | 5,153.5 | - | 7,635.4 |
| Profit for the year | - | 760.5 | - | 760.5 |
| Cumulative effect on transition of Ind AS 115, net of tax (refer note 46) | - | 84.1 | - | 84.1 |
| Remeasurements of defined benefit liability, net of tax | - | - | (58.0) | (58.0) |
| Dividends paid | - | (201.7) | - | (201.7) |
| Dividend distribution tax on dividend on equity shares | - | (41.9) | - | (41.9) |
| Transferred to retained earnings | - | (58.0) | 58.0 | - |
| Balance as at 31 March 2019 | 2,481.9 | 5,696.5 | - | 8,178.4 |
| Profit for the year | - | 850.7 | - | 850.7 |
| Remeasurements of defined benefit liability, net of tax | - | - | (14.8) | (14.8) |
| Dividends paid | - | (403.4) | - | (403.4) |
| Dividend distribution tax on dividend on equity shares | - | (80.1) | - | (80.1) |
| Transferred to retained earnings | - | (14.8) | 14.8 | - |
| Balance as at 31 March 2020 | 2,481.9 | 6,048.9 | - | 8,530.8 |

Significant accounting policies

2

The notes referred to form an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number:

101248W/W-100022

For and on behalf of the Board of Directors of **GE Power India limited**

Prashant Chiranjive Jain

Managing Director

DIN 06828019

Place : Gurugram

Date: 22 June 2020

Vijay Sharma

Whole-time Director and Chief Financial Officer

DIN 06700052

Place : Noida

Date: 22 June 2020

Adhir Kapoor

Partner

Membership No. : 098297

Place : New Delhi

Date: 22 June 2020

Pradeepta Puhan

Company Secretary

FCS-5138

Place : Noida

Date: 22 June 2020

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

1. GENERAL INFORMATION

GE Power India Limited (name changed with effect from 5 August 2016, formerly known as ALSTOM India Limited) ('the Company') is a publicly owned Company, incorporated on 2 September 1992 as Asea Brown Boveri Management Limited, under the provisions of Indian Companies Act. The Company is domiciled in India with its registered office located at Unit No. 211-212, 2nd Floor, The Capital, G Block, Plot No. C-70, Bandra Kurla Complex, Bandra East, Mumbai - 400051. The equity shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited.

Its operations includes a composite range of activities viz. engineering, procurement, manufacturing, construction and servicing etc. of power plants and power equipment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of standalone financial statements

2.1.1 Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act'), as amended, and other relevant provisions of the Act.

The standalone financial statements have been authorised for issue by the Company's Board of Directors on 22 June 2020.

Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

An asset is classified as current when it is: a) Expected to be realised or intended to be sold or consumed in normal operating cycle, b) Held primarily for the purpose of trading, c) Expected to be realised within twelve months after the reporting period, or d) 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 classified as current when: a) It is expected to be settled in normal operating cycle, b) It is held primarily for the purpose of trading, c) It is due to be settled within twelve months after the reporting period, or d) 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.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities, except for projects business. The projects business comprises long-term contracts which have an operating cycle exceeding one year. For classification of current assets and liabilities related to projects business, the Company uses the duration of the contract as its operating cycle.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Companies (Accounts) Rules 2014.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.1.2 Basis of measurement

The standalone financial statements have been prepared on historical cost basis, except for the following:

- certain financial assets and liabilities (including derivatives instruments) - measured at fair value,
- defined benefit assets / liability – fair value of plan assets less present value of defined benefit obligations,

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

2.1.3 Functional currency

The standalone financial statements are presented in Indian Rupees (Rupees or INR), which is the Company's functional and presentation currency and all amounts are rounded to the nearest million and one decimals thereof, except as stated otherwise.

2.1.4 Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment recognised in the standalone financial statements are as under :

- measurement of useful life, residual values and impairment of property, plant and equipment,
- recognition of deferred tax assets: availability of future taxable profit against which temporary differences shall be deductible,
- measurement of defined benefit obligations and planned assets: key actuarial assumptions,
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources,
- impairment of financial assets and non financial assets,
- revenue and margin recognition on construction and / or long term service contracts and related provision.
- assets held for sale : determining the fair value less costs to sell on the basis of significant unobservable inputs.
- lease : identification of lease, lease term and applicable discount rate.

2.1.5 Measurement of fair values

A number of the accounting policies and disclosures require 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 prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the respective notes.

2.2 Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, if any, directly attributable cost of bringing the item to its location and condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Special tools are capitalised as plant and equipment.

Freehold land is carried at historical cost.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses arising from disposal or retirement of property, plant and equipment are measured as the differences between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognised in the statement of profit and loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

The cost of property, plant and equipment not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general and can be allocated to specific property, plant and equipment are included in capital work-in-progress.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 as per the previous GAAP and use that as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value:

Property, plant and equipment, other than land, are depreciated on a pro-rata basis on Straight Line Method (SLM) using the rates arrived based on the useful lives of assets specified in Part C of Schedule II thereto of the Companies Act, 2013 or useful lives of assets estimated by the management based on technical advice in cases where a useful life is different than the useful lives indicated in Part C of Schedule II of the Companies Act, 2013, which represents the period over which management expects to use these assets, as follows:

| Asset category | Management estimated Useful Life (in years) | Useful life as per schedule II (in years) |
|------------------------|---|---|
| Factory buildings | Upto 30 | 30 |
| Other buildings | Upto 60 | 60 |
| Plant and equipment | Upto 15 | 15 |
| Furniture and fixtures | Upto 10 | 10 |
| Vehicles | Upto 8 | 8 |
| Office equipment | Upto 5 | 5 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Where a company estimated the useful life of an asset on a single shift basis at the beginning of the year but use the asset on double or triple shift during the year, then the depreciation expense would increase by 50 or 100 per cent as the case may be for that period.

Freehold land is not depreciated. Leasehold assets and leasehold improvements are amortised over the period of the lease or the estimated useful life, whichever is lower.

Asset's residual values and useful lives are reviewed at each financial year end, considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review and adjusted prospectively.

Asset held for sale

Non current assets or disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non current assets or disposal groups held for sale are measured at the lower of carrying amount and fair value less cost to sell.

A gain or loss of the non-current asset is recognised at the date of de-recognition. Once classified as held-for-sale, property, plant and equipment are no longer amortised or depreciated.

2.3 Intangible assets and amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Gains or losses arising from derecognition of assets are measured as the differences between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 as per the previous GAAP and use that as the deemed cost of the property, plant and equipment.

Amortisation methods, estimated useful lives and residual value:

Intangible assets are amortised on a straight line basis over their estimated useful lives.

The amortisation period, residual value and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is adjusted prospectively.

The Company amortises intangible assets with finite useful life using the straight-line method over the following periods:

| Asset category | Useful Life (in years) |
|--------------------------|------------------------|
| Software and license fee | 5 |

2.4 Leases

The Company lease asset classes consist of leases for buildings, plant and equipment and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet.

Transition

Effective 1 April 2019, the Company adopted Ind AS 116 "Lease" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective approach (Option 2B) as at the date of transition. Accordingly, RoU asset is measured equivalent to lease liability (adjusted for accruals and prepayments). Prepaid asset created out of discounting of security deposits shall be added to the RoU asset. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies for year ended 31 March 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 1,585.2 million and a lease liability of ₹ 1,533.5 million. The effect of this adoption is insignificant on the profit before tax and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Accounting policy followed for previous year

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.5 Impairment of non financial assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (property, plant and equipment and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's (CGU) fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the CGU (or the asset) expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

2.6 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprise cost of purchase (net of recoverable taxes where applicable), and other cost incurred in bringing the inventories to their respective present location and condition. The cost of various categories of inventories is arrived at as follows:

- Raw materials and components - at cost determined on the weighted average method.
- Packing materials, loose tools and consumables, being immaterial in value terms, and also based on their purchase mostly on need basis, are expensed to the statement of profit and loss at the point of purchase.

Contracts work-in-progress (herein referred to as "work in progress") is valued at cost. Cost includes direct materials, labour and appropriate proportion of overheads including depreciation.

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.

Provision for obsolescence is made, wherever necessary.

The comparison of cost and net realisable value is made on an item-by-item basis.

2.8 Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Post-employment obligations

Defined contribution plans

Provident fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Superannuation: Contribution to Superannuation fund is charged to the statement of profit and loss on accrual basis. The Company pays contribution to a trust, which is maintained by Life Insurance Corporation of India to cover Company's liabilities towards Superannuation. Such benefits are classified as defined contribution plan as the Company does not carry any further obligations, apart from the contributions made on monthly basis.

Defined benefit plans

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the Statement of Profit and Loss. Any differences between the expected interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

The defined benefit plan surplus or deficit on the Balance Sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities using a discount rate by reference to market yields on Government bonds at the end of the reporting period.

Provident Fund: Contributions towards provident fund for certain employees are made to a Trust administered by the Company. Such benefits are classified as defined benefit plan. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for.

Gratuity liability is a defined benefit obligation and is provided on the basis of its actuarial valuation based on the projected unit credit method made at each Balance Sheet date. The Company funds gratuity benefits for its employees within the limits prescribed under The Payment of Gratuity (Amendment) Act, 2018 through contributions to a Scheme administered by the Life Insurance Corporation of India ('LIC').

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the standalone financial statements of the Company.

(iii) Other long-term employee benefit obligations

Compensated absences: The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since, the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit.

The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase their entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method on the Balance Sheet date.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.9 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Related expense or income are recognised using the same exchange rate. Exchange differences are recognised in statement of profit and loss.

(ii) Financial instruments

a. Recognition and initial measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the financial instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI (fair value through other comprehensive income);
- FVTPL (fair value through statement of profit and loss)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

| | |
|------------------------------------|--|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in statement of profit and loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss. |
| Investment in subsidiary | Investment in subsidiary is measured at cost less impairment loss, if any. |

Financial liabilities: Classification, subsequent measurement and gains and losses

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, or 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 statement of profit and 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 statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

c. Impairment of financial assets

The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109. In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

d. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

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The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

e. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency exposure.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in statement of profit and loss.

2.10 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for applicable jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Company has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision based on the approach which provides better predictions of the resolution of the uncertainty. Company has assumed that the taxation authority will have full knowledge of all relevant information while examining and has considered the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

The Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current period tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current period tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current period tax and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

2.11 Revenue from contracts with customer

Effective 1 April 2018, the Company had applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaced Ind AS 18 “Revenue” and Ind AS 11 “Construction Contracts”. The Company had adopted Ind AS 115 using the cumulative effect method, as the transitional provision option available. The effect of initially applying this standard was recognised to the retained earnings at the date of initial application (i.e. 1 April 2018). The standard was applied retrospectively only to contracts that were not completed as at the date of initial application. The Company also reassessed the revenue recognition method in respect of measuring percentage of completion for applicable products/ services projects. Refer note 21 and 46 for details/ break up of the aforesaid impact on the Balance Sheet.

a) Revenue from construction contracts

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Amounts due in respect of price escalation claims including those linked to published indices and/or contract modification including variation in contract work, only if the contract allows for such claims or variations and /or there is evidence that the customer has accepted it and it is probable that these will result in revenue and are capable of being reliably measured. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Contract modifications that extend or revise contract terms are not uncommon and generally result in recognising the impact of the revised terms prospectively over the remaining life of the modified contract. In addition, the Company elected the practical expedient for contract modifications, which essentially means that the terms of the contract that existed as at the date of initial application of the standard can be assumed to have been in place since the inception of the contract (i.e., not practical to separately evaluate the effects of all prior contract modifications).

Transaction price is allocated to each performance obligation based on relative stand-alone selling prices, in case, contract contains more than one distinct good or service. Revenue is recognized for each performance obligation either at a point in time or over time.

If it is expected that a contract will make a loss, the estimated loss is provided for in the books of account. Such losses are based on technical assessments and on management’s analysis of the risk and exposure on a case to case basis.

Liquidated damages/penalties are provided for, based on management’s assessment of the estimated liability, as per contractual terms, technical evaluation, past experience and/or acceptance.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Performance obligations satisfied over time

Revenue is recognised as performance under the arrangements using percentage of completion based on costs incurred relative to total expected costs. The differences between the timing of revenue recognised (based on costs incurred) and customer billings (based on contractual terms) results in changes to revenue in excess of billing or billing in excess of revenue.

Use of significant judgments in revenue recognition

The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total estimated costs, contract risks, including technical, political and regulatory risks, and other judgments. Under the percentage-of-completion method, changes in estimates may lead to an increase or decrease of revenue.

Performance obligations satisfied at a point in time

Revenues are recognised at a point in time when control of the goods passes to the customer, upon delivery of the goods.

b) Revenue from sale of services

Sale of services are recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of contract.

2.12 Other income / other operating income

Interest income is recognised using the effective interest method. The 'effective interest method' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Export benefits are accounted for to the extent there is reasonable certainty of utilisation/realisation of the same.

Rental income is recognized on a straight line basis over the term of the relevant lease.

2.13 Earnings per share

- a) Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.14 Provisions and contingent liabilities/ assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Warranty

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

Onerous contract

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Restructuring

A provision for restructuring is recognised when the board has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Decommission cost

In accordance with the applicable legal requirements, a provision for decommission of assets, which are taken on lease, is recognised as per the terms of contract. The provision is measured at the present value of the best estimate of the cost of restoration.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent liabilities / assets

Contingent liabilities are disclosed 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 will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

2.15 Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed separately.

2.16 Recent accounting pronouncements

Applicable standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ALL AMOUNTS IN ₹ MILLION, EXCEPT SHARE DATA AND UNLESS OTHERWISE STATED)

3. PROPERTY, PLANT AND EQUIPMENT

| Particulars | Gross block | | Depreciation/ Amortisation | | Net block As at 31 March 2020 |
|------------------------|-----------------------|--|----------------------------|---|-------------------------------------|
| | As at 1 April 2019 | Additions [#] Disposal / Transfer | As at 1 April 2019 | Charge for the year [#] Disposal / Transfer | |
| Freehold land | 96.3 | 3.2 | - | - | 99.5 |
| Leasehold land | 1.0 | - | * | * | - |
| Leasehold improvements | 79.0 | 1.2 | 45.6 | 13.9 | 58.4 |
| Factory buildings | 321.9 | 138.1 | 59.2 | 21.2 | 379.6 |
| Other buildings | 80.3 | 37.7 | 1.0 | 9.5 | 107.5 |
| Plant and equipment | 1,883.6 | 370.4 | 878.6 | 323.9 | 1,046.0 |
| Furniture and fixtures | 36.5 | 1.4 | 17.1 | 3.2 | 20.2 |
| Vehicles | 2.0 | - | 1.3 | 0.1 | 1.4 |
| Office equipment | 28.6 | 2.5 | 15.6 | 4.0 | 11.5 |
| Total | 2,529.2 | 554.5 | 1,018.4 | 375.8 | 1,683.0 |

| Particulars | Gross block | | Depreciation/ Amortisation | | Net block As at 31 March 2019 |
|------------------------|-----------------------|--|----------------------------|---|-------------------------------------|
| | As at 1 April 2018 | Additions Disposal / Transfer [#] | As at 1 April 2018 | Charge for the year Disposal / Transfer [#] | |
| Freehold land | 107.6 | - | - | - | 96.3 |
| Leasehold land | 1.0 | - | * | * | 1.0 |
| Leasehold improvements | 163.0 | - | 111.1 | 14.8 | 33.4 |
| Factory buildings | 598.2 | 0.4 | 72.1 | 19.7 | 262.7 |
| Other buildings | 217.2 | 7.6 | 14.6 | 5.7 | 79.3 |
| Plant and equipment | 2,698.5 | 39.9 | 920.7 | 261.9 | 1,005.0 |
| Furniture and fixtures | 45.9 | - | 18.5 | 4.6 | 19.4 |
| Vehicles | 1.4 | 0.7 | 1.2 | 0.1 | 0.7 |
| Office equipment | 32.0 | 2.1 | 15.2 | 5.0 | 13.0 |
| Total | 3,864.8 | 50.7 | 1,153.4 | 311.8 | 1,510.8 |

* Amount is below rounding off norm

Includes amount of assets held for sale refer note 19.

^ Leasehold land has been reclassified to right of use assets on account of transition to Ind AS 116

Title deeds of freehold land of INR 3.2 million (31 March 2019 INR 3.2 million), are held in the erstwhile name of the Company, for which name change is in process.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ALL AMOUNTS IN ₹ MILLION, EXCEPT SHARE DATA AND UNLESS OTHERWISE STATED)

4. CAPITAL WORK-IN-PROGRESS

| Particulars | As at 1 April 2019 | Additions | Capitalisation | As at 31 March 2020 |
|---------------------|-----------------------|-------------|----------------|------------------------|
| Factory buildings | 77.6 | 3.2 | 77.1 | 3.7 |
| Plant and equipment | 38.2 | 82.0 | 77.6 | 42.6 |
| Total | 115.8 | 85.2 | 154.7 | 46.3 |

| Particulars | As at 1 April 2018 | Additions | Capitalisation | As at 31 March 2019 |
|---------------------|-----------------------|-------------|----------------|------------------------|
| Factory buildings | 59.6 | 18.1 | 0.1 | 77.6 |
| Plant and equipment | 30.8 | 41.9 | 34.5 | 38.2 |
| Total | 90.4 | 60.0 | 34.6 | 115.8 |

5. INTANGIBLE ASSETS

| Particulars | Gross block | | | Amortisation | | | Net block | |
|---------------------------|-----------------------|------------|------------|------------------------|------------------------|------------|------------------------|------------------------|
| | As at 1 April 2019 | Additions | Disposal | As at 31 March 2020 | Charge for the year | Disposal | As at 31 March 2020 | As at 31 March 2020 |
| Software and license fees | 9.8 | 2.9 | 1.6 | 11.1 | 0.4 | 1.6 | 8.5 | 2.6 |
| Total | 9.8 | 2.9 | 1.6 | 11.1 | 0.4 | 1.6 | 8.5 | 2.6 |

| Particulars | Gross block | | | Amortisation | | | Net block | |
|---------------------------|-----------------------|-----------|----------|------------------------|------------------------|----------|------------------------|------------------------|
| | As at 1 April 2018 | Additions | Disposal | As at 31 March 2019 | Charge for the year | Disposal | As at 31 March 2019 | As at 31 March 2019 |
| Software and license fees | 9.8 | - | - | 9.8 | 2.4 | - | 9.7 | 0.1 |
| Total | 9.8 | - | - | 9.8 | 2.4 | - | 9.7 | 0.1 |

6. RIGHT OF USE ASSETS

| Particulars | As at 1 April 2019 | Additions | Disposal | Depreciation | As at 31 March 2020 |
|---------------------|-----------------------|-------------|----------|--------------|------------------------|
| Leasehold land | 1.0 | - | - | * | 1.0 |
| Other buildings | 1,493.0 | - | - | 242.8 | 1,250.3 |
| Plant and equipment | 38.8 | - | - | 8.3 | 30.5 |
| Vehicles | 52.4 | 82.8 | - | 37.5 | 97.7 |
| Total | 1,585.2 | 82.8 | - | 288.5 | 1,379.5 |

* Amount is below rounding off norm

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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7. INVESTMENTS

(i) Investment in equity instruments of subsidiaries (unquoted)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|----------------|---------------------|----------------|
| | Numbers | (₹ in million) | Numbers | (₹ in million) |
| GE Power Boilers Services Limited equity shares of ₹ 100 each fully paid up [at cost less impairment amounting to ₹ 3.4 million (31 March 2019 : ₹ 3.4 million)] | 34,000 | - | 34,000 | - |
| Total | | - | | - |

(ii) Other investments [in equity instrument (unquoted) valued at fair value through other comprehensive Income]

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|----------------|---------------------|----------------|
| | Numbers | (₹ in million) | Numbers | (₹ in million) |
| Alstom Systems India Private Limited equity shares of ₹ 10 each fully paid up | 26,65,000 | 26.7 | 26,65,000 | 26.7 |
| Total | | 26.7 | | 26.7 |
| Total investment (i) +(ii) | | 26.7 | | 26.7 |

Equity instrument designated at fair value through other comprehensive Income

The Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Company intends to hold for long term for strategic purpose.

| Particulars | Fair Value | Dividend income | Fair Value | Dividend income | Fair Value |
|--------------------------------------|---------------------|-----------------|---------------------|-----------------|---------------------|
| | As at 31 March 2020 | 2019-20 | As at 31 March 2019 | 2018-19 | As at 31 March 2018 |
| Alstom Systems India Private Limited | 26.7 | - | 26.7 | - | 26.7 |
| | 26.7 | - | 26.7 | - | 26.7 |

No investments were disposed off during 2019-20 and there were no transfers of any cumulative gain or loss within equity relating to these investments.

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---------------------|---------------------|
| Aggregate value of unquoted investments | 30.1 | 30.1 |
| Aggregate value of impairment in value of investments | 3.4 | 3.4 |

8. NON CURRENT LOANS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-------------------------------------|---------------------|---------------------|
| (Unsecured, considered good) | | |
| Security deposits | 121.0 | 114.7 |
| Total | 121.0 | 114.7 |

The Company's exposure to credit risks related to financial assets carried at amortised cost are disclosed in note 45.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

9. DEFERRED TAX ASSETS (NET)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Deferred tax assets on account of | | |
| Allowance for doubtful debts and advances (A) | 410.5 | 631.3 |
| Expenses disallowed under Income - Tax Act, 1961, to be allowed in future years | | |
| Provision for employee benefits | 349.9 | 629.3 |
| Provision for contingencies/others | 242.1 | 269.9 |
| Provision for loss orders | 95.6 | 287.1 |
| Financial liabilities and provisions | 133.4 | 68.8 |
| Total (B) | 821.0 | 1,255.1 |
| Total deferred tax assets (A+B) | 1,231.5 | 1,886.4 |
| Deferred tax liabilities on account of | | |
| Difference between WDV of fixed assets as per books and under Income tax Act, 1961 | (18.2) | (73.0) |
| Total deferred tax liabilities | (18.2) | (73.0) |
| Deferred tax assets (net) | 1,213.3 | 1,813.4 |

Movement in deferred tax assets

| Particulars | Allowance for doubtful debts and advances | Expenses disallowed under Income tax Act, 1961, to be allowed in future years | Others | Difference between WDV of fixed assets as per books and under Income tax Act, 1961 | Total |
|---|---|---|----------|--|----------------|
| As at 31 Mar 2018 | 582.8 | 1,247.9 | (69.8) | (171.8) | 1,589.1 |
| Cumulative effect of transition of Ind AS 115 (refer note 46) | | (45.2) | | | (45.2) |
| - to statement of profit and loss | | | | | |
| Tax related to earlier years | - | (120.2) | - | - | (120.2) |
| Deferred tax charge/ (credit) | 48.5 | 141.3 | 69.8 | 98.8 | 358.4 |
| - to other comprehensive income | - | 31.3 | - | - | 31.3 |
| As at 31 Mar 2019 | 631.3 | 1,255.1 | - | (73.0) | 1,813.4 |
| - to statement of profit and loss | | | | | |
| Tax related to earlier years | - | (22.0) | - | - | (22.0) |
| Deferred tax charge/ (credit) | (220.8) | (417.1) | - | 54.8 | (583.1) |
| - to other comprehensive income | - | 5.0 | - | - | 5.0 |
| As at 31 Mar 2020 | 410.5 | 821 | - | (18.2) | 1,213.3 |

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(All amounts in ₹ million, except share data and unless otherwise stated)

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below :

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Profit before tax | 1,735.9 | 1,464.0 |
| Enacted tax rates in India | 25.17% | 34.94% |
| Computed expected tax expenses | 436.9 | 511.6 |
| Effect of change in tax rate | 503.8 | (15.4) |
| Effect of difference in tax rate on capital gains | (103.0) | - |
| Tax effect of expenses that are not deductible for tax purposes | 13.9 | 4.8 |
| Tax related to earlier year | 33.6 | 202.5 |
| Income tax expenses | 885.2 | 703.5 |

During the year ended 31 March 2020, the Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019 and has opted to apply the lower tax rate of 25.17%. It has recognised provision for income-tax for the year ended 31 March 2020 accordingly. The Company has also remeasured its deferred tax assets on the basis of the rate prescribed in the said section and recorded a reversal of net deferred tax assets to the extent of ₹ 503.8 million during the year ended 31 March 2020.

10. OTHER NON-CURRENT TAX ASSETS

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| (Unsecured, considered good) | | |
| Advance tax and tax deducted at source (net of provision for income tax) | 784.0 | 1,023.9 |
| Total | 784.0 | 1,023.9 |
| Provision for income tax | 7,019.0 | 3,549.3 |

11. OTHER NON CURRENT ASSETS

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| (Unsecured, considered good) | | |
| Prepaid expenses | - | 20.3 |
| Amount recoverable from customer (refer note 50) | 373.1 | - |
| Deposits under protest* | 184.8 | 90.4 |
| Total | 557.9 | 110.7 |

* During the previous year ended 31 March 2019, 'deposits under protest' of ₹ 90.4 million were included in 'balances with government authorities' classified under current assets. The Company has reclassified such amount under non-current assets as at 31 March 2019.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

12. INVENTORIES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Raw materials and components [Goods in transit : ₹ 395.6 million (previous year : 12.9 million)] | 1,971.7 | 1,388.0 |
| Work in progress | 329.8 | 416.2 |
| Total | 2,301.5 | 1,804.2 |

The Company has made provision on inventories amounting to ₹ 60.9 million (previous year : ₹ 31.0 million) on account of slow moving items. The provision created and reversal are included in cost of materials consumed.

Refer note 40 for amounts pledged as securities.

13. TRADE RECEIVABLES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|----------------------------|------------------------|------------------------|
| Unsecured, considered good | 13,266.2 | 9,793.1 |
| Credit impaired | 1,039.7 | 1,025.6 |
| Loss allowance | (1,039.7) | (1,025.6) |
| Total | 13,266.2 | 9,793.1 |

Trade receivables includes retention monies which are not yet due for payment as per terms of the contract are as follows:

| | | |
|----------------------------|---------|---------|
| Unsecured, considered good | 6,663.0 | 4,465.9 |
| Credit impaired | 229.2 | 148.5 |
| Loss allowance | (229.2) | (148.5) |

For trade receivables from related parties refer note 38.

The Company's exposure to credit and currency risks, and loss allowances related to financial assets carried at amortised cost are disclosed in note 45.

Refer note 40 for amounts pledged as securities.

14. CASH AND CASH EQUIVALENTS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Cash on hand | - | 0.2 |
| Balances with banks: | | |
| - In current account | 3,026.1 | 1,113.6 |
| - Term deposits (less than 3 months maturity)* | 752.0 | - |
| Total | 3,778.1 | 1,113.8 |

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since, the requirement does not pertain to financial year ended 31 March 2020.

*Includes ₹ 741 million as lien with banks against Bank guarantee and ₹ 6 million as lien with tax authorities

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Other bank balances: | | |
| - Term deposits with maturity more than 3 months but less than 12 months* | 0.2 | 7,150.2 |
| - In unclaimed dividend accounts | 14.2 | 15.8 |
| Total | 14.4 | 7,166.0 |

*Deposit of ₹ 0.2 million (previous year : ₹ 0.2 million) pledged with bank against bank guarantee.

16. CURRENT LOANS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| (Unsecured, considered good) | | |
| Security deposits | 31.8 | 41.5 |
| Inter corporate deposits with related parties (refer note 38) | 586.6 | 1,583.9 |
| Total | 618.4 | 1,625.4 |

The Company's exposure to credit risk related to financial assets carried at amortised cost are disclosed in note 45.

Particulars in respect of loans and advances in the nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

| Particulars | Maximum outstanding during | | Balance as at | |
|-----------------------------------|----------------------------|----------------|---------------|----------------|
| | 2019-20 | 2018-19 | 31 March 2020 | 31 March 2019 |
| GE Power Systems Private limited | 3,700.0 | 1,550.0 | 550.0 | 1,550.0 |
| GE Power Boilers Services Limited | 36.6 | 33.9 | 36.6 | 33.9 |
| Total | 3,736.6 | 1,583.9 | 586.6 | 1,583.9 |

Loan to related parties are given for the purpose of meeting their working capital requirements.

17. OTHER CURRENT FINANCIAL ASSETS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Earnest money deposits | 15.4 | 14.9 |
| Derivative assets | - | 335.9 |
| Recoverable from related parties and others | 67.6 | 82.0 |
| Interest accrued on | | |
| - deposit with banks and others (refer note 15) | - | 79.8 |
| - inter corporate deposits | 6.9 | 1.2 |
| Total | 89.9 | 513.8 |

For recoverable and interest accrued on inter corporate deposits from related parties refer note 38.

The Company's exposure to credit risk related to financial assets carried at amortised cost are disclosed in note 45.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

18. OTHER CURRENT ASSETS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| (Unsecured, considered good) | | |
| Advances to suppliers | 1,741.2 | 1,368.4 |
| Advances to employees | 13.4 | 4.7 |
| Prepaid expenses | 17.1 | 81.4 |
| Balances with government authorities (refer note 11) | 1,349.9 | 1,055.8 |
| Contract revenue in excess of billing | 4,662.7 | 5,404.1 |
| (Credit impaired) | | |
| Advances to related parties : | | |
| Advances recoverable from GE Power Boilers Services Limited | 5.2 | 5.2 |
| Less : Allowance for doubtful advances | (5.2) | (5.2) |
| Balances with government authorities | 583.9 | 599.1 |
| Less : Allowance for doubtful balances with government authorities | (583.9) | (599.1) |
| Advances to suppliers | 7.2 | 64.5 |
| Less : Allowance for doubtful advances | (7.2) | (64.5) |
| Total | 7,784.3 | 7,914.4 |

19. ASSETS HELD FOR SALE

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Management has committed to a plan to sell the following assets in near future: | | |
| Property, plant and equipment | 64.0 | 975.7 |
| Total | 64.0 | 975.7 |

During the current year, apart from selling assets, the management has reclassified "Assets Held for Sale" amounting to ₹ 233.4 million to "Property, plant and equipment" in accordance with Ind AS 105 "Non-current Assets held for sale and discontinued operation". On account of the above reclassification, the Company has charged the depreciation amounting to ₹ 85.9 million from the date on which these were classified as assets held for sale till the date it was transferred to Property, plant and equipment i.e. 31 December 2019.

Previous year a loss ₹ 345.0 million (refer note 48) to the lower of its carrying amount and fair value less costs to sell has been recognised in exceptional item. The loss had been applied to reduce the carrying amount of property, plant and equipment.

20. EQUITY SHARE CAPITAL

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---------------------------------|---------------------|----------------|---------------------|----------------|
| | Numbers | (₹ in million) | Numbers | (₹ in million) |
| Authorised share capital | | | | |
| Equity share of ₹ 10 each | 19,50,00,000 | 1,950.0 | 19,50,00,000 | 1,950.0 |
| Preference share of ₹ 100 each | 4,05,00,000 | 4,050.0 | 4,05,00,000 | 4,050.0 |
| Total | | 6,000.0 | | 6,000.0 |

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|----------------|---------------------|----------------|
| | Numbers | (₹ in million) | Numbers | (₹ in million) |
| Issued, subscribed and fully paid up | | | | |
| Equity share of ₹ 10 each | 6,72,27,471 | 672.3 | 6,72,27,471 | 672.3 |
| Total | | 672.3 | | 672.3 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

20. EQUITY SHARE CAPITAL (CONTD..)

a. Movement of the shares outstanding at the beginning and at the end of the reporting year

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|-------------------------------|---------------------|----------------|---------------------|----------------|
| | Numbers | (₹ in million) | Numbers | (₹ in million) |
| Equity shares: | | | | |
| At the beginning of the year | 6,72,27,471 | 672.3 | 6,72,27,471 | 672.3 |
| At the end of the year | 6,72,27,471 | 672.3 | 6,72,27,471 | 672.3 |

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends, if any, in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding / ultimate holding Company and / or their subsidiaries (refer note 38)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|----------------|---------------------|----------------|
| | Numbers | (₹ in million) | Numbers | (₹ in million) |
| Equity share by GE Power India Tracking BV formerly known as ALSTOM India Tracking BV Netherlands, the immediate holding Company | 4,61,02,083 | 461.0 | 4,61,02,083 | 461.0 |

General Electric Company, USA is the ultimate holding company.

d. Details of shareholders holding more than 5% shares in the Company

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|----------------|---------------------|----------------|
| | Numbers | (₹ in million) | Numbers | (₹ in million) |
| GE Power India Tracking BV formerly known as ALSTOM India Tracking BV, Netherlands (the immediate holding Company) | 4,61,02,083 | 68.6 | 4,61,02,083 | 68.6 |
| Reliance Captial Trustee Company Limited, through its various funds | 65,86,454 | 9.8 | 59,77,154 | 8.9 |

21. OTHER EQUITY

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|---------------------|---------------------|
| General reserve | | |
| Balance at the beginning and end of the year | 2,481.9 | 2,481.9 |
| Retained earnings | | |
| Balance at the beginning of the year | 5,696.5 | 5,153.5 |
| Add : Profit for the year | 850.7 | 760.5 |
| Cumulative effect on transition of Ind AS 115, net of tax (refer note 46) | | 84.1 |
| Other comprehensive income for the year | | |
| Remeasurements of defined benefit liability, net of tax | (14.8) | (58.0) |
| Total comprehensive income | 6,532.4 | 5,940.1 |
| Less : Dividend on equity shares for the year | (403.4) | (201.7) |
| Less : Dividend distribution tax on dividend on equity shares | (80.1) | (41.9) |
| Balance at the end of the year | 6,048.9 | 5,696.5 |
| Total | 8,530.8 | 8,178.4 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

21. OTHER EQUITY (CONTD..)

After the reporting date the following dividend is proposed by the board of directors subject to the approval at the annual general meeting. The dividend has not been recognised as liabilities.

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-------------------|------------------------------------|------------------------------------|
| Proposed dividend | 134.5 (₹ 2 per equity share) | 403.4 (₹ 6 per equity share) |

Nature and purpose of reserves :

The general reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Retained earnings are undistributed profits after tax earned till date.

22. NON CURRENT PROVISIONS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Provision for employee benefits : | | |
| Provision for compensated absences | 302.1 | 287.4 |
| Provision for gratuity [refer note 36(l)] | 230.4 | 143.0 |
| Other provisions: | | |
| Provision for decommission cost | 10.1 | 9.1 |
| Provisions for warranty | 545.9 | 425.6 |
| Total | 1,088.5 | 865.1 |
| Movement of provision for decommission cost | | |
| As at beginning of the year | 9.1 | 29.8 |
| Less: Reversal during the year | - | (20.7) |
| Add: Finance cost | 1.0 | - |
| As at end of the year | 10.1 | 9.1 |

23. LEASE LIABILITIES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| As at 1 April 2019 (on account of transition to Ind AS 116) | 1,533.5 | - |
| Additions | 82.7 | - |
| Finance cost accrued during the year | 135.2 | - |
| Payment of lease liabilities | (378.4) | - |
| As at 31 March 2020 | 1,373.0 | - |
| Current lease liabilities | 253.5 | - |
| Non current lease liabilities | 1,119.5 | - |
| | 1,373.0 | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

23. LEASE LIABILITIES (CONTD..)

Amounts recognised in the statement of profit and loss

| Particulars | For the year ended 31 March 2020 |
|---|-------------------------------------|
| Interest on lease liabilities (refer note 33) | 135.2 |
| Depreciation of right-of-use assets (refer note 34) | 288.5 |
| Expense relating to low value and short term leases (refer note 35) | 157.7 |
| Weighted average incremental borrowing rate as at 1 April 2019 | 9% |

The total cash outflow for leases is ₹ 536.1 million for the year ended 31 March 2020, including cash outflow of short-term leases and leases of low-value assets.

The Company's exposure to liquidity risk related to leased liabilities are disclosed in note 45.

24. TRADE PAYABLES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Trade payables | | |
| total outstanding dues of micro enterprises and small enterprises | 676.7 | 94.4 |
| total outstanding dues of creditors other than micro enterprises and small enterprises | 8,099.5 | 7,257.2 |
| Total | 8,776.2 | 7,351.6 |

For trade payables from related parties refer note 38.

The Company's exposure to liquidity risk related to financial liabilities carried at amortised cost are disclosed in note 45.

25. OTHER CURRENT FINANCIAL LIABILITIES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|------------------------|------------------------|------------------------|
| Amount held in trust* | 1,245.7 | 1,186.1 |
| Unclaimed dividends | 14.2 | 15.8 |
| Derivative liabilities | 13.5 | - |
| Total | 1,273.4 | 1,201.9 |

*On 23 May 1997 Haryana Power Generation Corporation (HPGC) executed contracts with Alstom Germany and Alstom India (then ABB entities, predecessor in interest of the Alstom entities mentioned). On 17 April 2000 Alstom terminated the contracts due to breach by HPGC for non-payment of milestone payments due. In May 2001 HPGC encashed the bank guarantees of the two Alstom entities. Alstom then invoked arbitration. Arbitration proceedings lasted 9 years and the tribunal issued a reasoned unanimous award in May 2010. HPGC then filed objections to the award in the district court of Panchkula and High Court of Chandigarh. Alstom won in all forums. Thereafter HPGC moved a special leave petition in the Supreme Court which is currently pending. Alstom / GE argued for and the Supreme court passed an order granting leave and issued an interim stay on the operation of the award, subject to payment of ₹ 1,000 million (against bank guarantee).

The amount of ₹ 1,000 million alongwith interest thereon amounting to ₹ 245.7 million (previous year ₹ 186.1 million) is thus held in trust pending final order and presented as "other current financial liabilities"

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

26. OTHER CURRENT LIABILITIES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Payments received in advance from customers | 5,577.5 | 7,163.3 |
| Billing in excess of contract revenue* | 2,862.3 | 5,153.4 |
| Statutory dues | 183.5 | 186.1 |
| Others^ | - | 400.0 |
| Total | 8,623.3 | 12,902.8 |

For payments received in advance from related parties refer note 38.

***Disclosure given pursuant to Ind AS 115:**

Revenue recognised out of the balance at the beginning of the year ₹ 2,612.9 million (previous year 4,321.5 million).

^The Company has refunded advance amount ₹ 400 million without interest received against agreement for sale on 16 December 2017 in respect of "Assets held for sale" at Shahabad.

27. CURRENT PROVISIONS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Provision for employee benefits : | | |
| Provision for compensated absences | 115.4 | 100.9 |
| Provision for other employee benefits | 378.8 | 285.1 |
| Other provisions : | | |
| Provisions for warranty | 137.5 | 120.2 |
| Provision for loss orders | 1,451.6 | 2,041.2 |
| Provision for contingencies/others | 1,310.3 | 1,081.8 |
| Total | 3,393.6 | 3,629.2 |

Movement of provisions for warranty (Non current and current)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| As at beginning of the year | 545.8 | 588.6 |
| Add: Cumulative effect on transition of Ind AS 115, net of tax (refer note 46) | - | 100.4 |
| Less: Reversal during the year, net of addition | 91.8 | (191.4) |
| Add: Finance cost | 45.8 | 48.2 |
| As at end of the year | 683.4 | 545.8 |

Movement of provision for loss

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| As at beginning of the year | 2,041.2 | - |
| On account of transition to Ind AS 115* | - | 1,900.2 |
| Add : Addition during the year, net of reversal | (589.6) | 141.0 |
| As at end of the year | 1,451.6 | 2,041.2 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

27. CURRENT PROVISIONS (CONTD..)

Movement of provision for contingencies/others

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| As at beginning of the year | 1,081.8 | 983.5 |
| Add: Addition during the year, net of reversal | 228.5 | 98.3 |
| As at end of the year | 1,310.3 | 1,081.8 |

Information about other provisions and significant estimates

Warranty- Warranty costs are estimated on the basis of contractual agreement, technical evaluation and past experience. The timing of outflows is expected to be as per warranty periods as specified in various contracts.

Contingencies/ others - Provision for contingencies represents estimates made mainly for probable claims arising out of litigations / disputes pending with various authorities.

28. CURRENT TAX LIABILITIES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Provision for tax (net of advance tax) | - | 821.2 |
| Total | - | 821.2 |
| Advance tax and tax deducted at source | - | 4,416.9 |

29 REVENUE FROM OPERATIONS

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Revenue from contracts with customers | | |
| Construction contracts | 22,465.4 | 17,115.8 |
| Sale of services | 1,910.4 | 1,739.6 |
| Other operating income- scrap sales | 82.8 | 171.8 |
| Revenue from operations (gross) | 24,458.6 | 19,027.2 |

Disclosure given pursuant to Ind AS 115:

Revenue recognised during the current year from performance obligation satisfied in the previous periods ₹ 1,377.5 million (previous year ₹ 2,330.4 million) (net).

Remaining performance obligation

As of 31 March 2020, the aggregate amount of the contracted revenues allocated to unsatisfied (or partially unsatisfied) performance obligations was ₹73,975 million (previous year ₹ 76,570 million).The Company expects to recognize revenue upon satisfaction of remaining performance obligations of 90% within 3 years and the remaining thereafter.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

30. OTHER INCOME

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Interest income under the effective interest method on : | | |
| - deposit with banks and others | 147.6 | 448.4 |
| - inter corporate deposits | 217.8 | 175.0 |
| - financial assets at amortised cost | 5.7 | 7.5 |
| Net gain from foreign currency transactions and translation | - | 339.8 |
| Liabilities/ provision no longer required written back | 461.5 | 96.6 |
| Miscellaneous income | 419.6 | 258.9 |
| Total | 1,252.2 | 1,326.2 |

31. COST OF MATERIAL AND ERECTION SERVICES

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Raw materials and components consumed | 12,468.7 | 8,901.1 |
| Project materials and erection services | 4,467.5 | 1,787.7 |
| Total | 16,936.2 | 10,688.8 |
| Changes in work in progress | | |
| Opening | 416.2 | 4,440.5 |
| Less : Effect on transition to Ind AS 115 (refer note 46) | - | 3,476.0 |
| Closing | 329.8 | 416.2 |
| Decrease during the year | 86.4 | 548.3 |

32. EMPLOYEE BENEFITS EXPENSE

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus (refer note 36) | 3,366.3 | 3,089.8 |
| Contribution to provident and other funds | 255.1 | 215.5 |
| Staff welfare expenses | 93.1 | 113.4 |
| Total | 3,714.5 | 3,418.7 |

33. FINANCE COSTS

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Interest on advances | 145.0 | 150.3 |
| Interest accrued on provisions | 85.7 | 116.7 |
| Interest on net defined benefit liability | 7.9 | 3.1 |
| Interest on lease liabilities | 135.2 | - |
| Interest on shortfall of advance tax installment | - | 25.7 |
| Interest using effective interest method on financial liabilities at amortised cost | 118.7 | 115.5 |
| Total | 492.5 | 411.3 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

34. DEPRECIATION AND AMORTISATION EXPENSE

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Depreciation and amortisation on property, plant and equipment | 375.8 | 311.8 |
| Depreciation on right of use assets | 288.5 | - |
| Amortisation on intangible assets | 0.4 | 2.4 |
| Total | 664.7 | 314.2 |

35. OTHER EXPENSES

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Power, fuel and water | 123.1 | 126.9 |
| Rent* | 80.9 | 297.5 |
| Repairs and maintenance | 204.4 | 218.9 |
| Insurance | 14.7 | 15.9 |
| Rates and taxes | 141.7 | 52.8 |
| Royalty and trademark fee | 371.6 | 217.3 |
| Travelling and conveyance | 415.8 | 407.0 |
| Allowance for doubtful debts and advances | 31.6 | 173.0 |
| Bad debts written off | 103.4 | 188.0 |
| Payment to auditors (excluding applicable tax): | | |
| Audit fee | 7.6 | 6.4 |
| Tax audit fees | 1.6 | 1.6 |
| Limited reviews | 5.4 | 4.6 |
| Other services | 1.2 | 1.1 |
| Out-of-pocket expenses | 2.8 | 2.0 |
| Electronic data processing expenses* | 133.2 | 225.1 |
| Legal and professional charges | 180.8 | 207.1 |
| Loss on sale / retirement of property, plant and equipment (net) | 11.9 | 0.9 |
| Net loss from foreign currency transactions and translation | 201.1 | - |
| Security expenses | 13.4 | 53.6 |
| Bank charges | 197.1 | 125.4 |
| Directors' fee | 7.9 | 9.2 |
| Corporate social responsibility (refer note 39) | 15.2 | 7.3 |
| Miscellaneous expenses | 143.3 | 243.6 |
| Total | 2,409.7 | 2,585.2 |

* includes amount of short term and low value lease assets

36. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

I) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The plan is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net employee benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

a) Amount recognised in balance sheet

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Present value of funded defined benefit obligation | 698.8 | 645.9 |
| Fair value of plan assets | 468.4 | 502.1 |
| Net funded obligation | 230.4 | 143.8 |
| Net defined benefit liability / (asset) recognised in balance sheet | 230.4 | 143.8 |

b) Movement in benefit obligations

| Particulars | 2019-20 | 2018-19 |
|---|--------------|--------------|
| Opening of defined benefit obligation | 645.9 | 579.5 |
| Current service cost | 58.9 | 55.1 |
| Past service cost | - | 0.1 |
| Interest on defined benefit obligation | 45.3 | 43.1 |
| Remeasurements due to : | | |
| <i>Actuarial loss / (gain) arising from change in financial assumptions</i> | 6.8 | 20.9 |
| <i>Actuarial loss / (gain) arising from change in demographic assumptions</i> | (1.6) | 0.1 |
| <i>Actuarial loss / (gain) arising on account of experience changes</i> | 9.1 | 61.6 |
| Benefits paid | (65.6) | (114.5) |
| Closing of defined benefit obligation | 698.8 | 645.9 |

c) Movement in plan assets

| Particulars | 2019-20 | 2018-19 |
|--|--------------|--------------|
| Opening fair value of plan assets | 502.1 | 500.5 |
| Employer contributions | 0.1 | 82.8 |
| Interest on plan assets | 37.3 | 40.0 |
| Administration expenses | - | - |
| Remeasurements due to : | | |
| <i>Actual return on plan assets less interest on plan assets</i> | (5.5) | (6.7) |
| Benefits paid | (65.6) | (114.5) |
| Closing fair value of plan assets | 468.4 | 502.1 |

d) Expenses recognised in the statement of profit and loss

| Particulars | 2019-20 | 2018-19 |
|---|-------------|-------------|
| Current service cost | 58.9 | 55.1 |
| Past service cost | - | 0.1 |
| Interest on net defined benefit liability / (asset) | 7.9 | 3.1 |
| Total expense charged to the statement of profit and loss | 66.8 | 58.3 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

e) Expenses recognised in other comprehensive income

| Particulars | 2019-20 | 2018-19 |
|---|-------------|-------------|
| Opening amount recognised in OCI outside the statement of profit and loss | 52.0 | (37.3) |
| Remeasurements during the period due to : | | |
| <i>Change in financial assumptions</i> | 6.8 | 20.9 |
| <i>Change in demographic assumptions</i> | (1.6) | 0.1 |
| <i>Experience adjustments</i> | 9.1 | 61.6 |
| <i>Actual return on plan assets less interest on plan assets</i> | 5.5 | 6.7 |
| Total (income) / expense charged to Other comprehensive income | 71.8 | 52.0 |

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| Particulars | 2019-20 | 2018-19 |
|---|-------------|-------------|
| Investments with insurer under cash accumulation scheme | 100% | 100% |

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

f) Actuarial assumptions for gratuity:

| Particulars | 2019-20 | 2018-19 |
|-----------------------------------|--|---------|
| Discount rate | 6.65% | 7.60% |
| Expected rate of return on assets | 6.65% | 8.10% |
| Attrition rate | 16.97% | 18.13% |
| Salary growth rate* | 2.5% until 1 year inclusive, then 8.0% | 8.00% |

Future mortality rate is based on published rates under the Indian Assured Lives Mortality (2006-08) Ult table.

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The expected contribution payable to the plan next year is ₹ 80.0 million (31 March 2019 : ₹ 80.0.million).

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date :

| Maturity profile | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Expected benefits for the year 1 | 97.0 | 100.8 |
| Expected benefits for the year 2 | 85.0 | 76.0 |
| Expected benefits for the year 3 | 86.1 | 73.2 |
| Expected benefits for the year 4 | 79.0 | 75.0 |
| Expected benefits for the year 5 | 73.7 | 69.9 |
| Expected benefits for the year 6 | 64.5 | 63.7 |
| Expected benefits for the year 7 | 66.2 | 57.2 |
| Expected benefits for the year 8 | 64.1 | 61.2 |
| Expected benefits for the year 9 | 71.1 | 58.4 |
| Expected benefits for the year 10 and above | 507.9 | 590.5 |

The weighted average duration to the payment of these cash flow is 6.63 years (31 March 2019 : 6.96 years).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

g) Sensitivity analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|------------------------|---------------------|------------------------|
| | Discount Rate | Salary escalation rate | Discount Rate | Salary escalation rate |
| Impact of increase in 50 bps on defined benefit obligation | -3.22% | 3.38% | -3.23% | 3.40% |
| Impact of decrease in 50 bps on defined benefit obligation | 3.42% | -3.22% | 3.44% | -3.24% |

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Information relating to sensitivity analysis for actuarial assumptions, other than disclosed above, including the methods and assumptions used in preparing the analysis, as required by paras 145 (a) and 145(b) respectively, of the Indian Accounting Standard – 19 'Employee Benefits' is not available with the Company.

II) Provident fund

In respect of certain eligible employees, the Company has a provident fund plan which is administered through a trust. The Trust deed provides for the Company to make good any deficiency in the interest to be paid by the Trust to its members and the income earned by it. Accordingly the plan is as a defined benefit plan. The Company has obtained an actuarial valuation of the provident fund liability as at the Balance Sheet date and accordingly the Company has recognised a provision of ₹ Nil million (previous year ₹ Nil million) towards provident fund liability.

Following tables summarise the components of net employee benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet, the total provident fund liability as per the Trust's accounts and plan assets held by it are given below:

a) Amount recognised in balance sheet

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Present value of funded defined benefit obligation | 2,868.6 | 2,712.3 |
| Fair value of plan assets* | 2,868.6 | 2,712.3 |
| Net funded obligation | - | - |

*fair value of plan assets have been limited to the net defined benefit liability.

b) Movement in benefit obligations

| Particulars | 2019-20 | 2018-19 |
|--|----------------|----------------|
| Opening of defined benefit obligation | 2,712.3 | 2,700.6 |
| Current service cost | 114.9 | 104.8 |
| Interest on defined benefit obligation | 209.3 | 207.2 |
| Remeasurements due to: | | |
| Actuarial loss / (gain) arising on account of experience changes | (98.0) | 10.6 |
| Employees contribution | 185.9 | 170.5 |
| Benefits paid | (145.2) | (495.3) |
| Liabilities assumed / (settled) | (110.6) | 13.9 |
| Closing of defined benefit obligation | 2,868.6 | 2,712.3 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

c) Movement in plan assets

| Particulars | 2019-20 | 2018-19 |
|--|----------------|---------|
| Opening fair value of plan assets | 2,712.3 | 2,700.6 |
| Employer contributions | 114.9 | 104.8 |
| Employee contributions | 185.9 | 170.5 |
| Interest on plan assets | 209.3 | 207.2 |
| Remeasurements due to : | | |
| <i>Actual return on plan assets less interest on plan assets</i> | (98.0) | 10.6 |
| Benefits paid | (145.2) | (495.3) |
| Assets acquired / (settled) | (110.6) | 13.9 |
| Closing fair value of plan assets | 2,868.6 | 2,712.3 |

d) Expenses recognised in the statement of profit and loss

| Particulars | 2019-20 | 2018-19 |
|---|--------------|--------------|
| Current service cost | 114.9 | 104.8 |
| Interest on net defined benefit liability / (asset) | - | - |
| Total expense charged to the statement of profit and loss | 114.9 | 104.8 |

e) Expenses recognised in other comprehensive income

| Particulars | 2019-20 | 2018-19 |
|---|---------|---------|
| Opening amount recognised in OCI outside the statement of profit and loss | - | - |
| Remeasurements during the period due to : | | |
| Experience adjustments | (98.0) | 10.6 |
| Actual return on plan assets less interest on plan assets | 98.0 | (10.6) |
| Total (income) / expense charged to Other comprehensive income | - | - |

The principal assumptions used by the actuary in valuing provident fund liability are as follows:

| Maturity profile | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------------|---|------------------------|
| Discount rate | 6.65% | 7.60% |
| Increase in compensation levels | 2.5% until 1 year inclusive, then 8.0% | 8.00% |
| Interest rate | 6.40% | 7.15% |

f) The expected contribution payable to the plan next year is ₹ 124.1 million (31 March 2019 : 113.2 million). The weighted average duration to the payment is 6.90 years (31 March 2019 : 7.48 years).

g) Disaggregation of plan assets

| | As at 31 March 2020 Quoted | As at 31 March 2020 Non Quoted | As at 31 March 2020 Total |
|-----------------------------|----------------------------------|--------------------------------------|---------------------------------|
| Government debt instruments | 800.7 | - | 800.7 |
| Other debt instruments | 1,763.2 | 16.3 | 1,779.5 |
| Insurer managed funds | 110.4 | - | 110.4 |
| Others | - | 178.0 | 178.0 |
| | 2,674.3 | 194.3 | 2,868.6 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

g) Disaggregation of plan assets (Contd..)

| | As at | As at | As at |
|-----------------------------|----------------|---------------|----------------|
| | 31 March 2019 | 31 March 2019 | 31 March 2019 |
| | Quoted | Non Quoted | Total |
| Government debt instruments | 565.8 | - | 565.8 |
| Other debt instruments | 1,764.5 | 16.3 | 1,780.8 |
| Insurer managed funds | 76.3 | - | 76.3 |
| Others | - | 289.3 | 289.3 |
| | 2,406.6 | 305.6 | 2,712.2 |

Information relating to sensitivity analysis for actuarial assumptions including the methods and assumptions used in preparing the analysis, as required by paras 145 (a) and 145(b) respectively, of the Indian Accounting Standard – 19 'Employee Benefits' is not available with the Company.

III) Defined contribution plan

In respect of defined contribution plan, the Company has recognized the following amounts in the Statement of Profit and Loss:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Employer's contribution to provident fund | 81.3 | 52.4 |
| Employer's contribution to employees' state insurance | - | - |
| Employer's contribution to superannuation fund | 50.3 | 47.4 |

37. SEGMENT INFORMATION

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available. The Company has considered one business segment i.e. Power as the primary reporting segment on the basis that the risk and returns of the Company is primarily determined by the nature of products and services.

Chief Operating Decision maker of Company is the Managing Director, along with the Board of Directors, who review the periodic results of the Company.

Details of Turnover

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Boilers and accessories | 5,616.6 | 5,773.9 |
| Construction of industrial and non- industrial plants, structures and facilities | 16,563.6 | 10,473.2 |
| Architectural and engineering services | 1,848.6 | 1,441.8 |
| Installation, maintenance and repair services | 61.8 | 297.8 |
| Other project items * | 368.0 | 1,040.5 |
| | 24,458.6 | 19,027.2 |

*Project items include equipment and miscellaneous items meant for execution of projects.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Segment reporting - Geographical information

The analysis of geographical information is based on the geographical location of the customers.

Segment Information for the year ended :

Revenue:

| Particulars | 31 March 2020 | 31 March 2019 |
|---------------|-----------------|-----------------|
| India | 21,200.6 | 14,190.7 |
| Outside India | 3,258.0 | 4,836.5 |
| Total | 24,458.6 | 19,027.2 |

Non current assets* :

| Particulars | 31 March 2020 | 31 March 2019 |
|---------------|----------------|----------------|
| India | 4,453.3 | 2,761.3 |
| Outside India | - | - |
| Total | 4,453.3 | 2,761.3 |

* Non current assets does not include financial assets and deferred tax assets and also refer note 11.

Major customer :

Two customer accounts for 48% approximately (previous year one customer accounts for 20% approximately) of Company's total revenue from operation.

38. RELATED PARTY

List of related parties

Parties with whom control exists:

General Electric Company, United States (Ultimate Holding Company)
 GE Power India Tracking B.V. (Immediate Holding Company)
 (formerly known as ALSTOM India Tracking BV, Netherlands)

Parties controlled by the Company (Subsidiary)

GE Power Boilers Services Limited, India

Key managerial personnel (KMP)/Directors

Mr. Mahesh Srikrishna Palashikar – Chairman and Non-Executive Director (w.e.f. 27 May 2020)
 Mr. Vishal Keerti Wanchoo – Chairman and Non-Executive Director (up to 26 May 2020)
 Mr. Prashant Chiranjive Jain - Managing Director (w.e.f. 17 April 2019)
 Mr. Andrew H DeLeone – Managing Director (up to 5 April 2019)
 Mr. Vijay Sharma – Whole-time Director and Chief Financial Officer (w.e.f. 30 May 2020)
 Mr. Sanjeev Agarwal – Whole-time Director (up to 29 May 2020)
 Mr. Arun Kannan Thiagarajan – Non-Executive and Independent Director
 Ms. Neera Saggi - Non-Executive and Independent Director
 Dr. Uddesh Kumar Kohli - Non-Executive and Independent Director

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Other related parties with whom transactions have taken place during the year (fellow subsidiaries/associates)

ACC - Babcock Staff Provident Fund
ALSTOM (Thailand) Ltd
ALSTOM Beizhong Power (Beijing) Co., Ltd
ALSTOM HOLDINGS FRANCE
Alstom India Tracking B.V.
ALSTOM Israel Ltd
ALSTOM Management SA
ALSTOM Power Canada Inc.
ALSTOM Power Conversion
ALSTOM Power Italia S.p.A.
ALSTOM Power Service
ALSTOM Power Systems
ALSTOM Power Systems SA - Jeddah
Alstom Power, S.A.U.
ALSTOM S&E Africa Proprietary Limited
ALSTOM Saudi Arabia Transport and Power Ltd
Bently Nevada, LLC
Dresser, LLC (Upto Dec'19)
FieldCore Service Solutions International India Private Limited
FieldCore Services Solutions Gulf LLC
GE (Shanghai) Power Technology Co., Ltd.
GE Boiler Deutschland GmbH
GE Drives & Controls, Inc.
GE Energias Renovaveis Ltda.
GE Energy Control Solutions, LLC
GE Energy Power Conversion UK Limited
GE Energy Power Conversion USA Inc.
GE Energy Products France SNC
GE Energy Switzerland GmbH
GE Enerji Endustri Ticaret ve Servis Anonim Sirketi
GE Global Parts & Products GmbH
GE Grid Solutions, LLC
GE Hydro China Co., Ltd.
GE Hydro France
GE hydro France India Project Office
GE India Industrial Pvt Ltd
GE India Technology Centre Private Limited
GE Intelligent Platforms Asia Pacific Pte. Ltd.
GE Intelligent Platforms Private Limited
GE Middle East FZE
GE OIL & GAS INDIA PRIVATE LIMITED (Upto Dec'19)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

GE Operations Indonesia, PT
GE Packaged Power, L.P.
GE Power Australia Pty Ltd
GE Power Boilers Services Limited
GE Power Conversion India Private Limited
GE Power Estonia AS
GE Power GmbH
GE Power s.r.o.
GE Power Service Korea Ltd.
GE Power Services (India) Private Limited
GE Power Services (Malaysia) Sdn. Bhd.
GE Power Solutions (Malaysia) Sdn. Bhd.
GE Power Sp.z.o.o.
GE Power Sweden AB
GE Power Systems India Private Limited
GE Power Systems Korea Co., Ltd.
GE Renewable (Switzerland) GmbH
GE Renewable Energy Canada Inc.
GE Renewable Enerji Anonim Şirketi
GE Renewable Hydro Spain, S.L.
GE Renewable Malaysia Sdn. Bhd.
GE Renewable Sweden AB
GE Renewable Technologies
GE Solutions W.L.L.
GE Steam Power, Inc.
GE Strongwish Automation & Controls Technology Development (Shenzhen) Co. Ltd.
GE T&D India Limited
GE WIND France SAS
General Electric (Switzerland) GmbH
General Electric Company
GENERAL ELECTRIC ENERGY UK LIMITED
General Electric Global Services GmbH
General Electric Global Services GmbH - Dubai
General Electric Global Services GmbH - Korea
General Electric International, Inc -Branch - SG
General Electric International, Inc.
General Electric International, Inc. - Branch - KU
General Electric International, Inc. - Branch - SA
General Electric Manufacturing Company - (GEMAC) - LTD.
General Electric Power Services Romania S.A.
General Electric Technology GmbH
GRID EQUIPMENTS PRIVATE LIMITED
GRID Solutions S.p.A.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Grid Solutions SAS
 IGE Energy Services (UK) Limited
 Intelligent Platforms, LLC
 Limited Liability Company GE Renewable Rus
 NTPC GE POWER SERVICES PRIVATE LIMITED
 P.T. GE Nusantara Turbine Services
 Prashant Chiranjive Jain
 PT General Electric Power Solutions Indonesia
 Sanjeev Aggarwal
 Wipro GE Healthcare Private Limited
 WUHAN BOILER COMPANY LTD

Joint venture under the common control of the Ultimate Holding Company

NTPC GE Power Services Private Limited

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Transactions with Fellow Subsidiaries | | |
| Revenue from operations | | |
| General Electric (Switzerland) GmbH | 880.0 | 1,136.1 |
| GE Power Systems India Private Limited | 877.3 | 1,136.0 |
| GE Steam Power, Inc. | 378.1 | 396.0 |
| ALSTOM Power Systems | 119.4 | 787.5 |
| GE Power GmbH | 61.4 | 1,243.8 |
| Others | 1,389.5 | 1,493.6 |
| Other income | | |
| GE Power Systems India Private Limited | 4.6 | 11.8 |
| General Electric (Switzerland) GmbH | 212.7 | - |
| Royalty and trademark fee | | |
| General Electric Technology GmbH | 152.9 | 75.1 |
| GE Renewable Technologies | 15.3 | 21.6 |
| Interest income from inter corporate deposits | | |
| GE Power Systems India Private Limited | 215.1 | 172.2 |
| Other expenses / reimbursements (payments) | | |
| GE T&D India Limited | 1.0 | 3.5 |
| GE Power Systems India Private Limited | 0.9 | - |
| ALSTOM Power Systems | 0.2 | - |
| GE India Industrial Pvt Ltd | - | 121.3 |
| Others | - | 15.0 |
| Other expenses / reimbursements (receipts) | | |
| GE Power Systems India Private Limited | 112.0 | 101.0 |
| GE T&D India Limited | 29.1 | - |
| GE Middle East FZE | 2.9 | 125.6 |
| General Electric International, Inc. | - | 53.3 |
| Others | 6.2 | 87.5 |
| Purchase of materials and components | | |
| GE (Shanghai) Power Technology Co., Ltd. | 822.6 | 827.9 |
| GE Power Systems India Private Limited | 14.2 | 823.2 |
| GE Renewable Hydro Spain, S.L. | - | 299.0 |
| Others | 444.9 | 810.4 |
| Purchase of services | | |
| GE India Industrial Pvt Ltd | 287.8 | 9.4 |
| GE Power Systems India Private Limited | 134.0 | 4.2 |
| General Electric International, Inc. | 7.1 | 29.1 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| GE Steam Power, Inc. | 5.2 | 29.9 |
| GE India Technology Centre Private Limited | 0.8 | 42.7 |
| GE Hydro France | - | 30.9 |
| Others | 156.0 | 138.7 |
| Inter corporate deposits given | | |
| GE Power Systems India Private Limited | 6,450.0 | 13,800.0 |
| Inter corporate deposits repaid to the company | | |
| GE Power Systems India Private Limited | 7,450.0 | 13,250.0 |
| Provident fund | | |
| ACC - Babcock Staff Provident Fund | 300.9 | 275.7 |
| Guarantee outstanding | | |
| GE Hydro France | 1,047.9 | 1,047.9 |
| Transactions with Joint Venture under the common control of the Parent | | |
| Revenue from operations | | |
| NTPC GE POWER SERVICES PRIVATE LIMITED | 159.2 | 1,286.3 |
| Other expenses / reimbursements (receipts) | | |
| NTPC GE POWER SERVICES PRIVATE LIMITED | 10.8 | 17.1 |
| Transactions with key management personnel | | |
| Remuneration* | | |
| Director's Fee | 6.6 | 9.2 |
| Sanjeev Aggarwal | 17.8 | 14.7 |
| Prashant Chiranjive Jain | 37.1 | - |
| Transactions with Subsidiary | | |
| Interest income from inter corporate deposits | | |
| GE Power Boilers Services Limited | 3.0 | 2.8 |
| Inter corporate deposits given | | |
| GE Power Boilers Services Limited | 2.6 | - |
| Transactions with Ultimate holding company | | |
| Revenue from operations | | |
| General Electric Company | 190.4 | 94.4 |
| Other income | | |
| General Electric Company | 53.1 | 106.8 |
| Royalty and trademark fee | | |
| General Electric Company | 203.4 | 121.0 |
| Other expenses / reimbursements (payments) | | |
| General Electric Company | - | 0.7 |
| Other expenses / reimbursements (receipts) | | |
| General Electric Company | - | 10.6 |
| Transactions with Immediate holding company | | |
| Payment of dividend | | |
| Alstom India Tracking B.V. | 276.6 | 138.3 |
| Guarantee outstanding | | |
| Alstom India Tracking B.V. | 6,986.2 | 6,986.2 |
| Outstanding Balance with Fellow Subsidiaries | | |
| Trade Receivable | | |
| General Electric (Switzerland) GmbH | 235.0 | 259.5 |
| GE Power Systems India Private Limited | 216.5 | 803.9 |
| ALSTOM Power Systems | 136.0 | 98.0 |
| Others | 568.7 | 1,191.3 |
| Trade Payables | | |
| GE (Shanghai) Power Technology Co., Ltd. | 463.3 | 319.0 |
| GE India Industrial Pvt Ltd | 297.7 | 25.2 |
| General Electric Technology GmbH | 256.3 | 90.8 |
| ALSTOM Management SA | 1.5 | 148.6 |
| Others | 1,430.3 | 720.6 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Advances given | | |
| GE (Shanghai) Power Technology Co., Ltd. | 91.9 | 0.0 |
| GE T&D India Limited | 4.2 | 4.4 |
| GE Renewable Energy Canada Inc. | - | 9.0 |
| GE Energy Control Solutions, LLC | - | 3.4 |
| Others | 1.2 | 3.5 |
| Advances received | | |
| GE Renewable Hydro Spain, S.L. | 191.8 | 255.0 |
| GE Power Systems India Private Limited | 128.0 | 146.1 |
| GE Hydro France | 25.1 | 63.7 |
| GE Intelligent Platforms Asia Pacific Pte. Ltd. | - | 92.8 |
| Others | 48.9 | 60.0 |
| Inter corporate deposits | | |
| GE Power Systems India Private Limited | 550.0 | 1,550.0 |
| Interest accrued on Inter corporate deposits | | |
| GE Power Systems India Private Limited | 6.8 | 0.9 |
| Outstanding Balance with Joint Venture under the common control of the Parent | | |
| Trade Receivable | | |
| NTPC GE Power Services Private Limited | 472.2 | 642.6 |
| Advances received | | |
| NTPC GE Power Services Private Limited | 31.8 | 36.4 |
| Outstanding Balance with subsidiaries | | |
| Trade Receivable | | |
| GE Power Boilers Services Limited | 5.5 | 5.5 |
| Inter corporate deposits | | |
| GE Power Boilers Services Limited | 36.6 | 34.2 |
| Interest accrued on Inter corporate deposits | | |
| GE Power Boilers Services Limited | 0.5 | 0.5 |
| Outstanding Balance with ultimate holding company | | |
| Trade Receivable | | |
| General Electric Company | 78.8 | 117.8 |
| Trade Payables | | |
| General Electric Company | 385.6 | 107.8 |

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.

*Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

39. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company needs to spend at least two per cent of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A 'Corporate Social Responsibility' (CSR) Committee has been formed by the company as per the act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the Act, in pursuance of the CSR Policy.

- a) Gross amount required to be spent by the Company during the year is ₹ 14.9 million (previous year ₹ Nil)
- b) Amount spent during the year on :

| Particulars | For the year ended 31 March 2020 | | | For the year ended 31 March 2019 | | |
|--|----------------------------------|----------------|-------|----------------------------------|----------------|-------|
| | Paid | Yet to be paid | Total | Paid | Yet to be paid | Total |
| (i) Construction/Acquisition of an asset | - | - | - | - | - | - |
| (ii) For purposes other than (i) above | 15.2 | - | 15.2 | 6.5 | 0.8 | 7.3 |

40. CAPITAL AND OTHER COMMITMENTS

40.1 Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 24.8 million (31 March 2019 : ₹ 19.9 million)

40.2 The Company has working capital facilities from:

- a) Canara bank which is secured by first charge on pari passu basis by way of hypothecation of stocks and receivables of the Company on first pari passu basis with other banks under multiple banking arrangement. Available limit is ₹ Nil (31 March 2019 : ₹ Nil).
- b) ICICI bank which are secured by first charge on pari passu basis on the entire stocks and such other movables including book debts, bills, whether documentary or clean, both present and future. Available limit is ₹ 100 million (31 March 2019 : ₹ 100 million).

41. CONTINGENT LIABILITIES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------------------|------------------------|------------------------|
| a) Demands relating to tax matters :- | | |
| i) Sales tax matters | 1,733.7 | 399.8 |
| ii) Excise duty matters | 438.1 | 461.6 |
| iii) Service tax matters | 99.0 | 226.5 |
| iv) Income tax matters | 91.3 | 84.5 |
| b) Amounts not acknowledged as debts | 7.7 | 7.7 |

Based on the favorable decision in similar cases / legal opinions taken by the Company / discussions with the solicitors etc., the Company believes that it has good cases in respect of all the items listed under (a) and (b) above and hence no provision is considered necessary.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

42. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

| S. No. | Particulars | As on 31 March 2020 | As on 31 March 2019 |
|--------|--|------------------------|------------------------|
| i) | The principal amount and the interest due thereon remaining unpaid to any supplier at year end | | |
| | - Principal amount | 676.7 | 94.4 |
| | - Interest thereon | 0.6 | 6.7 |
| ii) | the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day | NIL | NIL |
| iii) | the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | NIL | NIL |
| iv) | the amount of interest accrued and remaining unpaid | 0.6 | 6.7 |
| v) | the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | NIL | NIL |

Note: The information relates to such vendors identified as micro, small and medium enterprises, on the basis of information available with the Company.

43. EARNING PER SHARE

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| a) Weighted average number of equity shares outstanding during the year | 6,72,27,471 | 6,72,27,471 |
| b) Net profit after tax available for equity shareholders (rupees in million) | 850.7 | 760.5 |
| c) Face value per share (in rupees) | 10.0 | 10.0 |
| d) Basic and diluted earnings (in rupees) per share | 12.65 | 11.31 |

44. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS - ACCOUNTING CLASSIFICATION

A. Accounting classifications and fair values

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value :

- 1 Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- 2 Fair value of non-current financial assets and liabilities has not been disclosed as there is no significant difference between carrying value and fair value.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

The following tables shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

For fair value hierarchy refer note 2.1.5.

| Particulars | Notes | Carrying Amount | Fair Value | | |
|---|-------|------------------------|------------|-------------|-------------|
| | | As at 31 March 2020 | Level 1 | Level 2 | Level 3 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Non-current assets | | | | | |
| Investments | 7 | 26.7 | - | - | 26.7 |
| Total | | 26.7 | - | - | 26.7 |
| Financial assets at fair value at amortised cost | | | | | |
| Non-current assets | | | | | |
| Loans | 8 | 121.0 | - | - | - |
| Current assets | | | | | |
| Trade receivables | 13 | 13,266.2 | - | - | - |
| Cash and cash equivalents | 14 | 3,778.1 | - | - | - |
| Bank balances other than cash and cash equivalents | 15 | 14.4 | - | - | - |
| Loans | 16 | 618.4 | - | - | - |
| Other financial assets | 17 | 89.9 | - | - | - |
| Total | | 17,888.0 | - | - | - |
| Financial liabilities at fair value through statement of profit and loss | | | | | |
| Current liabilities | | | | | |
| Other financial liabilities | 25 | 13.5 | - | 13.5 | - |
| Total | | 13.5 | - | 13.5 | - |
| Financial liabilities at fair value at amortised cost | | | | | |
| Non-current liabilities | | | | | |
| Lease liabilities | 23 | 1,119.5 | - | - | - |
| Current liabilities | | | | | |
| Trade payables | 24 | 8,776.2 | - | - | - |
| Lease liabilities | 23 | 253.5 | - | - | - |
| Other financial liabilities | 25 | 1,259.9 | - | - | - |
| Total | | 11,409.1 | - | - | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

| Particulars | Notes | Carrying Amount | Fair Value | | |
|--|-------|------------------------|------------|--------------|-------------|
| | | As at 31 March 2019 | Level 1 | Level 2 | Level 3 |
| Financial assets at fair value through statement of profit and loss | | | | | |
| Current assets | | | | | |
| Other current financial assets | 17 | 335.9 | - | 335.9 | - |
| Total | | 335.9 | - | 335.9 | - |
| Financial assets at fair value through other comprehensive income | | | | | |
| Non-current assets | | | | | |
| Investments | 7 | 26.7 | - | - | 26.7 |
| Total | | 26.7 | - | - | 26.7 |
| Financial assets at fair value at amortised cost | | | | | |
| Non-current assets | | | | | |
| Non current loans | 8 | 114.7 | - | - | - |
| Current assets | | | | | |
| Trade receivables | 13 | 9,793.1 | - | - | - |
| Cash and cash equivalents | 14 | 1,113.8 | - | - | - |
| Bank balances other than cash and cash equivalents | 15 | 7,166.0 | - | - | - |
| Current loans | 16 | 1,625.4 | - | - | - |
| Other current financial assets | 17 | 177.9 | - | - | - |
| Total | | 19,990.9 | - | - | - |
| Financial liabilities at fair value at amortised cost | | | | | |
| Current liabilities | | | | | |
| Trade payable | 24 | 7,351.6 | - | - | - |
| Other current financial liabilities | 25 | 1,201.9 | - | - | - |
| Total | | 8,553.5 | - | - | - |

Measurement of fair values

Derivative instruments (assets and liabilities): Derivatives are fair valued using market observable rates and published prices for similar assets and liabilities in active markets.

The following table presents the changes in level 3 items for the periods ended on 31 March 2020 and 31 March 2019 :

| | Equity Instruments (unquoted) |
|----------------------------|-------------------------------|
| As at 31 March 2019 | 26.7 |
| Acquisition | - |
| As at 31 March 2020 | 26.7 |

B. Valuation inputs and relationships to fair value

| Particulars | Valuation technique | Significant unobservable inputs | Inter relationship between significant unobservable inputs and fair value measurement |
|-------------------------------|---|--|---|
| Equity Instruments (unquoted) | Fair valued through other comprehensive income. There is no significant difference between carrying value and fair value as selling price cannot be lower than face value as per the agreement. | It is a SPV - for contract with Dedicated Freight Corridor (DFC) with profitable margins and civil works milestones picking up | The estimated value would increase /(decrease) in profit before tax on completion of significant part of DFC contract |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

45. FINANCIAL RISK MANAGEMENT

Financial risk relates to Company's ability to meet financial obligations and mitigate exposure to broad market risks, including volatility in foreign currency exchange rates and interest rates and commodity prices; credit risk; and liquidity risk, including risk related to our credit ratings and our availability and cost of funding. Credit risk is the risk of financial loss arising from a customer or counterparty failure to meet its contractual obligations. The Company faces credit risk in its industrial businesses, as well as in derivative financial instruments activities. Liquidity risk refers to the potential inability to meet contractual or contingent financial obligations (whether on- or off-balance sheet) as they arise, and could potentially impact Company financial condition or overall safety and soundness.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the receivables from customers; loans and deposits.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(i) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company also regularly assesses customer credit risk inherent in the carrying amounts of receivables and contract costs and estimated earnings, including the risk that contractual penalties may not be sufficient to offset its accumulated investment in the event of customer termination. The Company also gains insight into future utilization and cost trends, as well as credit risk, through its knowledge of the installed base of equipment and the close interaction with its customers that comes with supplying critical services and parts over extended periods.

(ii) Provision for expected credit losses

The Company evaluates credit risk based on a variety of data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements and cash flow projections and available press information about customers) and applying experienced credit judgement. The Company has also taken into account estimates of possible effect from the pandemic relating to COVID-19.

(a) Expected credit loss on financial assets other than trade receivables :

With regards to all financial assets including security deposit amounting ₹152.8 million (previous year ₹156.2 million) and other financial assets ₹ 89.9 million (previous year ₹513.8 million) with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk.

The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for expected credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

(b) Expected credit loss for trade receivables under simplified approach

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the expected credit loss for trade receivables is estimated to be in the range of 1%-2%.

The amount of total allowance for credit loss is disclosed in Note 13 and the movement thereof during the years ended 31 March 2019 and 31 March 2018 is tabulated below:

| Particulars | 31 March 2020 | 31 March 2019 |
|-------------------------------------|----------------|----------------|
| Opening balance | 1,025.6 | 989.0 |
| Net remeasurement of loss allowance | 14.1 | 36.6 |
| Closing balance | 1,039.7 | 1,025.6 |

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company also monitors the level of expected cash inflows on trade receivables and loans (comprising the undrawn borrowing facilities) together with expected cash outflows on trade payables and other financial liabilities.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities as at the end of the reporting period:

| Particulars | 31 March 2020 | 31 March 2019 |
|--------------------------|---------------|---------------|
| Credit limits with banks | 100.0 | 100.0 |

(ii) Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Contractual maturities of financial liabilities:

| 31 March 2020 | Carrying amount | Contractual cash flows | | Total |
|---|-----------------|------------------------|------------------|-----------------|
| | | Less than 1 Year | More than 1 year | |
| Non-derivatives | | | | |
| Trade payables | 8,776.2 | 8,334.3 | 541.3 | 8,875.6 |
| Lease liabilities | 1,373.0 | 367.0 | 1,443.6 | 1,810.6 |
| Amount held in trust | 1,245.7 | 1,245.7 | - | 1,245.7 |
| Unclaimed dividend | 14.2 | 14.2 | - | 14.2 |
| Total non-derivative liabilities | 11,409.1 | 9,961.2 | 1,984.9 | 11,946.1 |

| 31 March 2019 | Carrying amount | Contractual cash flows | | Total |
|---|-----------------|------------------------|------------------|----------------|
| | | Less than 1 Year | More than 1 year | |
| Non-derivatives | | | | |
| Trade payables | 7,351.6 | 6,859.7 | 603.1 | 7,462.8 |
| Lease liabilities | - | - | - | - |
| Amount held in trust | 1,186.1 | 1,186.1 | - | 1,186.1 |
| Unclaimed dividend | 15.8 | 15.8 | - | 15.8 |
| Total non-derivative liabilities | 8,553.5 | 8,061.6 | 603.1 | 8,664.7 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

(C) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

(i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

The Company uses the Fx forward instruments to hedge foreign exchange exposures.

Project exposures are hedged to a minimum of 75% once they are contractually binding, and hedges should match the associated cash flows and the contractually stipulated maturities of the project.

The Company designate entire forward contract at forward rate as the hedging instrument. Changes in the full fair value of the forward contract are accounted for through statement of profit and loss in accordance with the type of hedge (fair value hedge).

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹ million, are as follows

| Unhedged exposure | 31 March 2020 | | | 31 March 2019 | | |
|--------------------|---------------|--------------|--------------|---------------|--------------|--------------|
| | USD | EUR | Other | USD | EUR | Other |
| Assets | | | | | | |
| Bank balance | - | - | 115.5 | - | - | 99.6 |
| Trade receivables | 503.6 | 406.2 | 9.7 | 726.4 | 505.0 | 242.3 |
| Total | 503.6 | 406.2 | 125.2 | 726.4 | 505.0 | 341.9 |
| Liabilities | | | | | | |
| Trade payables | 161.8 | 244.0 | 163.4 | 95.3 | 75.1 | 550.7 |
| Total | 161.8 | 244.0 | 163.4 | 95.3 | 75.1 | 550.7 |

| Forward contracts | 31 March 2020 | | | 31 March 2019 | | |
|---|---------------|---------|---------|---------------|---------|---------|
| | USD | EUR | Other | USD | EUR | Other |
| Assets | | | | | | |
| Foreign exchange forward contract sell foreign currency | 10,468.6 | 2,281.4 | - | 11,513.5 | 3,643.6 | - |
| Liabilities | | | | | | |
| Foreign exchange forward contract buy foreign currency | 3,703.8 | 1,097.6 | 2,752.9 | 2,056.2 | 1,175.3 | 3,121.3 |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

| Particulars | Impact on profit after tax | |
|---------------------------|----------------------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| USD sensitivity | | |
| INR/USD Increases by 10 % | 43.29 | 53.46 |
| INR/USD Decreases by 10 % | (43.29) | (53.46) |
| EUR sensitivity | | |
| INR/EUR Increases by 10 % | 42.30 | 37.74 |
| INR/EUR Decreases by 10 % | (42.30) | (37.74) |

Price risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through OCI (note 44)

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 26.7 million. A decrease of 10% or increase of 10% in fair value of unlisted equity securities could have an impact of approximately ₹ 2.6 million on the OCI or equity. These changes would not have an effect on statement profit and loss.

(D) Commodity price risk

Company is exposed to the risk of price fluctuation in commodities including metals and alloys. The framework and governance mechanism in place to ensure that it is adequately protected from the market volatility. Company proactively manages these risks through sagacious contract negotiation, inventory management and proactive vendor development practices to the maximum extent possible.

Exposure of the Company to various commodities is as follows:

| Commodity name | Exposure in quantity (in MT) | For the year ended 31 March 2020 | Exposure in quantity (in MT) | For the year ended 31 March 2019 |
|----------------|------------------------------|----------------------------------|------------------------------|----------------------------------|
| Iron and steel | 17636.5 | 1,588.7 | 46,562 | 4,506.0 |
| Copper | 49.0 | 28.1 | 474 | 315.0 |
| Total | 17,685.5 | 1,616.9 | 47,036 | 4,821.0 |

The sensitivity of profit or loss to changes in the commodity prices

| Particulars | Impact on profit after tax | |
|-----------------------|----------------------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Iron and steel | | |
| Increases by 10 % | 118.88 | 337.18 |
| Decreases by 10 % | (118.88) | (337.18) |
| Copper | | |
| Increases by 10 % | 2.11 | 23.57 |
| Decreases by 10 % | (2.11) | (23.57) |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

46. THE CHANGE AFFECTED IN BALANCE SHEET AS ON 1 APRIL 2018 ON ACCOUNT OF TRANSITION TO IND AS 115

| Description | Balance as on 31 March 2018 | Adjustment as per Ind AS 115 | Balance as on 1 April 2018 |
|---------------------------------------|--------------------------------|---------------------------------|-------------------------------|
| Assets | | | |
| Current assets | | | |
| Inventory | 4,660.8 | (3,476.0) | 1,184.9 |
| Financial assets | | | |
| Other current financial assets | | | |
| Contract revenue in excess of billing | 4,617.6 | 1,506.6 | 6,124.2 |
| Deferred tax assets (net) | 1,589.1 | (45.2) | 1,543.9 |
| Liabilities | | | |
| Non current liabilities | | | |
| Non current provisions | | | |
| Provisions for warranty | 470.9 | 100.4 | 571.3 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payable | 13,024.2 | (4,565.3) | 8,458.9 |
| Other current liabilities | | | |
| Billing in excess of contract revenue | 6,949.4 | 2,366.2 | 9,315.6 |
| Other Equity | | | |
| Retained earnings | 7,635.4 | 84.1 | 7,719.4 |

47. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

48. EXCEPTIONAL ITEMS

During the current year, land and building at the Company's Vadodara factory was sold resulting in a profit on sale of ₹ 565.3 million and consequent to re-evaluation of certain liabilities, an amount of ₹ 236.2 million was provided for. These are disclosed as an exceptional item. Previous year, the Company had instituted a Voluntary Retirement Scheme (VRS) for its workmen at the Maneja (Vadodara) factory in August 2018 and plant operations at the factory were ceased with effect from 27 August 2018. Assets related were classified as "Assets held for sale" and measured at carrying value or fair value whichever is less. Cost relating to restructuring ₹ 577.9 million and loss on assets held for sale carried out ₹ 345.0 million were represented under exceptional item.

49. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Company is having Nil borrowings as on 31 March 2020 (31 March 2019 : Nil).

50 The Company had entered into an agreement with Navayuga Engineering Company Limited ("NECL") on 29 December 2017 for design, engineering, manufacturing, supply, erection, testing and commissioning of 12 x 80MW capacity vertical full Kaplan Turbine generator along with all associated auxiliary and ancillary equipment. On 19 July 2019, the Company received an intimation from NECL for stopping all works on the project with immediate effect. On 12 March 2020, the Company terminated the contract due to prolonged suspension of work by NECL due to no certainty on resumption of work in the near future. Soon thereafter, NECL encashed the two advance bank guarantees (ABGs) amounting to INR 1,309.3 million and performance bank guarantee (PBG) amounting to INR 409.2 million. As on 31 March 2020,

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

the Company has netted off such encashment of ABGs against the advances outstanding as on that date and presented the encashed PBG under Other non current assets. Based on an internal assessment and legal advice obtained, the management is of the view that NECL has unfairly encashed the bank guarantees without settling the Company's claims as per the Contract towards works performed. Based on available facts and management assessment, the Company expects favorable outcome through dispute resolution process. The Company has initiated the arbitration proceedings against NECL for settlement of claims.

51. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under Sections 92-92F of the Income-tax Act, 1961. Since, the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation to determine whether the transactions entered into with the associated enterprises during the financial year on an arm's length basis. The management is of the opinion that such transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

52. "The operations of the Company were impacted due to the shutdown of factories, project sites and offices following the lockdown imposed in India from 25 March 2020 due to COVID-19. The Company has subsequently commenced its operations in a phased manner, starting from 2 May, 2020, in line with the directives from the relevant government authorities.

The management has evaluated the impact of the pandemic on its business operations. As long term contracts represent a significant portion of the business' volumes, the Company's assessment is that the impact is not expected to be broad, pervasive and long-term, even as it continue to assess the situation as it unfolds. There are no current indicators to trigger impairment, the controls environment has been sustained during the lockdown period. The impact experienced has been more related to changes in the timing of revenues, margins and cash flows.

The Company has a strong order book of long term projects and adequate unutilized fund-based credit limits to mitigate impact on the Company.

The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken appropriate actions such as engaging with the customers in light of current crisis, and invoking of force-majeure clause. Further, the Company has evaluated the impact of COVID-19 on the financial statements and factored in the changed economic environment, wherever required, the impact of which is not significant.

The notes referred to form an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number:

101248W/W-100022

For and on behalf of the Board of Directors of **GE Power India limited**

Prashant Chiranjive Jain

Managing Director

DIN 06828019

Place : Gurugram

Date: 22 June 2020

Vijay Sharma

Whole-time Director and Chief Financial Officer

DIN 06700052

Place : Noida

Date: 22 June 2020

Adhir Kapoor

Partner

Membership No. : 098297

Place : New Delhi

Date: 22 June 2020

Pradeepta Puhon

Company Secretary

FCS-5138

Place : Noida

Date: 22 June 2020

**CONSOLIDATED
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

To the Members of
GE Power India Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of GE Power India Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant 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 the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our 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 of the current period. 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.

Description of Key Audit Matter

| The key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>Revenue recognition</p> <p>A significant portion of Group's business comprises long-term projects, including construction-type and fixed price projects.</p> <p>Revenue from these contracts is recognized in accordance with accounting policies as detailed in "significant accounting policies" in the financial statements</p> <p>There are various complexities, judgements and estimates involved in accounting for revenue recognized on "over the time" basis, including:</p> <ul style="list-style-type: none"> • Estimation of total contract costs at inception and remaining costs to completion. • Assessment of various risks emanating from operational delays, contract terms, changes in estimations. This requires the Group to estimate various costs to capture such risks, including liquidated damages and warranties. | <p>In view of the significance of the matter, following audit procedures were applied in this area, amongst others to obtain sufficient audit evidence:</p> <ol style="list-style-type: none"> Obtained an understanding of the processes adopted to carry out accounting for revenue on "over the time" basis. Tested key controls (both design and operating effectiveness) over project accounting from initiation to recording on the above-mentioned projects. For selected contracts (selected on the basis of size of contracts, quantum of changes in margins, completion progress and other relevant criteria) tested the following: <ul style="list-style-type: none"> - Examined contracts, its significant terms and conditions, correspondences with customers; |

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| <p>• Accounting for variations and claims, including timing of recognition</p> <p>Revenues, contract costs and resultant margin recognition may deviate significantly from original estimates. Such deviations may be caused due to inherent risks in this business or resulting from possible effects of the ongoing COVID -19 pandemic.</p> <p>In view of above, we determined this area to an area involving significant risk and an area of audit focus, and accordingly, a key audit matter.</p> <p>Tax (including litigations)</p> <p>The Group's operations are subject to complexities arising from applicability of various laws and regulations with respect to positions on matters relating to income tax, sales tax, goods and services tax, service tax, excise, customs etc. (either past or present).</p> <p>Provision for taxes is recognized or contingent liabilities are disclosed in accordance with accounting policies as detailed in "significant accounting policies" in the financial statements.</p> <p>Judgment is required in assessing the range of possible outcomes for some of these matters. These judgments could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax and other authorities and other judicial precedents.</p> <p>The Group makes an assessment to determine the outcome of these tax positions and decides to make an accrual or consider it to be a possible contingent liability. In particular, this affects the measurement and accuracy of provision for taxes.</p> <p>Due to above mentioned factors, we have determined this to be a key audit matter</p> <p>Recoverability of Trade Receivables</p> <p>Trade receivables, including retention money with customers which is significant part of the total assets of the Group.</p> <p>Impairment loss on trade receivables is recognized in accordance with accounting policies as detailed in "significant accounting policies" in the financial statements.</p> <p>Customer contracts typically involve time consuming and complex conditions around closure of contracts, including technical acceptances, which lead to longer and significant time for realization of receivables.</p> <p>As a result of above, assessment of realizability of trade receivables, involves critical evaluation of various factors, including impact of external environment.</p> | <ul style="list-style-type: none"> - Evaluated various assumptions and estimates including estimated contract revenue/ costs, risk provisions, contract variation claims, provision for liquidated damages, contract modifications etc; - In respect of contracts with significant changes in margins during the year, read the "project management review" documents (as evidence of project reviews), wherever available. Discussed with project controllers, the reasons for such changes in revenues/ costs ; - We have performed a retrospective analysis of cost incurred with estimated cost for contracts completed during the current year to assess the reliability of the Group's forecasting process. <p>In view of the significance of the matter, following audit procedures were applied in this area, amongst others to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> a) We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year. b) Tested key controls (both design and operating effectiveness) over estimate of provisions for various taxes. c) We analysed the Group's judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how the Group has considered past experience, where available, with the authorities in the respective jurisdictions. d) We have involved our tax specialists to evaluate and assessed the estimates on the basis of the facts of the case, internal evaluations, legal precedence, assumptions made, legal opinion and judicial ruling. <p>In view of the significance of the matter, following audit procedures were applied in this area, amongst others to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> a) Obtained an understanding of the processes implemented to estimate impairment provision against trade receivables. b) Tested key controls (both design and operating effectiveness) over estimation of impairment loss. c) Evaluated the "expected credit loss" model adopted to estimate the impairment allowance and tested the related computations. d) Obtained and tested the base data used in the above-mentioned model such as trade receivables ageing and evaluated the various judgement and assumption applied. |

| The key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>The Group makes an estimate of impairment allowance for trade receivables on the basis of an “expected credit loss” model in accordance with Ind AS 109, <i>Financial Instruments</i>. The Group further considers impact of external environment, such as possible effect from the COVID-19 pandemic.</p> <p>In view of above, we determined this area to an area of audit focus, and accordingly, a key audit matter.</p> | |

Other information

The Holding Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company’s annual report, but does not include the 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 the 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 and based on the work done 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.

MANAGEMENT’S AND BOARD OF DIRECTORS’ RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company’s Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 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 Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 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 such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entity 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.

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 of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Section 143(3) of the Act, based on our audit, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant 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 Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group companies, is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 42 to the consolidated financial statements.
 - b) The Group has made provision as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 48 to the consolidated financial statements in respect of such items as it relates to the Group.
 - c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company during the year ended 31 March 2020.
 - d) The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.
3. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co LLP**
Chartered Accountants
Firm's Registration No.:101248W/ W100022

Adhir Kapoor
Partner
Membership No.: 098297
UDIN:20098297AAAABT2904

Place: New Delhi
Date: 22 June 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GE POWER INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of GE Power India Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 were 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 the internal controls 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 consolidated 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 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 controls 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 controls 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.

For **BSR & Co LLP**

Chartered Accountants

Firm's Registration No.:101248W/ W100022

Adhir Kapoor

Partner

Membership No.: 098297

UDIN:20098297AAAABT2904

Place: New Delhi

Date: 22 June 2020

CONSOLIDATED BALANCE SHEET

(All amounts in ₹ million, except share data and unless otherwise stated)

| | Notes | As at 31 March 2020 | As at 31 March 2019 |
|--|-------|------------------------|------------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 1,683.0 | 1,510.8 |
| (b) Capital work-in-progress | 4 | 46.3 | 115.8 |
| (c) Intangible assets | 5 | 2.6 | 0.1 |
| (d) Right of use assets | 6 | 1,379.5 | - |
| (e) Financial assets | | | |
| (i) Investments | 7 | 26.7 | 26.7 |
| (ii) Loans | 8 | 121.0 | 114.7 |
| (f) Deferred tax assets (net) | 9 | 1,213.3 | 1,813.4 |
| (g) Non-current tax assets | 10 | 784.0 | 1,023.9 |
| (h) Other non-current assets | 11 | 557.9 | 110.7 |
| | | 5,814.3 | 4,716.1 |
| (2) Current assets | | | |
| (a) Inventories | 12 | 2,301.5 | 1,804.2 |
| (b) Financial assets | | | |
| (i) Trade receivables | 13 | 13,266.2 | 9,793.1 |
| (ii) Cash and cash equivalents | 14 | 3,779.6 | 1,115.9 |
| (iii) Bank balances other than cash and cash equivalents | 15 | 14.4 | 7,166.0 |
| (iv) Loans | 16 | 581.8 | 1,591.5 |
| (v) Other financial assets | 17 | 89.4 | 513.1 |
| (c) Other current assets | 18 | 7,784.3 | 7,914.4 |
| (d) Other current tax assets | 19 | - | 1.7 |
| (e) Assets held for sale | 20 | 64.0 | 975.7 |
| | | 27,881.2 | 30,875.6 |
| | | 33,695.5 | 35,591.7 |
| Total assets | | | |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 21 | 672.3 | 672.3 |
| (b) Other equity | 22 | 8,494.8 | 8,146.9 |
| | | 9,167.1 | 8,819.2 |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 24 | 1,119.5 | - |
| (b) Provisions | 23 | 1,088.5 | 865.1 |
| | | 2,208.0 | 865.1 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 24 | 253.5 | - |
| (ii) Trade payables | 25 | | |
| total outstanding dues of micro enterprises and small enterprises | | 676.7 | 94.4 |
| total outstanding dues of creditors other than micro enterprises and small enterprises | | 8,099.8 | 7,257.5 |
| (iii) Other financial liabilities | 26 | 1,273.4 | 1,201.9 |
| (b) Other current liabilities | 27 | 8,623.4 | 12,902.9 |
| (c) Provisions | 28 | 3,393.6 | 3,629.2 |
| (d) Current tax liabilities | 29 | - | 821.5 |
| | | 22,320.4 | 25,907.4 |
| | | 33,695.5 | 35,591.7 |
| Total equity and liabilities | | | |
| Significant accounting policies | 2 | | |

The notes referred to form an integral part of these consolidated financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number:

101248W/W-100022

For and on behalf of the Board of Directors of **GE Power India limited**

Prashant Chiranjive Jain

Managing Director

DIN 06828019

Place : Gurugram

Date: 22 June 2020

Vijay Sharma

Whole-time Director and Chief Financial Officer

DIN 06700052

Place : Noida

Date: 22 June 2020

Adhir Kapoor

Partner

Membership No. : 098297

Place : New Delhi

Date: 22 June 2020

Pradeepta Puhan

Company Secretary

FCS-5138

Place : Noida

Date: 22 June 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in ₹ million, except share data and unless otherwise stated)

| | Notes | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operations | 30 | 24,458.6 | 19,028.2 |
| Other income | 31 | 1,249.3 | 1,323.9 |
| Total income | | 25,707.9 | 20,352.1 |
| Expenses | | | |
| Cost of material and erection services | 32 | 16,936.2 | 10,688.8 |
| Changes in work in progress | 32 | 86.4 | 548.3 |
| Employee benefits expense | 33 | 3,714.5 | 3,418.6 |
| Finance costs | 34 | 492.5 | 411.3 |
| Depreciation and amortisation expense | 35 | 664.7 | 314.2 |
| Other expenses | 36 | 2,410.1 | 2,585.7 |
| Total expenses | | 24,304.4 | 17,966.9 |
| Profit before exceptional items and tax | | 1,403.5 | 2,385.2 |
| Exceptional items | 49 | (329.1) | 922.9 |
| Profit before tax | | 1,732.6 | 1,462.3 |
| Tax expense: | | | |
| (1) Current tax | | 268.5 | 859.7 |
| (2) Tax related to earlier years | | 35.0 | 207.0 |
| (3) Deferred tax charge/(credit) | 9 | 583.1 | (358.4) |
| Profit for the year (A) | | 846.0 | 754.0 |
| Other comprehensive income | | | |
| (a) Items that will be not reclassified to profit or loss | | | |
| Remeasurements of defined benefit liability | | (19.8) | (89.3) |
| Income tax relating to above | | 5.0 | 31.3 |
| Other comprehensive income for the year, net of tax (B) | | (14.8) | (58.0) |
| Total comprehensive income for the year (A+B) | | 831.2 | 696.0 |
| Basic and diluted earnings per equity share | 44 | 12.58 | 11.22 |
| [Nominal value per share ₹ 10 (previous year ₹ 10)] | | | |
| Significant accounting policies | 2 | | |

The notes referred to form an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:
101248W/W-100022

For and on behalf of the Board of Directors of **GE Power India limited**

Prashant Chiranjive Jain

Managing Director
DIN 06828019
Place : Gurugram
Date: 22 June 2020

Vijay Sharma

Whole-time Director and Chief Financial Officer
DIN 06700052
Place : Noida
Date: 22 June 2020

Adhir Kapoor

Partner
Membership No. : 098297
Place : New Delhi
Date: 22 June 2020

Pradeepta Puhan

Company Secretary
FCS-5138
Place : Noida
Date: 22 June 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in ₹ million, except share data and unless otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| A. Cash flows from operating activities | | |
| Profit before tax | 1,732.6 | 1,462.3 |
| Adjustments for | | |
| Depreciation and amortisation expense | 664.7 | 314.2 |
| Liabilities/ provision no longer required written back | (444.0) | (96.6) |
| Allowance for doubtful debts and advances | 14.1 | 173.0 |
| Bad debts written off | 103.4 | 188.0 |
| Unrealised loss / (gain) on restatement of foreign currency assets and liabilities, net | 252.6 | (339.8) |
| Loss on sale / impairment of property, plant and equipment, net | (553.3) | 345.9 |
| Discounting of financial assets/liabilities at effective interest method | 113.0 | 108.0 |
| Interest income | (359.5) | (620.6) |
| Finance costs | 373.8 | 295.8 |
| Operating profit before changes in assets and liabilities | 1,897.4 | 1,830.2 |
| Adjustments for changes in assets and liabilities | | |
| Decrease/(increase) in non current loans | (0.6) | 47.3 |
| (Increase) in other non-current assets | (447.2) | (82.3) |
| (Increase) in inventories | (497.3) | (619.4) |
| (Increase) in trade receivables | (3,531.1) | (680.8) |
| Decrease/(increase) in current loans | 9.7 | (27.2) |
| Decrease in other current financial assets | 13.9 | 6,147.5 |
| Decrease/(increase) in other current assets | 60.1 | (5,597.7) |
| Increase in other non current provisions | 223.4 | 1,589.8 |
| Increase/(decrease) in trade payables | 1,810.6 | (1,029.8) |
| Increase in other financial liabilities | 59.6 | 81.2 |
| (Decrease) in other current liabilities | (4,024.7) | (2,928.2) |
| (Decrease) in current provisions | (349.0) | (278.7) |
| Cash (used in) operating activities | (4,775.2) | (1,548.1) |
| Income tax (payments), net | (858.7) | (862.1) |
| Net cash (used in) operating activities | (5,633.9) | (2,410.2) |
| B. Cash flows from investing activities | | |
| Inter corporate deposits received back/(given) | 994.4 | (550.0) |
| Advance (refunded) / received against assets held for sale | (400.0) | 300.0 |
| Interest received | 439.5 | 682.8 |
| Purchase of property, plant and equipment (including capital work in progress and capital advances) | (96.0) | (73.0) |
| Purchase of Intangible assets | (2.5) | - |
| Sale proceeds of property, plant and equipment | 1,082.1 | 189.4 |
| Term deposits with maturity more than 90 days | 7,150.0 | 1,680.0 |
| Net cash generated from investing activities | 9,167.5 | 2,229.2 |
| C. Cash flows from financing activities | | |
| Dividend and corporate dividend tax paid | (486.3) | (243.7) |
| Principal payment of lease liabilities | (243.2) | - |
| Interest paid on lease liabilities | (135.2) | - |
| Interest paid | - | (150.3) |
| Net cash (used in) financing activities | (864.7) | (394.0) |
| Net cash flows during the year (A+B+C) | 2,668.9 | (574.9) |
| Cash and cash equivalents, beginning of year | 1,115.8 | 1,690.7 |
| Cash and cash equivalents, end of year | 3,784.7 | 1,115.8 |

CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in ₹ million, except share data and unless otherwise stated)

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Components of cash and cash equivalents as at end of the year | | |
| Cash on hand | - | 0.2 |
| Bank balances | | |
| - In current account | 3,027.6 | 1,115.7 |
| - Term deposits (less than 3 months maturity) | 752.0 | - |
| Cash and cash equivalents (refer note 14) | 3,779.6 | 1,115.9 |
| Less: Effect of exchange differences on cash and cash equivalents held in foreign currency | 5.1 | (0.1) |
| Cash and cash equivalents as restated | 3,784.7 | 1,115.8 |

- The Consolidated Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 on Statement of Cash Flows as notified under Section 133 of the Companies Act, 2013.
- During the year, the Group paid in cash ₹ 15.2 million (31 March 2019: ₹ 6.5 million) towards corporate social responsibility (CSR) expenditure - refer note 40.
- In the previous year, the adoption of Ind AS 115 did not have material impact on the Group's operating, investing and financing cash flows except certain adjustments on account of changes to the carrying amounts of assets and liabilities. Refer note 47 for adjustments to respective heads.
- Refer Note 24 for changes in liabilities arising from financing activities.

The notes referred to form an integral part of these consolidated financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number:

101248W/W-100022

For and on behalf of the Board of Directors of **GE Power India limited**

Prashant Chiranjive Jain

Managing Director

DIN 06828019

Place : Gurugram

Date: 22 June 2020

Vijay Sharma

Whole-time Director and Chief Financial Officer

DIN 06700052

Place : Noida

Date: 22 June 2020

Adhir Kapoor

Partner

Membership No. : 098297

Place : New Delhi

Date: 22 June 2020

Pradeepta Puhan

Company Secretary

FCS-5138

Place : Noida

Date: 22 June 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in ₹ million, except share data and unless otherwise stated)

A. EQUITY SHARE CAPITAL

21

| | Total |
|---------------------------------|-------|
| As at 1 April 2018 | 672.3 |
| Changes in equity share capital | - |
| As at 31 March 2019 | 672.3 |
| Changes in equity share capital | - |
| As at 31 March 2020 | 672.3 |

B. OTHER EQUITY

22

| | Reserve and surplus | | Other comprehensive income | Total |
|---|---------------------|-------------------|----------------------------|----------------|
| | General reserve | Retained earnings | | |
| As at 1 April 2018 | 2,481.9 | 5,128.6 | - | 7,610.5 |
| Profit for the year | - | 754.0 | - | 754.0 |
| Cumulative effect on transition of Ind AS 115, net of tax (refer note 47) | - | 84.1 | - | 84.1 |
| Remeasurements of defined benefit liability, net of tax | - | - | (58.0) | (58.0) |
| Dividends paid | - | (201.7) | - | (201.7) |
| Dividend distribution tax on dividend on equity shares | - | (42.0) | - | (42.0) |
| Transferred to retained earnings | - | (58.0) | 58.0 | - |
| Balance as at 31 March 2019 | 2,481.9 | 5,665.0 | - | 8,146.9 |
| Profit for the year | - | 846.0 | - | 846.0 |
| Remeasurements of defined benefit liability, net of tax | - | - | (14.8) | (14.8) |
| Dividends paid | - | (403.4) | - | (403.4) |
| Dividend distribution tax on dividend on equity shares | - | (80.1) | - | (80.1) |
| Transferred to retained earnings | - | (14.8) | 14.8 | - |
| Balance as at 31 March 2020 | 2,481.9 | 6,012.8 | - | 8,494.8 |

Significant accounting policies

2

The notes referred to form an integral part of these consolidated financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number:

101248W/W-100022

For and on behalf of the Board of Directors of **GE Power India limited**

Prashant Chiranjive Jain

Managing Director

DIN 06828019

Place : Gurugram

Date: 22 June 2020

Vijay Sharma

Whole-time Director and Chief Financial Officer

DIN 06700052

Place : Noida

Date: 22 June 2020

Adhir Kapoor

Partner

Membership No. : 098297

Place : New Delhi

Date: 22 June 2020

Pradepta Puhon

Company Secretary

FCS-5138

Place : Noida

Date: 22 June 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

1. GENERAL INFORMATION

GE Power India Limited (name changed with effect from 5 August 2016, formerly known as ALSTOM India Limited) ('the Company') is a publicly owned Company, incorporated on 2 September 1992 as Asea Brown Boveri Management Limited, under the provisions of Indian Companies Act. The Company is domiciled in India with its registered office located at Unit No. 211-212, 2nd Floor, The Capital, G Block, Plot No. C-70, Bandra Kurla Complex, Bandra East, Mumbai - 400051. The equity shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited.

Its operations includes a composite range of activities viz. engineering, procurement, manufacturing, construction and servicing etc. of power plants and power equipment.

The Company has investment in GE Power Boilers Services Limited ('GEPBSL') (formerly known as Alstom Power Boilers Services Limited) which is its wholly owned subsidiary. The Company and its subsidiary (hereinafter collectively referred to as 'the Group') are incorporated in India.

During the financial year ended 31 March 2020, the subsidiary had a total income of ₹ 0.1 million (31 March 2019: ₹ 1.4 million) along with loss after tax of ₹ 4.7 million (31 March 2019: profit after tax ₹ 6.7 million). As at 31 March 2020, the Company's accumulated losses of ₹ 44.8 million have eroded its paid up equity capital of ₹ 3.4 million. Further, the company's liabilities exceeded its total assets by ₹ 41.4 million. In the absence of any orders in hand, the subsidiary's management has not made the financial statements on going concern basis. Adjustments have been made to the assets to reflect them at lower of historical cost and net realizable value. Liabilities are reflected at the values at which they are expected to be discharged. The above, however, does not have any material impact on the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

2.1.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements have been authorized for issue by the Group's Board of Directors on 22 June 2020.

Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

An asset is classified as current when it is: a) Expected to be realised or intended to be sold or consumed in normal operating cycle, b) Held primarily for the purpose of trading, c) Expected to be realised within twelve months after the reporting period, or d) 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 classified as current when: a) It is expected to be settled in normal operating cycle, b) It is held primarily for the purpose of trading, c) It is due to be settled within twelve months after the reporting period, or d) 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.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities, except for projects business. The projects business comprises long-term contracts which have an operating cycle exceeding one year. For classification of current assets and liabilities related to projects business, the Group uses the duration of the contract as its operating cycle.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Companies (Accounts) Rules 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.1.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost basis, except for the following:

- certain financial assets and liabilities (including derivatives instruments) - measured at fair value,
- defined benefit assets / liability – fair value of plan assets less present value of defined benefit obligations,

2.1.3 Functional currency

The consolidated financial statements are presented in Indian Rupees (Rupees or INR), which is the Group's functional and presentation currency and all amounts are rounded to the nearest million and one decimals thereof, except as stated otherwise.

2.1.4 Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment recognised in the consolidated financial statements are as under :

- measurement of useful life, residual values and impairment of property, plant and equipment,
- recognition of deferred tax assets: availability of future taxable profit against which temporary differences shall be deductible,
- measurement of defined benefit obligations and planned assets: key actuarial assumptions,
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources,
- impairment of financial assets and non financial assets,
- revenue and margin recognition on construction and / or long term service contracts and related provision.
- assets held for sale : determining the fair value less costs to sell on the basis of significant unobservable inputs.
- lease : identification of lease, lease term and applicable discount rate.

2.1.5 Measurement of fair values

A number of the accounting policies and disclosures require 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 prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

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When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these consolidated financial statements is included in the respective notes.

2.2 Basis of consolidation

2.2.1 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2.2.2 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3 Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, if any, directly attributable cost of bringing the item to its location and condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Special tools are capitalised as plant and equipment.

Freehold land is carried at historical cost.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses arising from derecognition of property, plant and equipment are measured as the differences between the net disposal proceeds and the carrying amount of the property, plant and equipment and are recognized in the statement of profit and loss when the property, plant and equipment is derecognized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

The cost of property, plant and equipment not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general and can be allocated to specific property, plant and equipment are included in capital work-in-progress.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 as per the previous GAAP and use that as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value:

Property, plant and equipment, other than land, are depreciated on a pro-rata basis on Straight Line Method (SLM) using the rates arrived

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based on the useful lives of assets specified in Part C of Schedule II thereto of the Companies Act, 2013 or useful lives of assets estimated by the management based on technical advice in cases where a useful life is different than the useful lives indicated in Part C of Schedule II of the Companies Act, 2013, which represents the period over which management expects to use these assets, as follows:

| Asset category | Management estimated Useful Life (in years) | Useful life as per schedule II (in years) |
|------------------------|---|---|
| Factory buildings | Upto 30 | 30 |
| Other buildings | Upto 60 | 60 |
| Plant and equipment | Upto 15 | 15 |
| Furniture and fixtures | Upto 10 | 10 |
| Vehicles | Upto 8 | 8 |
| Office equipment | Upto 5 | 5 |

Where a Group estimated the useful life of an asset on a single shift basis at the beginning of the year but use the asset on double or triple shift during the year, then the depreciation expense would increase by 50 or 100 per cent as the case may be for that period.

Freehold land is not depreciated. Leasehold assets and leasehold improvements are amortised over the period of the lease or the estimated useful life, whichever is lower.

Asset's residual values and useful lives are reviewed at each financial year end, considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review and adjusted prospectively.

Asset held for sale

Non current assets or disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non current assets or disposal groups held for sale are measured at the lower of carrying amount and fair value less cost to sell.

A gain or loss of the non-current asset is recognised at the date of de-recognition. Once classified as held-for-sale, property, plant and equipment are no longer amortised or depreciated.

2.4 Intangible assets and amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Gains or losses arising from derecognition of assets are measured as the differences between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 as per the previous GAAP and use that as the deemed cost of the property, plant and equipment.

Amortisation methods, estimated useful lives and residual value:

Intangible assets are amortised on a straight line basis over their estimated useful lives.

The amortisation period, residual value and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is adjusted prospectively.

The Group amortises intangible assets with finite useful life using the straight-line method over the following periods:

| Asset category | Useful Life (in years) |
|--------------------------|------------------------|
| Software and license fee | 5 |

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2.5 Leases

The Group lease asset classes consist of leases for buildings, plant and equipment and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet.

Transition

Effective April 1, 2019, the Group adopted Ind AS 116 "Lease" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective approach (Option 2B) as at the date of transition. Accordingly, RoU asset is measured equivalent to lease liability (adjusted for accruals and prepayments). Prepaid asset created out of discounting of security deposits shall be added to the RoU asset. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 1,585.2 million and a lease liability of ₹ 1,533.5 million. The effect of this adoption is insignificant on the profit before tax and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Accounting policy followed for previous year

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.6 Impairment of non financial assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (property, plant and equipment and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash

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inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's (CGU) fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the CGU (or the asset) expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.7 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprise cost of purchase (net of recoverable taxes where applicable), and other cost incurred in bringing the inventories to their respective present location and condition. The cost of various categories of inventories is arrived at as follows:

- Raw materials, stores and spares and components - at cost determined on the weighted average method.
- Packing materials, loose tools and consumables, being immaterial in value terms, and also based on their purchase mostly on need basis, are expensed to the statement of profit and loss at the point of purchase.

Contracts work-in-progress (herein referred to as "work in progress") is valued at cost. Cost includes direct materials, labour and appropriate proportion of overheads including depreciation.

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.

Provision for obsolescence is made, wherever necessary.

The comparison of cost and net realisable value is made on an item-by-item basis.

2.9 Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Post-employment obligations

Defined contribution plans

Provident fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as defined contribution schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

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Superannuation: Contribution to Superannuation fund is charged to the statement of profit and loss on accrual basis. The Group pays contribution to a trust, which is maintained by Life Insurance Corporation of India to cover Group's liabilities towards Superannuation. Such benefits are classified as defined contribution plan as the Group does not carry any further obligations, apart from the contributions made on monthly basis.

Defined benefit plans

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the Statement of Profit and Loss. Any differences between the expected interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

The defined benefit plan surplus or deficit on the Balance Sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities using a discount rate by reference to market yields on Government bonds at the end of the reporting period.

Provident Fund: Contributions towards provident fund for certain employees are made to a Trust administered by the Group. Such benefits are classified as defined benefit plan. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Group is additionally provided for.

Gratuity liability is a defined benefit obligation and is provided on the basis of its actuarial valuation based on the projected unit credit method made at each Balance Sheet date. The Group funds gratuity benefits for its employees within the limits prescribed under the Payment of Gratuity (Amendment) Act, 2018 through contributions to a Scheme administered by the Life Insurance Corporation of India ('LIC').

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the consolidated financial statements of the Group.

(iii) Other long-term employee benefit obligations

Compensated absences: The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since, the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase their entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method on the Balance Sheet date.

Changes in actuarial gains or losses are charged or credited to other comprehensive income in the period in which they arise.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.10 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss.

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Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Related expense or income are recognised using the same exchange rate. Exchange differences are recognised in statement of profit and loss.

(ii) Financial instruments

a. Recognition and initial measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the financial instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI (fair value through other comprehensive income);
- FVTPL (fair value through statement of profit and loss)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;

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- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

| | |
|------------------------------------|--|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in statement of profit and loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss. |

Financial liabilities: Classification, subsequent measurement and gains and losses

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, or 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 statement of profit and 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 statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

c. Impairment of financial assets

The Group recognises impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109. In case of other assets, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

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d. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

e. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f. Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency exposure.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in statement of profit and loss.

2.11 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for applicable jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the consolidated financial statements of the Group.

The Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on the consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current period tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current period tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current period tax and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

2.12 Revenue from contracts with customer

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 “Revenue” and Ind AS 11 “Construction Contracts”. The Group has adopted Ind AS 115 using the cumulative effect method, as the transitional provision option available. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application. The Group also reassessed the revenue recognition method in respect of measuring percentage of completion for applicable products/ services projects. It is impracticable to determine the adjustments/ impact of the above changes on the comparatives. Accordingly, the comparatives have not been retrospectively adjusted, i.e. it is presented, as previously reported, under earlier revenue recognition standards Ind AS 18 and Ind AS 11. Refer note 2.11, summary of significant accounting policies – Revenue recognition in the Annual report of the Group for the year ended 31 March 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. Refer note 46 for details/ break up of the aforesaid impact on the Balance Sheet.

a) Revenue from construction contracts

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Amounts due in respect of price escalation claims including those linked to published indices and/or contract modification including variation in contract work, only if the contract allows for such claims or variations and /or there is evidence that the customer has accepted it and it is probable that these will result in revenue and are capable of being reliably measured. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Contract modifications that extend or revise contract terms are not uncommon and generally result in recognising the impact of the revised terms prospectively over the remaining life of the modified contract. In addition, the Group elected the practical expedient for contract modifications, which essentially means that the terms of the contract that existed as at the date of initial application of the standard can be assumed to have been in place since the inception of the contract (i.e., not practical to separately evaluate the effects of all prior contract modifications).

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(All amounts in ₹ million, except share data and unless otherwise stated)

Transaction price is allocated to each performance obligation based on relative stand-alone selling prices, in case, contract contains more than one distinct good or service. Revenue is recognized for each performance obligation either at a point in time or over time.

If it is expected that a contract will make a loss, the estimated loss is provided for in the books of account. Such losses are based on technical assessments and on management's analysis of the risk and exposure on a case to case basis.

Liquidated damages/penalties are provided for, based on management's assessment of the estimated liability, as per contractual terms, technical evaluation, past experience and/or acceptance.

Performance obligations satisfied over time

Revenue is recognised as performance under the arrangements using percentage of completion based on costs incurred relative to total expected costs. The differences between the timing of revenue recognised (based on costs incurred) and customer billings (based on contractual terms) results in changes to revenue in excess of billing or billing in excess of revenue.

Use of significant judgments in revenue recognition

The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total estimated costs, contract risks, including technical, political and regulatory risks, and other judgments. Under the percentage-of-completion method, changes in estimates may lead to an increase or decrease of revenue.

Performance obligations satisfied at a point in time

Revenues are recognised at a point in time when control of the goods passes to the customer, upon delivery of the goods.

b) Revenue from sale of services

Sale of services are recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of contract.

2.13 Other income / other operating income

Interest income is recognised using the effective interest method. The 'effective interest method' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Export benefits are accounted for to the extent there is reasonable certainty of utilisation/realisation of the same.

Rental income is recognized on a straight line basis over the term of the relevant lease.

2.14 Earnings per share

- a) Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.15 Provisions and contingent liabilities/ assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Warranty

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

Onerous contract

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

Restructuring

A provision for restructuring is recognised when the board has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Decommission cost

In accordance with the applicable legal requirements, a provision for decommission of assets, which are taken on lease, is recognised as per the terms of contract. The provision is measured at the present value of the best estimate of the cost of restoration.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent liabilities / assets

Contingent liabilities are disclosed 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 will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

2.16 Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed separately.

2.17 Recent accounting pronouncements

Applicable standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

| Particulars | Gross block | | Depreciation/ Amortisation | | Net block | |
|------------------------|-----------------------|--------------------------------------|----------------------------|-------------------------|------------------------|------------------------|
| | As at 1 April 2019 | Additions# As at 31 March 2020 | Disposal / Transfer | Charge for the year# | As at 31 March 2020 | As at 31 March 2019 |
| Freehold land | 96.3 | 3.2 | - | - | - | 99.5 |
| Leasehold land | 1.0 | - | ^1.0 | - | * | - |
| Leasehold improvements | 79.0 | 1.2 | 1.1 | 13.9 | 58.4 | 20.7 |
| Factory buildings | 321.9 | 138.1 | - | 21.2 | 80.4 | 379.6 |
| Other buildings | 80.3 | 37.7 | - | 9.5 | 10.5 | 107.5 |
| Plant and equipment | 1,883.6 | 370.4 | 32.7 | 323.9 | 1,175.3 | 1,046.0 |
| Furniture and fixtures | 36.5 | 1.4 | 0.1 | 3.2 | 20.2 | 17.6 |
| Vehicles | 2.0 | - | - | 0.1 | 1.4 | 0.6 |
| Office equipment | 28.6 | 2.5 | 0.1 | 4.0 | 19.5 | 11.5 |
| Total | 2,529.2 | 554.5 | 35.0 | 375.8 | 1,365.7 | 1,683.0 |

| Particulars | Gross block | | Depreciation/ Amortisation | | Net block | |
|------------------------|-----------------------|-------------|----------------------------|------------------------|------------------------|------------------------|
| | As at 1 April 2018 | Additions | Disposal / Transfer # | Charge for the year | As at 31 March 2019 | As at 31 March 2018 |
| Freehold land | 107.6 | - | 11.3 | - | - | 96.3 |
| Leasehold land | 1.0 | - | - | * | * | 1.0 |
| Leasehold improvements | 163.0 | - | 84.0 | 14.8 | 45.6 | 33.4 |
| Factory buildings | 598.2 | 0.4 | 276.7 | 19.7 | 59.2 | 262.7 |
| Other buildings | 217.2 | 7.6 | 144.5 | 5.7 | 1.0 | 79.3 |
| Plant and equipment | 2,698.5 | 39.9 | 854.8 | 261.9 | 878.6 | 1,005.0 |
| Furniture and fixtures | 45.9 | - | 9.4 | 4.6 | 17.1 | 19.4 |
| Vehicles | 1.4 | 0.7 | 0.1 | 0.1 | 1.3 | 0.7 |
| Office equipment | 32.0 | 2.1 | 5.5 | 5.0 | 15.6 | 13.0 |
| Total | 3,864.8 | 50.7 | 1,386.3 | 311.8 | 1,018.4 | 1,510.8 |

* Amount is below rounding off norm

Includes amount of assets held for sale refer note 20.

^ Leasehold land has been reclassified to right of use assets on account of transition to Ind AS 116

Title deeds of freehold land of INR 3.2 million (31 March 2019 INR 3.2 million), are held in the erstwhile name of the Company, for which name change is in process.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

4. CAPITAL WORK-IN-PROGRESS

| Particulars | As at 1 April 2019 | Additions | Capitalisation | As at 31 March 2020 |
|---------------------|-----------------------|-------------|----------------|------------------------|
| Factory buildings | 77.6 | 3.2 | 77.1 | 3.7 |
| Plant and equipment | 38.2 | 82.0 | 77.6 | 42.6 |
| Total | 115.8 | 85.2 | 154.7 | 46.3 |

| Particulars | As at 1 April 2018 | Additions | Capitalisation | As at 31 March 2019 |
|---------------------|-----------------------|-------------|----------------|------------------------|
| Factory buildings | 59.6 | 18.1 | 0.1 | 77.6 |
| Plant and equipment | 30.8 | 41.9 | 34.5 | 38.2 |
| Total | 90.4 | 60.0 | 34.6 | 115.8 |

5. INTANGIBLE ASSETS

| Particulars | Gross block | | | Amortisation | | | Net block | |
|---------------------------|-----------------------|------------|------------|------------------------|------------------------|------------|------------------------|------------------------|
| | As at 1 April 2019 | Additions | Disposal | As at 31 March 2020 | Charge for the year | Disposal | As at 31 March 2020 | As at 31 March 2020 |
| Software and license fees | 9.8 | 2.9 | 1.6 | 11.1 | 0.4 | 1.6 | 8.5 | 2.6 |
| Total | 9.8 | 2.9 | 1.6 | 11.1 | 0.4 | 1.6 | 8.5 | 2.6 |

| Particulars | Gross block | | | Amortisation | | | Net block | |
|---------------------------|-----------------------|-----------|----------|------------------------|------------------------|----------|------------------------|------------------------|
| | As at 1 April 2018 | Additions | Disposal | As at 31 March 2019 | Charge for the year | Disposal | As at 31 March 2019 | As at 31 March 2019 |
| Software and license fees | 9.8 | - | - | 9.8 | 2.4 | - | 9.7 | 0.1 |
| Total | 9.8 | - | - | 9.8 | 2.4 | - | 9.7 | 0.1 |

Capitalisation/ adjustment includes amount of assets held for sale refer note 20.

6. RIGHT OF USE ASSETS

| Particulars | As at 1 April 2019 | Additions | Disposal | Depreciation | As at 31 March 2020 |
|---------------------|-----------------------|-------------|----------|--------------|------------------------|
| Leasehold land | 1.0 | - | - | * | 1.0 |
| Other buildings | 1,493.1 | - | - | 242.8 | 1,250.3 |
| Plant and equipment | 38.8 | - | - | 8.3 | 30.5 |
| Vehicles | 52.4 | 82.7 | - | 37.5 | 97.7 |
| Total | 1,585.2 | 82.7 | - | 288.5 | 1,379.5 |

* Amount is below rounding off norm

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

7. INVESTMENTS

(i) Other investments [in equity instrument (unquoted) valued at fair value through other comprehensive

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Numbers | (Rupees in million) | Numbers | (Rupees in million) |
| Alstom Systems India Private Limited equity shares of ₹ 10 each fully paid up | 2,665,000 | 26.7 | 2,665,000 | 26.7 |
| Total | | 26.7 | | 26.7 |
| Total investment | | 26.7 | | 26.7 |

Equity instrument designated at fair value through other comprehensive Income

The Group designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Group intends to hold for long term for strategic purpose.

| Particulars | Fair Value | Dividend income | Fair Value | Dividend income | Fair Value |
|--------------------------------------|---------------------|-----------------|---------------------|-----------------|---------------------|
| | As at 31 March 2020 | 2019-20 | As at 31 March 2019 | 2018-19 | As at 31 March 2018 |
| Alstom Systems India Private Limited | 26.7 | - | 26.7 | - | 26.7 |
| | 26.7 | - | 26.7 | - | 26.7 |

No investments were disposed off during 2019-20 and there were no transfers of any cumulative gain or loss within equity relating to these investments.

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---------------------|---------------------|
| Aggregate value of unquoted investments | 26.7 | 26.7 |

8. NON CURRENT LOANS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-------------------------------------|---------------------|---------------------|
| (Unsecured, considered good) | | |
| Security deposits | 121.0 | 114.7 |
| Total | 121.0 | 114.7 |

The Group's exposure to credit risks related to financial assets carried at amortised cost are disclosed in note 46.

9. DEFERRED TAX ASSETS (NET)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---------------------|---------------------|
| Deferred tax assets on account of | | |
| Allowance for doubtful debts and advances (A) | 410.5 | 631.3 |
| Expenses disallowed under Income - Tax Act, 1961, to be allowed in future years | | |
| Provision for employee benefits | 349.9 | 629.3 |
| Provision for contingencies/others | 242.1 | 269.9 |
| Provision for loss orders | 95.6 | 287.1 |
| Financial liabilities and provisions | 133.4 | 68.8 |
| Total (B) | 821.0 | 1,255.1 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

9. DEFERRED TAX ASSETS (NET) (CONTD..)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Total deferred tax assets (A+B) | 1,231.5 | 1,886.4 |
| Deferred tax liabilities on account of | | |
| Difference between WDV of fixed assets as per books and under Income tax Act, 1961 | (18.2) | (73.0) |
| Total deferred tax liabilities | (18.2) | (73.0) |
| Deferred tax assets (net) | 1,213.3 | 1,813.4 |

Movement in deferred tax assets

| Particulars | Allowance for doubtful debts and advances | Expenses disallowed under Income tax Act, 1961, to be allowed in future years | Others | Difference between WDV of fixed assets as per books and under Income tax Act, 1961 | Total |
|--|--|--|----------|---|----------------|
| As on 31 March 2018 | 582.8 | 1,247.9 | (69.8) | (171.8) | 1,589.1 |
| Cumulative effect of transition of Ind AS 115 (refer note 47) | - | (45.2) | - | - | (45.2) |
| - to statement of profit and loss | | | | | |
| Tax related to earlier years | - | (120.2) | - | - | (120.2) |
| Deferred tax charge/ (credit) | 48.5 | 141.3 | 69.8 | 98.8 | 358.4 |
| - to other comprehensive income | - | 31.3 | - | - | 31.3 |
| As on 31 March 2019 | 631.3 | 1,255.1 | - | (73.0) | 1,813.4 |
| - to statement of profit and loss | | | | | |
| Tax related to earlier years | - | (22.0) | - | - | (22.0) |
| Deferred tax charge/ (credit) | (220.8) | (417.1) | - | 54.8 | (583.1) |
| - to other comprehensive income | - | 5.0 | - | - | 5.0 |
| As on 31 March 2020 | 410.5 | 821.0 | - | (18.2) | 1,213.3 |

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below :

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Profit before tax | 1,732.6 | 1,462.3 |
| Enacted tax rates in India | 25.17% | 34.94% |
| Computed expected tax expenses | 436.1 | 511.0 |
| Effect of change in tax rate | 507.2 | (15.4) |
| Effect of difference in tax rate on capital gains | (103.0) | - |
| Tax effect of expenses that are not deductible for tax purposes | 11.3 | 5.7 |
| Tax related to earlier year | 35.0 | 207.0 |
| Income tax expenses | 886.6 | 708.3 |

During the year ended 31 March 2020, the Group has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019 and has opted to apply the lower tax rate of 25.17%. It has recognised provision for income-tax for the year ended 31 March 2020 accordingly. The Group has also remeasured its deferred tax assets on the basis of the rate prescribed in the said section and recorded a reversal of net deferred tax assets to the extent of ₹ 503.8 million during the year ended 31 March 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

10. OTHER NON CURRENT TAX ASSETS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| (Unsecured, considered good) | | |
| Advance tax and tax deducted at source (net of provision for income tax) | 784.0 | 1,023.9 |
| Total | 784.0 | 1,023.9 |
| Provision for income tax | 7,019.0 | 3,549.3 |

11. OTHER NON-CURRENT ASSETS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| (Unsecured, considered good) | | |
| Prepaid expenses | - | 20.3 |
| Amount recoverable from customer (refer note 51) | 373.1 | - |
| Deposits under protest* | 184.8 | 90.4 |
| Total | 557.9 | 110.7 |

* During the previous year ended 31 March 2019, 'deposits under protest' of ₹ 90.4 million were included in 'balances with government authorities' classified under current assets. The Group has reclassified such amount under non-current assets as at 31 March 2019.

12. INVENTORIES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Raw materials, stores and spares and components [Goods in transit : ₹ 395.6 million (previous year : 12.9 million)] | 1,971.7 | 1,388.0 |
| Work in progress | 329.8 | 416.2 |
| Total | 2,301.5 | 1,804.2 |

The Group has made provision on inventories amounting to ₹ 60.9 million (previous year : ₹ 31.0 million) on account of slow moving items. The provision created and reversal are included in cost of materials consumed.

Refer note 41 for amounts pledged as securities.

13. TRADE RECEIVABLES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|----------------------------|------------------------|------------------------|
| Unsecured, considered good | 13,266.2 | 9,793.1 |
| Credit impaired | 1,039.7 | 1,025.6 |
| Loss allowance | (1,039.7) | (1,025.6) |
| Total | 13,266.2 | 9,793.1 |

Trade receivables includes retention monies which are not yet due for payment as per terms of the contract are as follows :

| | | |
|----------------------------|---------|---------|
| Unsecured, considered good | 6,663.0 | 4,465.9 |
| Credit impaired | 229.2 | 148.5 |
| Loss allowance | (229.2) | (148.5) |

For trade receivables from related parties refer note 39.

The Group's exposure to credit and currency risks, and loss allowances related to financial assets carried at amortised cost are disclosed in note 46.

Refer note 41 for amounts pledged as securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

14. CASH AND CASH EQUIVALENTS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Cash on hand | - | 0.2 |
| Balances with banks: | | |
| - In current account | 3,027.6 | 1,115.7 |
| - Term deposits (less than 3 months maturity)* | 752.0 | - |
| Total | 3,779.6 | 1,115.9 |

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

*Includes ₹ 741 million as lien with banks against Bank guarantee and ₹ 6 million as lien with tax authorities

15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Other bank balances: | | |
| - Term deposits with maturity more than 3 months but less than 12 months* | 0.2 | 7,150.2 |
| - In unclaimed dividend accounts | 14.2 | 15.8 |
| Total | 14.4 | 7,166.0 |

*Deposit of ₹ 0.2 million (previous year : ₹ 0.2 million) pledged with bank against bank guarantee.

16. CURRENT LOANS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| (Unsecured, considered good) | | |
| Security deposits | 31.8 | 41.5 |
| Inter corporate deposits with related parties (refer note 39) | 550.0 | 1,550.0 |
| Total | 581.8 | 1,591.5 |

The Group's exposure to credit risk related to financial assets carried at amortised cost are disclosed in note 46.

Particulars in respect of loans and advances in the nature of loans to related parties as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

| Particulars | Maximum outstanding during | | Balance as at | |
|----------------------------------|----------------------------|----------------|---------------|----------------|
| | 2019-20 | 2018-19 | 31 March 2020 | 31 March 2019 |
| GE Power Systems Private limited | 3,700.0 | 1,550.0 | 550.0 | 1,550.0 |
| Total | 3,700.0 | 1,550.0 | 550.0 | 1,550.0 |

Loan to related parties are given for the purpose of meeting their working capital requirements.

17. OTHER CURRENT FINANCIAL ASSETS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Earnest money deposits | 15.4 | 14.9 |
| Derivative assets | - | 335.9 |
| Recoverable from related parties and others | 67.6 | 81.7 |
| Interest accrued on | | |
| - deposit with banks and others (refer note 15) | - | 79.4 |
| - inter corporate deposits | 6.4 | 1.2 |
| Total | 89.4 | 513.1 |

For reimbursable expenses and interest accrued on inter corporate deposits from related parties refer note.

The Group's exposure to credit risk related to financial assets carried at amortised cost are disclosed in note 46.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

18. OTHER CURRENT ASSETS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| (Unsecured, considered good) | | |
| Advances to suppliers | 1,741.2 | 1,368.4 |
| Advances to employees | 13.4 | 4.7 |
| Prepaid expenses | 17.1 | 81.4 |
| Balances with government authorities (refer note 11) | 1,349.9 | 1,055.8 |
| Contract revenue in excess of billing | 4,662.7 | 5,404.1 |
| (Credit impaired) | | |
| Balances with government authorities | 583.9 | 599.1 |
| Less : Allowance for doubtful balances with government authorities | (583.9) | (599.1) |
| Advances to suppliers | 7.2 | 64.5 |
| Less : Allowance for doubtful advances | (7.2) | (64.5) |
| Total | 7,784.3 | 7,914.4 |

19. OTHER CURRENT TAX ASSETS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| (Unsecured, considered good) | | |
| Advance tax and tax deducted at source (net of provision for income tax) | - | 1.7 |
| Total | - | 1.7 |
| Provision for income tax | - | 0.6 |

20. ASSETS HELD FOR SALE

Management has committed to a plan to sell the following assets in near future:

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-------------------------------|------------------------|------------------------|
| Property, plant and equipment | 64.0 | 975.7 |
| Total | 64.0 | 975.7 |

During the current year, apart from selling assets, the management has reclassified "Assets Held for Sale" amounting to ₹ 233.4 million to "Property, plant and equipment" in accordance with Ind AS 105 "Non-current Assets held for sale and discontinued operation". On account of the above reclassification, the Company has charged the depreciation amounting to ₹ 85.9 million from the date on which these were classified as assets held for sale till the date it was transferred to Property, plant and equipment i.e. 31 December 2019.

Previous year a loss ₹ 345.0 million (refer note 49) to the lower of its carrying amount and fair value less costs to sell has been recognised in exceptional item. The loss had been applied to reduce the carrying amount of property, plant and equipment.

21. EQUITY SHARE CAPITAL

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Numbers | (Rupees in million) | Numbers | (Rupees in million) |
| Authorised share capital | | | | |
| Equity share of ₹ 10 each | 195,000,000 | 1,950.0 | 195,000,000 | 1,950.0 |
| Preference share of ₹ 100 each | 40,500,000 | 4,050.0 | 40,500,000 | 4,050.0 |
| Total | | 6,000.0 | | 6,000.0 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Issued, subscribed and fully paid up

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| | Numbers | (Rupees in million) | Numbers | (Rupees in million) |
| Equity share of ₹ 10 each | 67,227,471 | 672.3 | 67,227,471 | 672.3 |
| Total | | 672.3 | | 672.3 |

a. Movement of the shares outstanding at the beginning and at the end of the reporting year

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Numbers | (Rupees in million) | Numbers | (Rupees in million) |
| Equity shares: | | | | |
| At the beginning of the year | 67,227,471 | 672.3 | 67,227,471 | 672.3 |
| At the end of the year | 67,227,471 | 672.3 | 67,227,471 | 672.3 |

b. Terms / rights attached to equity shares

The Group has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends, if any, in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding / ultimate holding Company and / or their subsidiaries

(refer note 39)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Numbers | (Rupees in million) | Numbers | (Rupees in million) |
| Equity share by ALSTOM India Tracking BV Netherlands, the immediate holding Company | 46,102,083 | 461.0 | 46,102,083 | 461.0 |

General Electric Company, USA is the ultimate holding company.

d. Details of shareholders holding more than 5% shares in the Group

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Numbers | (Rupees in million) | Numbers | (Rupees in million) |
| ALSTOM India Tracking BV, Netherlands (the immediate holding Company) | 46,102,083 | 68.6 | 46,102,083 | 68.6 |
| Reliance Capital Trustee Company Limited, through its various funds | 6,586,454 | 9.8 | 5,977,154 | 8.9 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

22. OTHER EQUITY

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| General reserve | | |
| Balance at the beginning and end of the year | 2,481.9 | 2,481.9 |
| Retained earnings | | |
| Balance at the beginning of the year | 5,665.0 | 5,128.6 |
| Add : Profit for the year | 846.0 | 754.0 |
| Cumulative effect on transition of Ind AS 115, net of tax (refer note 47) | | 84.1 |
| Other comprehensive income for the year | | |
| Remeasurements of defined benefit liability, net of tax | (14.8) | (58.0) |
| Total comprehensive income | 6,496.2 | 5,908.7 |
| Less : Dividend on equity shares for the year | (403.4) | (201.7) |
| Less : Dividend distribution tax on dividend on equity shares | (80.1) | (42.0) |
| Balance at the end of the year | 6,012.8 | 5,665.0 |
| Total | 8,494.8 | 8,146.9 |

After the reporting date the following dividend is proposed by the board of directors subject to the approval at the annual general meeting. The dividend has not been recognised as liabilities.

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-------------------|------------------------------------|------------------------------------|
| Proposed dividend | 134.5 (₹ 2 per equity share) | 403.4 (₹ 6 per equity share) |

Nature and purpose of reserves :

The general reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Retained earnings are undistributed profits after tax earned till date.

23. NON CURRENT PROVISIONS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Provision for employee benefits : | | |
| Provision for compensated absences | 302.1 | 287.4 |
| Provision for gratuity [refer note 37(I)] | 230.4 | 143.0 |
| Other provisions: | | |
| Provision for decommission cost | 10.1 | 9.1 |
| Provisions for warranty | 545.9 | 425.6 |
| Total | 1,088.5 | 865.1 |
| Movement of provision for decommission cost | | |
| As at beginning of the year | 9.1 | 29.8 |
| Less: Reversal during the year | - | (20.7) |
| Add: Finance cost | 1.0 | - |
| As at end of the year | 10.1 | 9.1 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

24. LEASE LIABILITIES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| As at 1 April 2019 (on account of transition to Ind AS 116) | 1,533.5 | - |
| Additions | 82.7 | - |
| Finance cost accrued during the year | 135.2 | - |
| Payment of lease liabilities | (378.4) | - |
| As at 31 March 2020 | 1,373.0 | - |
| Current lease liabilities | 253.5 | - |
| Non current lease liabilities | 1,119.5 | - |
| | 1,373.0 | - |

Amounts recognised in the statement of profit and loss

| Particulars | For the year ended 31 March 2020 |
|---|-------------------------------------|
| Interest on lease liabilities (refer note 34) | 135.2 |
| Depreciation of right-of-use assets (refer note 35) | 288.5 |
| Expense relating to low value and short term leases (refer note 36) | 157.7 |
| Weighted average incremental borrowing rate as at 1 April 2019 | 9% |

The total cash outflow for leases is ₹ 536.1 million for the year ended 31 March 2020, including cash outflow of short-term leases and leases of low-value assets.

The Group's exposure to liquidity risk related to leased liabilities are disclosed in note 46.

25. TRADE PAYABLES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Trade payables | | |
| total outstanding dues of micro enterprises and small enterprises | 676.7 | 94.4 |
| total outstanding dues of creditors other than micro enterprises and small enterprises | 8,099.8 | 7,257.5 |
| Total | 8,776.5 | 7,351.9 |

For trade payables from related parties refer note 39.

The Group's exposure to liquidity risk related to financial liabilities carried at amortised cost are disclosed in note 46.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

26. OTHER CURRENT FINANCIAL LIABILITIES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|------------------------|------------------------|------------------------|
| Amount held in trust* | 1,245.7 | 1,186.1 |
| Unclaimed dividends | 14.2 | 15.8 |
| Derivative liabilities | 13.5 | - |
| Total | 1,273.4 | 1,201.9 |

*On 23 May 1997 Haryana Power Generation Corporation (HPGC) executed contracts with Alstom Germany and Alstom India (then ABB entities, predecessor in interest of the Alstom entities mentioned). On 17 April 2000 Alstom terminated the contracts due to breach by HPGC for non-payment of milestone payments due. In May 2001 HPGC encashed the bank guarantees of the two Alstom entities. Alstom then invoked arbitration. Arbitration proceedings lasted 9 years and the tribunal issued a reasoned unanimous award in May 2010. HPGC then filed objections to the award in the district court of Panchkula and High Court of Chandigarh. Alstom won in all forums. Thereafter HPGC moved a special leave petition in the Supreme Court which is currently pending. Alstom / GE argued for and the Supreme court passed an order granting leave and issued an interim stay on the operation of the award, subject to payment of ₹ 1,000 million (against bank guarantee).

The amount of ₹ 1,000 million alongwith interest thereon amounting to ₹ 245.7 million (previous year ₹ 186.1 million) is thus held in trust pending final order and presented as "other current financial liabilities".

27. OTHER CURRENT LIABILITIES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Payments received in advance from customers | 5,577.5 | 7,163.3 |
| Billing in excess of contract revenue* | 2,862.3 | 5,153.4 |
| Statutory dues | 183.6 | 186.2 |
| Others^ | - | 400.0 |
| Total | 8,623.4 | 12,902.9 |

For payments received in advance from related parties refer note 39.

*Disclosure given pursuant to Ind AS 115:

Revenue recognised out of the balance at the beginning of the year ₹ 2,612.9 million (previous year 4,321.5 million).

^The Group has refunded advance amount ₹ 400 million without interest received against agreement for sale on 16 December 2017 in respect of "Assets held for sale" at Shahabad.

28. CURRENT PROVISIONS

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------------------|------------------------|------------------------|
| Provision for employee benefits : | | |
| Provision for compensated absences | 115.4 | 100.9 |
| Provision for other employee benefits | 378.8 | 285.1 |
| Other provisions : | | |
| Provisions for warranty | 137.5 | 120.2 |
| Provision for loss orders | 1,451.6 | 2,041.2 |
| Provision for contingencies/others | 1,310.3 | 1,081.8 |
| Total | 3,393.6 | 3,629.2 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Movement of provisions for warranty (Non current and current)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| As at beginning of the year | 545.8 | 588.6 |
| Add: Cumulative effect on transition of Ind AS 115, net of tax (refer note 47) | - | 100.4 |
| Less: Reversal during the year, net of addition | 91.8 | (191.4) |
| Add: Finance cost | 45.8 | 48.2 |
| As at end of the year | 683.4 | 545.8 |

Movement of provision for loss

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| As at beginning of the year | 2,041.2 | - |
| On account of transition to Ind AS 115* | - | 1,900.2 |
| Add : Addition during the year, net of reversal | (589.6) | 141.0 |
| As at end of the year | 1,451.6 | 2,041.2 |

* On account of transition to Ind AS 115 "Revenue from Contracts with Customers" effective from 1 April 2018, provision for loss orders are classified from "trade payables".

Movement of provision for contingencies/others

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| As at beginning of the year | 1,081.8 | 983.9 |
| Add: Addition during the year, net of reversal | 228.5 | 97.9 |
| As at end of the year | 1,310.3 | 1,081.8 |

Information about Other provisions and significant estimates

Warranty - Warranty costs are estimated on the basis of contractual agreement, technical evaluation and past experience. The timing of outflows is expected to be as per warranty periods as specified in various contracts.

Contingencies/ others - Provision for contingencies represents estimates made mainly for probable claims arising out of litigations / disputes pending with various authorities.

29. CURRENT TAX LIABILITIES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Provision for tax (net of advance tax) | - | 821.5 |
| Total | - | 821.5 |
| Advance tax and tax deducted at source | - | 4,416.9 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

30. REVENUE FROM OPERATIONS

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| Revenue from contracts with customers | | |
| Construction contracts | 22,465.4 | 17,115.8 |
| Sale of services | 1,910.4 | 1,739.6 |
| Other operating income- scrap sales | 82.8 | 172.8 |
| Revenue from operations (gross) | 24,458.6 | 19,028.2 |

Disclosure given pursuant to Ind AS 115:

Revenue recognised during the current year from performance obligation satisfied in the previous periods ₹ 1,377.5 million (previous year ₹ 2,330.4 million) (net).

Remaining performance obligation

As of 31 March 2020, the aggregate amount of the contracted revenues allocated to unsatisfied (or partially unsatisfied) performance obligations was ₹ 73,975 million (previous year ₹ 76,570 million). The Group expects to recognize revenue upon satisfaction of remaining performance obligations of 90% within 3 years and the remaining thereafter.

31. OTHER INCOME

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|-----------------------------|-----------------------------|
| Interest income under the effective interest method on : | | |
| - deposit with banks and others | 147.6 | 448.4 |
| - inter corporate deposits | 214.8 | 172.2 |
| - financial assets at amortised cost | 5.7 | 7.5 |
| Net gain from foreign currency transactions and translation | - | 339.8 |
| Liabilities/ provision no longer required written back | 461.6 | 97.0 |
| Miscellaneous income | 419.6 | 259.0 |
| Total | 1,249.3 | 1,323.9 |

32. COST OF MATERIAL AND ERECTION SERVICES

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| Raw materials and components consumed | 12,468.7 | 8,901.1 |
| Project materials and erection services | 4,467.5 | 1,787.7 |
| Total | 16,936.2 | 10,688.8 |
| Changes in work in progress | | |
| Opening | 416.2 | 4,440.5 |
| Less : Effect on transition to Ind AS 115 (refer note 47) | - | 3,476.0 |
| Closing | 329.8 | 416.2 |
| Decrease during the year | 86.4 | 548.3 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

33. EMPLOYEE BENEFITS EXPENSE

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|-----------------------------|-----------------------------|
| Salaries, wages and bonus (refer note 37) | 3,366.3 | 3,089.8 |
| Contribution to provident and other funds | 255.1 | 215.5 |
| Staff welfare expenses | 93.1 | 113.3 |
| Total | 3,714.5 | 3,418.6 |

34. FINANCE COSTS

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|-----------------------------|-----------------------------|
| Interest on advances | 145.0 | 150.3 |
| Interest accrued on provisions | 85.7 | 116.7 |
| Interest on net defined benefit liability | 7.9 | 3.1 |
| Interest on lease liabilities | 135.2 | - |
| Interest on shortfall of advance tax installment | - | 25.7 |
| Interest using effective interest method on financial liabilities at amortised cost | 118.7 | 115.5 |
| Total | 492.5 | 411.3 |

35. DEPRECIATION AND AMORTISATION EXPENSE

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| Depreciation and amortisation on property, plant and equipment | 375.8 | 311.8 |
| Depreciation on right of use assets | 288.5 | - |
| Amortisation on intangible assets | 0.4 | 2.4 |
| Total | 664.7 | 314.2 |

36. OTHER EXPENSES

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| Power, fuel and water | 123.1 | 126.9 |
| Rent* | 80.9 | 297.5 |
| Repairs and maintenance | 204.4 | 218.9 |
| Insurance | 14.7 | 15.9 |
| Rates and taxes | 141.7 | 52.8 |
| Royalty and trademark fee | 371.6 | 217.3 |
| Travelling and conveyance | 415.8 | 407.0 |
| Allowance for doubtful debts and advances | 31.6 | 173.0 |
| Bad debts written off | 103.4 | 188.0 |
| Payment to auditors (excluding applicable tax): | | |
| Audit fee | 7.9 | 6.7 |
| Tax audit fees | 1.6 | 1.6 |
| Limited reviews | 5.4 | 4.6 |
| Other services | 1.2 | 1.1 |
| Out-of-pocket expenses | 2.9 | 2.0 |
| Electronic data processing expenses* | 133.2 | 225.1 |
| Legal and professional charges | 180.8 | 207.2 |
| Loss on sale / retirement of property, plant and equipment (net) | 11.9 | 0.9 |
| Net loss from foreign currency transactions and translation | 201.1 | - |
| Security expenses | 13.4 | 53.6 |
| Bank charges | 197.1 | 125.4 |
| Directors' fee | 7.9 | 9.2 |
| Corporate social responsibility (refer note 40) | 15.2 | 7.3 |
| Miscellaneous expenses | 143.3 | 243.7 |
| Total | 2,410.1 | 2,585.7 |

* includes amount of short term and low value lease assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

37. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

i) Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The plan is funded with an insurance Group in the form of a qualifying insurance policy.

The following tables summarise the components of net employee benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

a) Amount recognised in balance sheet

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Present value of funded defined benefit obligation | 698.8 | 645.9 |
| Fair value of plan assets | 468.4 | 502.1 |
| Net funded obligation | 230.4 | 143.8 |
| Net defined benefit liability / (asset) recognised in balance sheet | 230.4 | 143.8 |

b) Movement in benefit obligations

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Opening of defined benefit obligation | 645.9 | 579.5 |
| Current service cost | 58.9 | 55.1 |
| Past service cost | - | 0.1 |
| Interest on defined benefit obligation | 45.3 | 43.1 |
| Remeasurements due to: | | |
| <i>Actuarial loss / (gain) arising from change in financial assumptions</i> | 6.8 | 20.9 |
| <i>Actuarial loss / (gain) arising from change in demographic assumptions</i> | (1.6) | 0.1 |
| <i>Actuarial loss / (gain) arising on account of experience changes</i> | 9.1 | 61.6 |
| Benefits paid | (65.6) | (114.5) |
| Closing of defined benefit obligation | 698.8 | 645.9 |

c) Movement in plan assets

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Opening fair value of plan assets | 502.1 | 500.5 |
| Employer contributions | 0.1 | 82.8 |
| Interest on plan assets | 37.3 | 40.0 |
| Administration expenses | - | - |
| Remeasurements due to: | | |
| <i>Actual return on plan assets less interest on plan assets</i> | (5.5) | (6.7) |
| Benefits paid | (65.6) | (114.5) |
| Closing fair value of plan assets | 468.4 | 502.1 |

d) Expenses recognised in the statement of profit and loss

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Current service cost | 58.9 | 55.1 |
| Past service cost | - | 0.1 |
| Interest on net defined benefit liability / (asset) | 7.9 | 3.1 |
| Total expense charged to the statement of profit and loss | 66.8 | 58.3 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

e) Expenses recognised in other comprehensive income

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Opening amount recognised in OCI outside the statement of profit and loss | 52.0 | (37.3) |
| Remeasurements during the period due to : | | |
| <i>Change in financial assumptions</i> | 6.8 | 20.9 |
| <i>Change in demographic assumptions</i> | (1.6) | 0.1 |
| <i>Experience adjustments</i> | 9.1 | 61.6 |
| <i>Actual return on plan assets less interest on plan assets</i> | 5.5 | 6.7 |
| Total (income) / expense charged to Other comprehensive income | 71.8 | 52.0 |

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| Particulars | 2019-20 | 2018-19 |
|---|---------|---------|
| Investments with insurer under cash accumulation scheme | 100% | 100% |

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

f) Actuarial assumptions for gratuity:

| Particulars | 2019-20 | 2018-19 |
|-----------------------------------|---|---------|
| Discount rate | 6.65% | 7.60% |
| Expected rate of return on assets | 6.65% | 8.10% |
| Attrition rate | 16.97% | 18.13% |
| Salary growth rate* | 2.5% until 1 year inclusive, then 8.0% | 8.00% |

Future mortality rate is based on published rates under the Indian Assured Lives Mortality (2006-08) Ult table.

*The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The expected contribution payable to the plan next year is ₹ 80.0 million (31 March 2019 : ₹ 80.0 million).

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date :

| Maturity profile | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Expected benefits for the year 1 | 97.0 | 100.8 |
| Expected benefits for the year 2 | 85.0 | 76.0 |
| Expected benefits for the year 3 | 86.1 | 73.2 |
| Expected benefits for the year 4 | 79.0 | 75.0 |
| Expected benefits for the year 5 | 73.7 | 69.9 |
| Expected benefits for the year 6 | 64.5 | 63.7 |
| Expected benefits for the year 7 | 66.2 | 57.2 |
| Expected benefits for the year 8 | 64.1 | 61.2 |
| Expected benefits for the year 9 | 71.1 | 58.4 |
| Expected benefits for the year 10 and above | 507.9 | 590.5 |

The weighted average duration to the payment of these cash flow is 6.63 years (31 March 2019 : 6.66 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

g) Sensitivity analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|------------------------|---------------------|------------------------|
| | Discount Rate | Salary escalation rate | Discount Rate | Salary escalation rate |
| Impact of increase in 50 bps on defined benefit obligation | -3.22% | 3.38% | -3.23% | 3.40% |
| Impact of decrease in 50 bps on defined benefit obligation | 3.42% | -3.22% | 3.44% | -3.24% |

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Information relating to sensitivity analysis for actuarial assumptions, other than disclosed above, including the methods and assumptions used in preparing the analysis, as required by paras 145 (a) and 145(b) respectively, of the Indian Accounting Standard – 19 'Employee Benefits' is not available with the Group.

ii) Provident fund

In respect of certain eligible employees, the Group has a provident fund plan which is administered through a trust. The Trust deed provides for the Group to make good any deficiency in the interest to be paid by the Trust to its members and the income earned by it. Accordingly the plan is as a defined benefit plan. The Group has obtained an actuarial valuation of the Provident fund liability as at the Balance Sheet date and accordingly the Group has recognised a provision of ₹ Nil million (previous year ₹ Nil million) towards provident fund liability.

Following tables summarise the components of net employee benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet, the total provident fund liability as per the Trust's accounts and plan assets held by it are given below:

a) Amount recognised in balance sheet

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Present value of funded defined benefit obligation | 2,868.6 | 2,712.3 |
| Fair value of plan assets* | 2,868.6 | 2,712.3 |
| Net funded obligation | - | - |

*fair value of plan assets have been limited to the net defined benefit liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

b) Movement in benefit obligations

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Opening of defined benefit obligation | 2,712.3 | 2,700.6 |
| Current service cost | 114.9 | 104.8 |
| Interest on defined benefit obligation | 209.3 | 207.2 |
| Remeasurements due to : | | |
| <i>Actuarial loss / (gain) arising on account of experience changes</i> | (98.0) | 10.6 |
| Employees contribution | 185.9 | 170.5 |
| Benefits paid | (145.2) | (495.3) |
| Liabilities assumed / (settled) | (110.6) | 13.9 |
| Closing of defined benefit obligation | 2,868.6 | 2,712.3 |

c) Movement in plan assets

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Opening fair value of plan assets | 2,712.3 | 2,700.6 |
| Employer contributions | 114.9 | 104.8 |
| Employee contributions | 185.9 | 170.5 |
| Interest on plan assets | 209.3 | 207.2 |
| Remeasurements due to : | | |
| <i>Actual return on plan assets less interest on plan assets</i> | (98.0) | 10.6 |
| Benefits paid | (145.2) | (495.3) |
| Assets acquired / (settled) | (110.6) | 13.9 |
| Closing fair value of plan assets | 2,868.6 | 2,712.3 |

d) Expenses recognised in the statement of profit and loss

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Current service cost | 114.9 | 104.8 |
| Interest on net defined benefit liability / (asset) | - | - |
| Total expense charged to the statement of profit and loss | 114.9 | 104.8 |

e) Expenses recognised in other comprehensive income

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Opening amount recognised in OCI outside the statement of profit and loss | - | - |
| Remeasurements during the period due to : | | |
| <i>Experience adjustments</i> | (98.0) | 10.6 |
| <i>Actual return on plan assets less interest on plan assets</i> | 98.0 | (10.6) |
| Total (income) / expense charged to Other comprehensive income | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

The principal assumptions used by the actuary in valuing provident fund liability are as follows:

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------------|---|------------------------|
| Discount rate | 6.65% | 7.60% |
| Increase in compensation levels | 2.5% until 1 year inclusive, then 8.0% | 8.00% |
| Interest rate | 6.40% | 7.15% |

- f) The expected contribution payable to the plan next year is ₹ 124.1 million (31 March 2019 : 113.2 million). The weighted average duration to the payment is 6.90 years (31 March 2019 : 7.48 years).

g) **Disaggregation of plan assets**

| Particulars | As at 31 March 2020 | | |
|-----------------------------|---------------------|--------------|----------------|
| | Quoted | Non Quoted | Total |
| Government debt instruments | 800.7 | - | 800.7 |
| Other debt instruments | 1,763.2 | 16.3 | 1,779.5 |
| Insurer managed funds | 110.4 | - | 110.4 |
| Others | - | 178.0 | 178.0 |
| | 2,674.3 | 194.3 | 2,868.6 |

| Particulars | As at 31 March 2019 | | |
|-----------------------------|---------------------|--------------|----------------|
| | Quoted | Non Quoted | Total |
| Government debt instruments | 565.8 | - | 565.8 |
| Other debt instruments | 1,764.5 | 16.3 | 1,780.8 |
| Insurer managed funds | 76.3 | - | 76.3 |
| Others | - | 289.3 | 289.3 |
| | 2,406.6 | 305.6 | 2,712.2 |

Information relating to sensitivity analysis for actuarial assumptions including the methods and assumptions used in preparing the analysis, as required by paras 145 (a) and 145(b) respectively, of the Indian Accounting Standard – 19 'Employee Benefits' is not available with the Group.

III) Defined contribution plan

In respect of defined contribution plan, the Group has recognized the following amounts in the Statement of Profit and Loss:

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|-----------------------------|-----------------------------|
| Employer's contribution to provident fund | 81.3 | 52.4 |
| Employer's contribution to employees' state insurance | - | - |
| Employers contribution to superannuation fund | 50.3 | 47.4 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

38. SEGMENT INFORMATION

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available. The Group has considered one business segment i.e. Power as the primary reporting segment on the basis that the risk and returns of the Group is primarily determined by the nature of products and services.

Chief Operating Decision maker of Group is the Managing Director, along with the Board of Directors, who review the periodic results of the Group.

Details of Turnover

| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Boilers and accessories | 5,616.6 | 5,774.9 |
| Construction of industrial and non- industrial plants, structures and facilities | 16,563.6 | 10,473.2 |
| Architectural and engineering services | 1,848.6 | 1,441.8 |
| Installation, maintenance and repair services | 61.8 | 297.8 |
| Other project items * | 368.0 | 1,040.5 |
| | 24,458.6 | 19,028.2 |

*Project items include equipment and miscellaneous items meant for execution of projects.

Segment reporting - Geographical information

The analysis of geographical information is based on the geographical location of the customers.

Segment Information for the year ended :

Revenue:

| Particulars | 31 March 2020 | 31 March 2019 |
|---------------|-----------------|-----------------|
| India | 21,200.6 | 14,191.7 |
| Outside India | 3,258.0 | 4,836.5 |
| Total | 24,458.6 | 19,028.2 |

Non current assets* :

| Particulars | 31 March 2020 | 31 March 2019 |
|---------------|----------------|----------------|
| India | 4,453.3 | 1,647.0 |
| Outside India | - | - |
| Total | 4,453.3 | 1,647.0 |

* Non current assets does not include financial assets and deferred tax assets and also refer note 11.

Major customer :

Two customer accounts for 48% approximately (previous year one customer accounts for 20% approximately) of Company's total revenue from operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

39. RELATED PARTY

List of related parties

Parties with whom control exists:

| | |
|---|-----------------------------|
| General Electric Company, United States | (Ultimate Holding Company) |
| GE Power India Tracking B.V. (formerly known as ALSTOM India Tracking BV, Netherlands) | (Immediate Holding Company) |

Key managerial personnel (KMP)/Directors

Mr. Mahesh Srikrishna Palashikar – Chairman and Non-Executive Director (w.e.f. 27 May 2020)
 Mr. Vishal Keerti Wanchoo – Chairman and Non-Executive Director (up to 26 May 2020)
 Mr. Prashant Chiranjive Jain - Managing Director (w.e.f. 17 April 2019)
 Mr. Andrew H DeLeone – Managing Director (up to 5 April 2019)
 Mr. Vijay Sharma – Whole-time Director and Chief Financial Officer (w.e.f. 30 May 2020)
 Mr. Sanjeev Agarwal – Whole-time Director (up to 29 May 2020)
 Mr. Arun Kannan Thiagarajan – Non-Executive and Independent Director
 Ms. Neera Saggi - Non-Executive and Independent Director
 Dr. Uddesh Kumar Kohli - Non-Executive and Independent Director

Other related parties with whom transactions have taken place during the year (fellow subsidiaries/associates)

ACC - Babcock Staff Provident Fund
 ALSTOM (Thailand) Ltd
 ALSTOM Beizhong Power (Beijing) Co., Ltd
 ALSTOM HOLDINGS FRANCE
 Alstom India Tracking B.V.
 ALSTOM Israel Ltd
 ALSTOM Management SA
 ALSTOM Power Canada Inc.
 ALSTOM Power Conversion
 ALSTOM Power Italia S.p.A.
 ALSTOM Power Service
 ALSTOM Power Systems
 ALSTOM Power Systems SA - Jeddah
 Alstom Power, S.A.U.
 ALSTOM S&E Africa Proprietary Limited
 ALSTOM Saudi Arabia Transport and Power Ltd
 Bently Nevada, LLC
 Dresser, LLC (Upto Dec'19)
 FieldCore Service Solutions International India Private Limited
 FieldCore Services Solutions Gulf LLC
 GE (Shanghai) Power Technology Co., Ltd.
 GE Boiler Deutschland GmbH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

GE Drives & Controls, Inc.
GE Energias Renovaveis Ltda.
GE Energy Control Solutions, LLC
GE Energy Power Conversion UK Limited
GE Energy Power Conversion USA Inc.
GE Energy Products France SNC
GE Energy Switzerland GmbH
GE Enerji Endustri Ticaret ve Servis Anonim Sirketi
GE Global Parts & Products GmbH
GE Grid Solutions, LLC
GE Hydro China Co., Ltd.
GE Hydro France
GE hydro France India Project Office
GE India Industrial Pvt Ltd
GE India Technology Centre Private Limited
GE Intelligent Platforms Asia Pacific Pte. Ltd.
GE Intelligent Platforms Private Limited
GE Middle East FZE
GE OIL & GAS INDIA PRIVATE LIMITED (Upto Dec'19)
GE Operations Indonesia, PT
GE Packaged Power, L.P.
GE Power Australia Pty Ltd
GE Power Conversion India Private Limited
GE Power Estonia AS
GE Power GmbH
GE Power s.r.o.
GE Power Service Korea Ltd.
GE Power Services (India) Private Limited
GE Power Services (Malaysia) Sdn. Bhd.
GE Power Solutions (Malaysia) Sdn. Bhd.
GE Power Sp.z.o.o.
GE Power Sweden AB
GE Power Systems India Private Limited
GE Power Systems Korea Co., Ltd.
GE Renewable (Switzerland) GmbH
GE Renewable Energy Canada Inc.
GE Renewable Enerji Anonim Şirketi
GE Renewable Hydro Spain, S.L.
GE Renewable Malaysia Sdn. Bhd.
GE Renewable Sweden AB
GE Renewable Technologies
GE Solutions W.L.L.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

GE Steam Power, Inc.
 GE Strongwish Automation & Controls Technology Development (Shenzhen) Co. Ltd.
 GE T&D India Limited
 GE WIND France SAS
 General Electric (Switzerland) GmbH
 General Electric Company
 GENERAL ELECTRIC ENERGY UK LIMITED
 General Electric Global Services GmbH
 General Electric Global Services GmbH - Dubai
 General Electric Global Services GmbH - Korea
 General Electric International, Inc -Branch - SG
 General Electric International, Inc.
 General Electric International, Inc. - Branch - KU
 General Electric International, Inc. - Branch - SA
 General Electric Manufacturing Company - (GEMAC) - LTD.
 General Electric Power Services Romania S.A.
 General Electric Technology GmbH
 GRID EQUIPMENTS PRIVATE LIMITED
 GRID Solutions S.p.A.
 Grid Solutions SAS
 IGE Energy Services (UK) Limited
 Intelligent Platforms, LLC
 Limited Liability Company GE Renewable Rus
 NTPC GE POWER SERVICES PRIVATE LIMITED
 P.T. GE Nusantara Turbine Services
 Prashant Chiranjive Jain
 PT General Electric Power Solutions Indonesia
 Sanjeev Aggarwal
 Wipro GE Healthcare Private Limited
 WUHAN BOILER COMPANY LTD
 Intelligent Platforms, LLC
 Nuovo Pignone S.r.l.
 P.T. GE Nusantara Turbine Services
 PT General Electric Power Solutions Indonesia
 Wipro GE Healthcare Private Limited
 Wuhan Boiler Company Ltd
 Worldtech Security Technologies, Ltd.

Joint venture under the common control of the Ultimate Holding Company

NTPC GE Power Services Private Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Transactions with Fellow Subsidiaries | | |
| Revenue from operations | | |
| General Electric (Switzerland) GmbH | 880.0 | 1,136.1 |
| GE Power Systems India Private Limited | 877.3 | 1,136.0 |
| GE Steam Power, Inc. | 378.1 | 396.0 |
| ALSTOM Power Systems | 119.4 | 787.5 |
| GE Power GmbH | 61.4 | 1,243.8 |
| Others | 1,389.5 | 1,493.6 |
| Other income | | |
| GE Power Systems India Private Limited | 4.6 | 11.8 |
| General Electric (Switzerland) GmbH | 212.7 | - |
| Royalty and trademark fee | | |
| General Electric Technology GmbH | 152.9 | 75.1 |
| GE Renewable Technologies | 15.3 | 21.6 |
| Interest income from inter corporate deposits | | |
| GE Power Systems India Private Limited | 215.1 | 172.2 |
| Other expenses / reimbursements (payments) | | |
| GE T&D India Limited | 1.0 | 3.5 |
| GE Power Systems India Private Limited | 0.9 | - |
| ALSTOM Power Systems | 0.2 | - |
| GE India Industrial Pvt Ltd | - | 121.3 |
| Others | - | 15.0 |
| Other expenses / reimbursements (receipts) | | |
| GE Power Systems India Private Limited | 112.0 | 101.0 |
| GE T&D India Limited | 29.1 | - |
| GE Middle East FZE | 2.9 | 125.6 |
| General Electric International, Inc. | - | 53.3 |
| Others | 6.2 | 87.5 |
| Purchase of materials and components | | |
| GE (Shanghai) Power Technology Co., Ltd. | 822.6 | 827.9 |
| GE Power Systems India Private Limited | 14.2 | 823.2 |
| GE Renewable Hydro Spain, S.L. | - | 299.0 |
| Others | 444.9 | 810.4 |
| Purchase of services | | |
| GE India Industrial Pvt Ltd | 287.8 | 9.4 |
| GE Power Systems India Private Limited | 134.0 | 4.2 |
| General Electric International, Inc. | 7.1 | 29.1 |
| GE Steam Power, Inc. | 5.2 | 29.9 |
| GE India Technology Centre Private Limited | 0.8 | 42.7 |
| GE Hydro France | - | 30.9 |
| Others | 156.0 | 138.7 |
| Inter corporate deposits given | | |
| GE Power Systems India Private Limited | 6,450.0 | 13,800.0 |
| Inter corporate deposits repaid to the company | | |
| GE Power Systems India Private Limited | 7,450.0 | 13,250.0 |
| Provident fund | | |
| ACC - Babcock Staff Provident Fund | 300.9 | 275.7 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Guarantee outstanding | | |
| GE Hydro France | 1,047.9 | 1,047.9 |
| Transactions with Joint Venture under the common control of the Parent | | |
| Revenue from operations | | |
| NTPC GE Power Services Private Limited | 159.2 | 1,286.3 |
| Other expenses / reimbursements (receipts) | | |
| NTPC GE Power Services Private Limited | 10.8 | 17.1 |
| Transactions with key management personnel | | |
| Remuneration* | | |
| Director's Fee | 6.6 | 9.2 |
| Sanjeev Aggarwal | 17.8 | 14.7 |
| Prashant Chiranjive Jain | 37.1 | - |
| Transactions with Ultimate holding company | | |
| Revenue from operations | | |
| General Electric Company | 190.4 | 94.4 |
| Other income | | |
| General Electric Company | 53.1 | 106.8 |
| Royalty and trademark fee | | |
| General Electric Company | 203.4 | 121.0 |
| Other expenses / reimbursements (payments) | | |
| General Electric Company | - | 0.7 |
| Other expenses / reimbursements (receipts) | | |
| General Electric Company | - | 10.6 |
| Transactions with Immediate holding company | | |
| Payment of dividend | | |
| Alstom India Tracking B.V. | 276.6 | 138.3 |
| Guarantee outstanding | | |
| Alstom India Tracking B.V. | 6,986.2 | 6,986.2 |
| Outstanding Balance with Fellow Subsidiaries | | |
| Trade Receivable | | |
| General Electric (Switzerland) GmbH | 235.0 | 259.5 |
| GE Power Systems India Private Limited | 216.5 | 803.9 |
| ALSTOM Power Systems | 136.0 | 98.0 |
| Others | 568.7 | 1,191.3 |
| Trade Payables | | |
| GE (Shanghai) Power Technology Co., Ltd. | 463.3 | 319.0 |
| GE India Industrial Pvt Ltd | 297.7 | 25.2 |
| General Electric Technology GmbH | 256.3 | 90.8 |
| ALSTOM Management SA | 1.5 | 148.6 |
| Others | 1,430.3 | 720.6 |
| Advances given | | |
| GE (Shanghai) Power Technology Co., Ltd. | 91.9 | - |
| GE T&D India Limited | 4.2 | 4.4 |
| GE Renewable Energy Canada Inc. | - | 9.0 |
| GE Energy Control Solutions, LLC | - | 3.4 |
| Others | 1.2 | 3.5 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Advances received | | |
| GE Renewable Hydro Spain, S.L. | 191.8 | 255.0 |
| GE Power Systems India Private Limited | 128.0 | 146.1 |
| GE Hydro France | 25.1 | 63.7 |
| GE Intelligent Platforms Asia Pacific Pte. Ltd. | - | 92.8 |
| Others | 48.9 | 60.0 |
| Inter corporate deposits | | |
| GE Power Systems India Private Limited | 550.0 | 1,550.0 |
| Interest accrued on Inter corporate deposits | | |
| GE Power Systems India Private Limited | 6.8 | 0.9 |
| Outstanding Balance with Joint Venture under the common control of the Parent | | |
| Trade Receivable | | |
| NTPC GE Power Services Private Limited | 472.2 | 642.6 |
| Advances received | | |
| NTPC GE Power Services Private Limited | 31.8 | 36.4 |
| Outstanding Balance with ultimate holding company | | |
| Trade Receivable | | |
| General Electric Company | 78.8 | 117.8 |
| Trade Payables | | |
| General Electric Company | 385.6 | 107.8 |

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.

*Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

40. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a Group needs to spend at least two per cent of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A 'Corporate Social Responsibility' (CSR) Committee has been formed by the Group as per the act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the Act, in pursuance of the CSR Policy.

- Gross amount required to be spent by the Group during the year is ₹ 14.9 million (previous year ₹ Nil)
- Amount spent during the year on :

| Particulars | For the year ended 31 March 2020 | | | For the year ended 31 March 2019 | | |
|--|----------------------------------|----------------|-------|----------------------------------|----------------|-------|
| | Paid | Yet to be paid | Total | Paid | Yet to be paid | Total |
| (i) Construction/Acquisition of an asset | - | - | - | - | - | - |
| (ii) For purposes other than (i) above | 15.2 | - | 15.2 | 6.5 | 0.8 | 7.3 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

41. CAPITAL AND OTHER COMMITMENTS

41.1 Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 24.8 million (31 March 2019 : ₹ 19.9 million)

41.2 The Company has working capital facilities from:

- a) Canara bank which is secured by first charge on pari passu basis by way of hypothecation of stocks and receivables of the Group on first pari passu basis with other banks under multiple banking arrangement. Available limit is ₹ Nil (31 March 2019 : ₹ Nil).
- b) ICICI bank which are secured by first charge on pari passu basis on the entire stocks and such other movables including book debts, bills, whether documentary or clean, both present and future. Available limit is ₹ 100 million (31 March 2019 : ₹ 100 million).

42. CONTINGENT LIABILITIES

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| a) Demands relating to tax matters :- | | |
| i) Sales tax matters | 1,733.7 | 399.8 |
| ii) Excise duty matters | 438.1 | 461.6 |
| iii) Service tax matters | 99.0 | 226.5 |
| iv) Income tax matters | 91.3 | 84.5 |
| b) Demand relating to labour cess matter | 7.7 | 7.7 |

Based on the favorable decision in similar cases / legal opinions taken by the Group/ discussions with the solicitors etc., the Group believes that it has good cases in respect of all the items listed under (a) and (b) above and hence no provision is considered necessary.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

43. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

| S. No. | Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--------|--|------------------------|------------------------|
| i) | The principal amount and the interest due thereon remaining unpaid to any supplier at year end | | |
| | - Principal amount | 676.7 | 94.4 |
| | - Interest thereon | 0.6 | 6.7 |
| ii) | the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day | NIL | NIL |
| iii) | the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | NIL | NIL |
| iv) | the amount of interest accrued and remaining unpaid | 0.6 | 6.7 |
| v) | the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | NIL | NIL |

Note: The information relates to such vendors identified as micro, small and medium enterprises, on the basis of information available with the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

44. EARNING PER SHARE

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| a) Weighted average number of equity shares outstanding during the year | 67,227,471 | 67,227,471 |
| b) Net profit/(loss) after tax available for equity shareholders (rupees in million) | 846.0 | 754.0 |
| c) Face value per share (in rupees) | 10.0 | 10.0 |
| d) Basic and diluted earnings (in rupees) per share | 12.58 | 11.22 |

45. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS - ACCOUNTING CLASSIFICATION

A. Accounting classifications and fair values

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value :

- 1 Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- 2 Fair value of non-current financial assets which includes security deposit has not been disclosed as there is no significant differences between carrying value and fair value.

The following tables shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

For fair value hierarchy refer note 2.1.5.

| Particulars | Notes | Carrying Amount | Fair Value | | |
|--|-------|------------------------|------------|---------|-------------|
| | | As at 31 March 2020 | Level 1 | Level 2 | Level 3 |
| Financial assets at fair value through statement of profit and loss | | | | | |
| Current assets | | | | | |
| Other current financial assets | 17 | - | - | - | - |
| Total | | - | - | - | - |
| Financial assets at fair value through other comprehensive income | | | | | |
| Non-current assets | | | | | |
| Investments | 7 | 26.7 | - | - | 26.7 |
| Total | | 26.7 | - | - | 26.7 |
| Financial assets at fair value at amortised cost | | | | | |
| Non-current assets | | | | | |
| Loans | 8 | 121.0 | - | - | - |
| Current assets | | | | | |
| Trade receivables | 13 | 13,266.2 | - | - | - |
| Cash and cash equivalents | 14 | 3,779.6 | - | - | - |
| Bank balances other than cash and cash equivalents | 15 | 14.4 | - | - | - |
| Loans | 16 | 581.8 | - | - | - |
| Other financial assets | 17 | 89.4 | - | - | - |
| Total | | 17,852.4 | - | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

| Particulars | Notes | Carrying Amount | Fair Value | | |
|---|-------|------------------------|------------|-------------|---------|
| | | As at 31 March 2020 | Level 1 | Level 2 | Level 3 |
| Financial liabilities at fair value through statement of profit and loss | | | | | |
| Current liabilities | | | | | |
| Other financial liabilities | 26 | 13.5 | - | 13.5 | - |
| Total | | 13.5 | - | 13.5 | - |
| Financial liabilities at fair value at amortised cost | | | | | |
| Non-current liabilities | | | | | |
| Lease liabilities | 24 | 1,119.5 | - | - | - |
| Current liabilities | | | | | |
| Trade payables | 25 | 8,776.5 | - | - | - |
| Lease liabilities | 24 | 253.5 | - | - | - |
| Other financial liabilities | 26 | 1,259.9 | - | - | - |
| Total | | 11,409.4 | - | - | - |

| Particulars | Notes | Carrying Amount | Fair Value | | |
|--|-------|------------------------|------------|--------------|-------------|
| | | As at 31 March 2019 | Level 1 | Level 2 | Level 3 |
| Financial assets at fair value through statement of profit and loss | | | | | |
| Current assets | | | | | |
| Other current financial assets | 17 | 335.9 | - | 335.9 | - |
| Total | | 335.9 | - | 335.9 | - |
| Financial assets at fair value through other comprehensive income | | | | | |
| Non-current assets | | | | | |
| Investments | 7 | 26.7 | - | - | 26.7 |
| Total | | 26.7 | - | - | 26.7 |
| Financial assets at fair value at amortised cost | | | | | |
| Non-current assets | | | | | |
| Non current loans | 8 | 114.7 | - | - | - |
| Current assets | | | | | |
| Trade receivables | 13 | 9,793.1 | - | - | - |
| Cash and cash equivalents | 14 | 1,115.9 | - | - | - |
| Bank balances other than cash and cash equivalents | 15 | 7,166.0 | - | - | - |
| Current loans | 16 | 1,591.5 | - | - | - |
| Other current financial assets | 17 | 177.2 | - | - | - |
| Total | | 19,958.4 | - | - | - |
| Financial liabilities at fair value at amortised cost | | | | | |
| Current liabilities | | | | | |
| Trade payable | 25 | 7,351.9 | - | - | - |
| Other current financial liabilities | 26 | 1,201.9 | - | - | - |
| Total | | 8,553.8 | - | - | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Measurement of fair values

Derivative instruments (assets and liabilities): Derivatives are fair valued using market observable rates and published prices for similar assets and liabilities in active markets.

| | Equity Instruments (unquoted) |
|----------------------------|-------------------------------|
| As at 31 March 2019 | 26.7 |
| Acquisition | - |
| As at 31 March 2020 | 26.7 |

B. Valuation inputs and relationships to fair value

| Particulars | Valuation technique | Significant unobservable inputs | Inter relationship between significant unobservable inputs and fair value measurement |
|-------------------------------|---|--|---|
| Equity Instruments (unquoted) | Fair valued through other comprehensive income. There is no significant difference between carrying value and fair value as selling price cannot be lower than face value as per the agreement. | It is a SPV - for contract with Dedicated Freight Corridor (DFC) with profitable margins and civil works milestones picking up | The estimated value would increase /(decrease) in profit before tax on completion of significant part of DFC contract |

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

46. FINANCIAL RISK MANAGEMENT

Financial risk relates to Group's ability to meet financial obligations and mitigate exposure to broad market risks, including volatility in foreign currency exchange rates and interest rates and commodity prices; credit risk; and liquidity risk, including risk related to our credit ratings and our availability and cost of funding. Credit risk is the risk of financial loss arising from a customer or counterparty failure to meet its contractual obligations. The Group faces credit risk in its industrial businesses, as well as in derivative financial instruments activities. Liquidity risk refers to the potential inability to meet contractual or contingent financial obligations (whether on- or off-balance sheet) as they arise, and could potentially impact Group financial condition or overall safety and soundness.

(A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the receivables from customers; loans and deposits.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(i) Credit risk management

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group also regularly assesses customer credit risk inherent in the carrying amounts of receivables and contract costs and estimated earnings, including the risk that contractual penalties may not be sufficient to offset its accumulated investment in the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

event of customer termination. The Group also gains insight into future utilization and cost trends, as well as credit risk, through its knowledge of the installed base of equipment and the close interaction with its customers that comes with supplying critical services and parts over extended periods.

(ii) Provision for expected credit losses

The Group evaluates credit risk based on a variety of data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements and cash flow projections and available press information about customers) and applying experienced credit judgement. The Group has also taken into account estimates of possible effect from the pandemic relating to COVID-19.

(a) Expected credit loss on financial assets other than trade receivables :

With regards to all financial assets including security deposit amounting ₹152.8 million (previous year ₹156.2 million) and other financial assets ₹ 89.9 million (previous year ₹513.8 million) with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk.

The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for expected credit loss has been provided on these financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

(b) Expected credit loss for trade receivables under simplified approach

Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the expected credit loss for trade receivables is estimated to be in the range of 1%-2%.

The amount of total allowance for credit loss is disclosed in Note 13 and the movement thereof during the years ended 31 March 2020 and 31 March 2019 is tabulated below:

| Particulars | 31 March 2020 | 31 March 2019 |
|-------------------------------------|----------------|----------------|
| Opening balance | 1,025.6 | 989.0 |
| Net remeasurement of loss allowance | 14.1 | 36.6 |
| Closing balance | 1,039.7 | 1,025.6 |

(B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group also monitors the level of expected cash inflows on trade receivables and loans (comprising the undrawn borrowing facilities) together with expected cash outflows on trade payables and other financial liabilities.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities as at the end of the reporting period:

| Particulars | 31 March 2020 | 31 March 2019 |
|--------------------------|---------------|---------------|
| Credit limits with banks | 100.0 | 250.0 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

(ii) Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Contractual maturities of financial liabilities:

| 31 March 2020 | Carrying amount | Less than 1 Year | More than 1 year | Total |
|---|-----------------|------------------|------------------|-----------------|
| Non-derivatives | | | | |
| Trade payables | 8,776.5 | 8,334.6 | 541.3 | 8,875.9 |
| Lease liabilities | 1,373.0 | 367.0 | 1,443.6 | 1,810.6 |
| Amount held in trust | 1,245.7 | 1,245.7 | - | 1,245.7 |
| Unclaimed dividend | 14.2 | 14.2 | - | 14.2 |
| Total non-derivative liabilities | 11,409.4 | 9,961.5 | 1,984.9 | 11,946.4 |

| 31 March 2019 | Carrying amount | Less than 1 Year | More than 1 year | Total |
|---|-----------------|------------------|------------------|----------------|
| Non-derivatives | | | | |
| Trade payables | 7,351.9 | 6,860.0 | 603.1 | 7,463.1 |
| Lease liabilities | - | - | - | - |
| Amount held in trust | 1,186.1 | 1,186.1 | - | 1,186.1 |
| Unclaimed dividend | 15.8 | 15.8 | - | 15.8 |
| Total non-derivative liabilities | 8,553.8 | 8,061.9 | 603.1 | 8,665.0 |

(C) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

(i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

The Group uses the Fx forward instruments to hedge foreign exchange exposures.

Project exposures are hedged to a minimum of 75% once they are contractually binding, and hedges should match the associated cash flows and the contractually stipulated maturities of the project.

The Group designate entire forward contract at forward rate as the hedging instrument. Changes in the full fair value of the forward contract are accounted for through statement of profit and loss in accordance with the type of hedge (fair value hedge).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

The Group exposure to foreign currency risk at the end of the reporting period expressed in ₹ million, are as follows

| Unhedged exposure | 31 March 2020 | | | 31 March 2019 | | |
|------------------------------|---------------|--------------|--------------|---------------|--------------|--------------|
| | USD | EUR | Other | USD | EUR | Other |
| Financial assets | | | | | | |
| Bank balance | - | - | 115.5 | - | - | 99.6 |
| Trade receivables | 503.6 | 406.2 | 9.7 | 726.4 | 505.0 | 242.3 |
| Total | 503.6 | 406.2 | 125.2 | 726.4 | 505.0 | 341.9 |
| Financial liabilities | | | | | | |
| Trade payables | 161.8 | 244.0 | 163.4 | 95.3 | 75.1 | 550.7 |
| Total | 161.8 | 244.0 | 163.4 | 95.3 | 75.1 | 550.7 |

| Forward contracts | 31 March 2020 | | | 31 March 2019 | | |
|---|---------------|---------|---------|---------------|---------|---------|
| | USD | EUR | Other | USD | EUR | Other |
| Assets | 10,468.6 | 2,281.4 | - | 11,513.5 | 3,643.6 | - |
| Foreign exchange forward contract sell foreign currency | | | | | | |
| Liabilities | 3,703.8 | 1,097.6 | 2,752.9 | 2,056.2 | 1,175.3 | 3,121.3 |
| Foreign exchange forward contract buy foreign currency | | | | | | |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

| Particulars | Impact on profit after tax | |
|---------------------------|----------------------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| USD sensitivity | | |
| INR/USD Increases by 10 % | 43.29 | 53.46 |
| INR/USD Decreases by 10 % | (43.29) | (53.46) |
| EUR sensitivity | | |
| INR/EUR Increases by 10 % | 42.30 | 37.74 |
| INR/EUR Decreases by 10 % | (42.30) | (37.74) |

(D) Commodity price risk

Company is exposed to the risk of price fluctuation in commodities including metals and alloys. The framework and governance mechanism in place to ensure that it is adequately protected from the market volatility. Company proactively manages these risks through sagacious contract negotiation, inventory management and proactive vendor development practices to the maximum extent possible.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

Exposure of the Company to various commodities is as follows:

| Commodity name | Exposure in quantity (in MT) | For the year ended 31 March 2020 | Exposure in quantity (in MT) | For the year ended 31 March 2019 |
|----------------|------------------------------|----------------------------------|------------------------------|----------------------------------|
| Iron and steel | 17,636.5 | 1,588.7 | 46,562 | 4,506.0 |
| Copper | 49.0 | 28.1 | 474 | 315.0 |
| Total | 17,685.5 | 1,616.9 | 47,036 | 4,821.0 |

The sensitivity of profit or loss to changes in the commodity prices

| Particulars | Impact on profit after tax | |
|--------------------------|----------------------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Iron and steel | | |
| <i>Increases by 10 %</i> | 118.88 | 337.18 |
| <i>Decreases by 10 %</i> | (118.88) | (337.18) |
| Copper | | |
| <i>Increases by 10 %</i> | 2.11 | 23.57 |
| <i>Decreases by 10 %</i> | (2.11) | (23.57) |

47. THE CHANGE AFFECTED IN BALANCE SHEET ON ACCOUNT OF TRANSITION TO IND AS 115

| Description | Balance as on 31 March 2018 | Adjustment as per Ind AS 115 | Balance as on 1 April 2018 |
|---------------------------------------|-----------------------------|------------------------------|----------------------------|
| Assets | | | |
| Current assets | | | |
| Inventory | 4,660.8 | (3,476.0) | 1,184.9 |
| Financial assets | | | |
| Other current financial assets | | | |
| Contract revenue in excess of billing | 4,617.6 | 1,506.6 | 6,124.2 |
| Deferred tax assets (net) | 1,589.1 | (45.2) | 1,543.9 |
| Liabilities | | | |
| Non current liabilities | | | |
| Non current provisions | | | |
| Provisions for warranty | 470.9 | 100.4 | 571.3 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payable | 13,024.2 | (4,565.3) | 8,458.9 |
| Other current liabilities | | | |
| Billing in excess of contract revenue | 6,949.4 | 2,366.2 | 9,315.6 |
| Other Equity | | | |
| Retained earnings | 7,635.4 | 84.1 | 7,719.4 |

48. The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

49. EXCEPTIONAL ITEMS

During the current year, land and building at the Company's Vadodara factory was sold resulting in a profit on sale of ₹ 565.3 million and consequent to re-valuation of certain liabilities, an amount of ₹ 257.9 million was provided for. These are disclosed as an exceptional item. Previous year, the Company had instituted a Voluntary Retirement Scheme (VRS) for its workmen at the Maneja (Vadodara) factory in August 2018 and plant operations at the factory were ceased with effect from 27 August 2018. Assets related are classified as "Assets held

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

for sale” and are measured at carrying value or fair value whichever is less. Cost relating to restructuring ₹ 577.9 million and loss on assets held for sale carried out ₹ 345.0 million is represented under exceptional item.

50. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Company is having Nil borrowings as on 31 March 2020 (31 March 2019 : Nil).

51. The Company had entered into an agreement with Navayuga Engineering Company Limited (“NECL”) on 29 December 2017 for design, engineering, manufacturing, supply, erection, testing and commissioning of 12 x 80MW capacity vertical full Kaplan Turbine generator along with all associated auxiliary and ancillary equipment. On 19 July 2019, the Company received an intimation from NECL for stopping all works on the project with immediate effect. On 12 March 2020, the Company terminated the contract due to prolonged suspension of work by NECL due to no certainty on resumption of work in the near future. Soon thereafter, NECL encashed the two advance bank guarantees (ABGs) amounting to INR 1,309.3 million and performance bank guarantee (PBG) amounting to INR 409.2 million. As on 31 March 2020, the Company has netted off such encashment of ABGs against the advances outstanding as on that date and presented the encashed PBG under Other non current assets. Based on an internal assessment and legal advice obtained, the management is of the view that NECL has unfairly encashed the bank guarantees without settling the Company's claims as per the Contract towards works performed. Based on available facts and management assessment, the Company expects favorable outcome through dispute resolution process. The Company has initiated the arbitration proceedings against NECL for settlement of claims.

52. The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under Sections 92-92F of the Income-tax Act, 1961. Since, the law requires existence of such information and documentation to be contemporaneous in nature, the Group continuously updates its documentation to determine whether the transactions entered into with the associated enterprises during the financial year on an arm's length basis. The management is of the opinion that such transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

53. The operations of the Group were impacted due to the shutdown of factories, project sites and offices following the lockdown imposed in India from 25 March 2020 due to COVID-19. The Group has subsequently commenced its operations in a phased manner, starting from 2 May, 2020, in line with the directives from the relevant government authorities.

The management has evaluated the impact of the pandemic on its business operations. As long term contracts represent a significant portion of the business' volumes, the Group's assessment is that the impact is not expected to be broad, pervasive and long-term, even as it continue to assess the situation as it unfolds. There are no current indicators to trigger impairment, the controls environment has been sustained during the lockdown period. The impact experienced has been more related to changes in the timing of revenues, margins and cash flows.

The Group has a strong order book of long term projects and adequate unutilized fund-based credit limits to mitigate impact on the Group.

The Group has also assessed the impact of any delays and inability to meet contractual commitments and has taken appropriate actions such as engaging with the customers in light of current crisis, and invoking of force-majeure clause. Further, the Group has evaluated the impact of COVID-19 on the financial statements and factored in the changed economic environment, wherever required, the impact of which is not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ million, except share data and unless otherwise stated)

54. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 2 OF DIVISION II OF SCHEDULE III TO THE COMPANIES ACT, 2013

As at 31 March 2020

| Name of the entity in the group | Net assets (Total assets minus total liabilities) | | Share in profit / (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|-----------------------------------|---|----------------|-------------------------------------|--------------|---|---------------|---|--------------|
| | As % of Consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | |
| GE Power India Limited | 100% | 9,170.0 | 100.2% | 847.7 | 100.0% | (14.8) | 100.2% | 832.9 |
| Subsidiaries | | | | | | | | |
| India | | | | | | | | |
| GE Power Boilers Services Limited | 0% | (2.9) | -0.2% | (1.7) | Nil | Nil | -0.2% | (1.7) |
| Total | 100% | 9,167.1 | 100% | 846.0 | 100% | (14.8) | 100% | 831.2 |

As at 31 March 2019

| Name of the entity in the group | Net assets (Total assets minus total liabilities) | | Share in profit / (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|-----------------------------------|---|----------------|-------------------------------------|--------------|---|---------------|---|--------------|
| | As % of Consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| Parent | | | | | | | | |
| GE Power India Limited | 100.01% | 8,819.9 | 101% | 757.9 | 100% | (58.0) | 101% | 699.9 |
| Subsidiaries | | | | | | | | |
| India | | | | | | | | |
| GE Power Boilers Services Limited | -0.01% | (0.7) | -1% | (3.9) | Nil | Nil | -1% | (3.9) |
| Total | 100% | 8,819.2 | 100% | 754.0 | 100% | (58.0) | 100% | 696.0 |

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number:

101248W/W-100022

For and on behalf of the Board of Directors of **GE Power India limited**

Prashant Chiranjive Jain

Managing Director

DIN 06828019

Place : Gurugram

Date: 22 June 2020

Vijay Sharma

Whole-time Director and Chief Financial Officer

DIN 06700052

Place : Noida

Date: 22 June 2020

Adhir Kapoor

Partner

Membership No. : 098297

Place : New Delhi

Date: 22 June 2020

Pradeepta Puhan

Company Secretary

FCS-5138

Place : Noida

Date: 22 June 2020

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting ('AGM') of the members of GE Power India Limited ('the Company') will be held on Thursday, 10th day of September, 2020 at 11:00 a.m. through Video Conference ('VC')/ Other Audio Visual Means ('OAVM'), to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the audited standalone financial statements of the Company for the financial year ended 31 March 2020, the Reports of the Board of Directors and Auditors thereon; and
 - b) the audited consolidated financial statements for the financial year ended 31 March 2020 and the report of Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31 March 2020.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Shome & Banerjee, Cost Accountants (Firm Registration No. 000001), appointed as the Cost Auditors by the Board of Directors of GE Power India Limited ('the Company'), be paid remuneration of ₹ 3,00,000/- (Rupees Three Lakhs only) plus applicable taxes and reimbursement of out of pocket expenses, to conduct the audit of the cost records of the Company for the financial year ending 31 March 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 152 of the Companies Act, 2013 ('the Act') read with Article 153 of the Articles of Association of the Company read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vijay Sharma (DIN 06700052), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30 May 2020 and whose term expires at the Annual General Meeting and whose appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Act and pursuant to applicable Article of the Articles of Association of the Company and subject to such other recommendations, approvals, sanctions if and when necessary, desirable and expedient in law, Mr. Vijay Sharma (DIN 06700052) be and is hereby appointed as Whole-time Director, designated as Whole-time Director & Chief Financial Officer of the Company for a period of 3 (three) years with effect from 30 May 2020 till 29 May 2023 on such terms and conditions as set out in the Appointment Agreement, material terms of which are set out in the Statement annexed to the Notice convening this Annual General Meeting, which is hereby specifically approved and sanctioned, with liberty to the Chairman, Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter, vary and modify the terms and conditions of the said appointment and/or Appointment Agreement, in such manner as may be agreed upon by and between the Board and Mr. Vijay Sharma within and in accordance with the limits prescribed in Schedule V to the Act or any amendment to the Schedule or the Act and if necessary as may be agreed to between the Board of Directors and Mr. Vijay Sharma.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Mahesh Shrikrishna Palashikar (DIN 02275903), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 27 May 2020, pursuant to Section 152 of the Companies Act, 2013 read with Article 153 of the Articles of Association of the Company and whose office expires at the ensuing Annual General Meeting and whose appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby appointed as Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the above resolution.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 188 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 and other applicable provisions of law, if any, approval of members be and is hereby accorded to the Board of Directors (hereinafter referred to as ‘the Board’) of GE Power India Limited (‘the Company’) for entering into material related party transactions in FY 2020-21 and onwards as specified below:

| S. No. | Nature of transaction with GE India Industrial Private Limited | (₹ in million) |
|--------------|---|----------------|
| 1. | Inter-Corporate Deposits/lending in cashpool (given/to be given excluding interest) | 1,500 |
| 2. | Borrowing from cashpool (taken/to be taken excluding interest) | 7,000 |
| 3. | Support/shared services including facilities and personnel | 500 |
| TOTAL | | 9,000 |

RESOLVED FURTHER THAT the Board be and is hereby further authorised to finalise the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to do or cause to be done, all acts and take all such steps as may be necessary, proper or expedient to give effect to the above resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or any one or more director(s)/officer(s) of the Company as it may consider appropriate in order to give effect to the foregoing resolution.”

Place : Noida
Date : 22 June 2020

By Order of the Board of Directors

Registered Office:

Unit No 211-212, 2nd Floor, The Capital,
Block, Plot No. C-70, Bandra Kurla Complex,
Bandra East, Mumbai - 400051

Pradeepta Kumar Puhan

Company Secretary
FCS No. 5138

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') setting out material facts concerning the business under Item Nos. 3 to 6 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on 22 June 2020 considered that the special business under Item Nos. 3 to 6, being considered unavoidable, be transacted at the AGM of the Company.
2. Pursuant to the General circular No. 14/2020 dated 8 April 2020 and circular no. 17/2020 dated 13 April 2020 and circular no. 20/2020 dated 5 May 2020 issued by the Ministry of Corporate Affairs ('MCA') and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as 'the Circulars'), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM. The venue of the AGM shall be deemed to be the Registered Office of the Company at Unit No 211-212, 2nd Floor, The Capital, G Block, Plot No. C-70, Bandra Kurla Complex, Bandra East, Mumbai – 400051.
3. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. The large shareholders i.e. shareholders holding 2% or more shareholding, promoters, Institutional Investors, directors, key managerial personnel, the chairpersons of the various Committees of Board, auditors, etc. are allowed to attend the meeting without restriction on account of first come first served principle. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company at in.investors-relations@ge.com and to the Scrutiniser of the Company at hemantsinghcs@gmail.com
4. Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
5. Mr. Mahesh Shrikrishna Palashikar was appointed as an Additional Director of the Company by the Board of Directors with effect from 27 May 2020 and shall hold office till the date of the AGM. His appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors for approval by the Members at the AGM.

Mr. Vijay Sharma was appointed as an Additional Director of the Company by the Board of Directors with effect from 30 May 2020 and shall hold office till the date of the AGM. His appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors for approval by the Members at the AGM.

6. In accordance with the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the particulars of Directors who are proposed to be appointed are given in the Corporate Governance Report, which forms part of this Annual Report. The Directors have furnished requisite consents/declarations for their appointment.
7. The Register of Members and the Transfer Books of the Company shall remain closed from 04 September 2020 to 10 September 2020 (both days inclusive) for the purpose of determining eligibility of member to attend and vote at the AGM and for determining the entitlement of the members for the Dividend for the financial year ended 31 March 2020.
8. Unclaimed dividend for the following financial years is lying in the Unclaimed Dividend Account of the Company and shall become eligible for transfer to the Investor Education and Protection Fund (IEPF) on the dates mentioned herein below:

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ('IEPF Rules'), as amended from time to time, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹2,959,880 /- being the unpaid and unclaimed dividend amount pertaining to FY 2011-12 to the IEPF. Hence, unclaimed dividend for the years prior to and including the financial year 2011-12 has been transferred to IEPF.

The Company has been sending reminders to the concerned members before transferring of such dividend(s) to IEPF.

| Year | Due date for transfer to IEPF | Amount (in ₹) As on 31 March 2020 |
|-------------|--------------------------------------|--|
| 2012-13 | 05 September 2020 | 3,094,590 |
| 2013-14 | 31 August 2021 | 41,72,028 |
| 2014-15 | 28 August 2022 | 3,140,470 |
| 2015-16 | No dividend declared | Not applicable |
| 2016-17 | 30 August 2024 | 971,529.37 |
| 2017-18 | 20 August 2025 | 906,588.22 |
| 2018-19 | 22 August 2026 | 1,924,476.34 |

Details of unpaid/unclaimed dividend are also uploaded on the Company's website www.ge.com/in/ge-power-india-limited. The members are requested to check their dividend entitlement and those who have not yet encashed/claimed their dividend for the aforesaid years, may write to the Company or to Company's Registrar and Share Transfer Agent KFin Technologies Private Limited ('KFin') in this regard.

9. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account') within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, the Company had transferred 18,873 equity shares of ₹10/- each to the Demat Account of IEPF Authority on which the dividend remained unpaid or unclaimed for seven consecutive years after following the prescribed procedure. Further, all the shareholders who have not claimed/ encashed their dividends for FY 2012-13 are requested to claim the same latest by 05 September 2020. In case valid claim is not received by that date, the Company will proceed to transfer the eligible shares to the Demat Account of IEPF Authority in compliance with the IEPF Rules. In view of unavailability of adequate services due to COVID-19 the Company published notice in the newspapers as per the IEPF Rules on 09 June 2020 and also initiated action to dispatch letters to each eligible shareholder in due course. The details of such shareholders and shares due for transfer are uploaded on the 'Unclaimed Dividend Section' of the website of the Company viz. www.ge.com/in/ge-power-india-limited
10. Members can submit queries/views/questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address to reach the Company's email address at in.investor-relations@ge.com or may log into <https://emeetings.kfintech.com/> and click on 'Post your Questions' by mentioning their name, demat account number/folio number, email id, mobile number between 03 September 2020 from 09:00 a.m till 08 September 2020 by 11:00 a.m. IST. Such questions by the Members would be taken up during the meeting and be replied by the Company suitably.
11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. The aforesaid documents may also be accessed at <https://emeetings.kfintech.com/>
12. Members who hold shares under more than one folio in name(s) in the same order are requested to send the relevant share certificate(s) to KFin for consolidating the holdings into one account. KFin will return the share certificate(s) after consolidation.
13. Members can avail the Nomination facility by submitting requisite application with the Company or KFin. Blank Forms will be supplied on request for submission of application. In case of shares held in dematerialization form, the nomination must be lodged with their Depository Participant (DP).
14. The requirement relating to ratification of the appointment of Auditors by members at every Annual General Meeting is done away with vide notification dated 07 May 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company /KFin.
16. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from 01 April 2019. In view of the above, members are advised to dematerialise shares held by them in physical form.
17. **ELECTRONIC DISPATCH OF ANNUAL REPORT:**
 - a) Pursuant to the Circulars, Notice of the AGM along with the Annual Report for FY 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for FY 2019-20 will also be available on the Company's website www.ge.com/in/ge-power-india-limited, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin at <https://evoting.karvy.com>

- b) Those Members, whose email address is not registered with the Company or with their respective Depository Participant, and who wish to receive all communication (including Annual Report) from the Company electronically can get their email address registered by following the steps as given below:
- i. Members holding shares in physical mode, may register their email id on the link: https://ris.kfintech.com/email_registration/ or by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at in.investor-relations@ge.com or to KFin at inward.ris@kfintech.com
 - ii. Members holding shares in dematerialised mode, by writing to the Depository Participant with whom they maintain their demat accounts.

18. GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE AGM THROUGH VC/OAVM FACILITY

- a. The Company has engaged the services of KFin as a platform for convening AGM through VC/OAVM ('e-AGM'). Members will be able to attend the e-AGM at <https://emeetings.kfintech.com> by using their e-voting login credentials. Members are requested to follow the procedure given below:
- Launch internet browser by typing the URL: <https://emeetings.kfintech.com>
 - Enter the login credentials (i.e., User ID and password for e-voting) (as received in this email communication)
 - After logging in, click on 'Video Conference' option
 - Then click on camera icon appearing against e-AGM event of GE Power India Limited, to attend the Meeting.
- b. Members who would like to express their views or ask questions during the e-AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during Friday, 04 September 2020 from 9 a.m. to Wednesday, 09 September 2020 till 5 p.m. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
- c. Members will be allowed to attend the e-AGM on first come, first served basis.
- d. Facility to join the meeting shall be opened thirty minutes before the scheduled time of the e-AGM and shall be kept open throughout the proceedings of the e-AGM.
- e. Members who need assistance before or during the e-AGM, may call at toll free numbers 1800-345-4001.
- f. In case of joint holders attending e-AGM, only such joint holder who is higher in the order of names will be entitled to vote at the e-AGM.

19. GENERAL INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING AT THE e-AGM:

- A. In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the Listing Regulations and Secretarial Standard of General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be passed at e-AGM by electronic means ('Instapoll') or vote by electronic means during the dates mentioned in point 19.1 (IV) ('remote e-voting'). Facility of Instapoll shall be available to such members attending the Meeting who have not cast their vote(s) by remote e-voting.
- B. The members who have cast their vote(s) by remote e-voting may also attend the e-AGM but shall not be entitled to cast their vote(s) again at the e-AGM. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
- C. A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the e-AGM (Instapoll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as 'INVALID'.

- D. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Thursday, 03 September 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the e-AGM and voting through Instapoll. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.

19.1 Information and instructions for Remote e-voting

- I. Upon receipt of an email from KFin (for members whose email IDs are registered with the Company/Depository Participant(s)) and wishes to vote on the below mentioned dates through electronic mode following steps should be taken:
- Launch internet browser and enter the URL for e-voting: <https://evoting.karvy.com>
 - Enter the login credentials i.e. user ID and password mentioned in this communication. In case of physical folio, User ID will be EVEN number as provided in this e-mail, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.
 - After entering the details appropriately, click on LOGIN.
 - You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile no., email ID etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - You need to login again with the new credentials.
 - On successful login, the system will prompt you to select the EVEN for GE Power India Limited.
 - On the voting page, enter the number of shares as on the cut-off date (which represents the number of votes) for each resolution under 'FOR/AGAINST' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR/AGAINST' taken together should not exceed the total shareholding. If the member does not indicate either 'FOR' or 'AGAINST' it will be treated as 'ABSTAIN'.
 - Members holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
 - Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
 - Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to upload a scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, on the e-voting portal or send the same to the Scrutinizer through e-mail to hemantsinghcs@gmail.com
 - Kindly note that once you have cast your vote you cannot modify or vote on Instapoll at the e-AGM. However, you can attend the meeting and participate in the discussions, if any.
- II. **Persons becoming member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. 03 September 2020 may obtain the USER ID and password for remote e-voting in the manner as set out below:**
- If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD<space> DP ID Client ID to 9212993399 to receive the password through SMS. In case of Folio No., prefix EVEN No. with the Folio Number;
 - If e-mail address or mobile number of the member is registered against the Folio No./DPID Client ID, the member may go to <https://evoting.karvy.com> and click 'Forgot Password'. Thereafter, enter Folio No. or DPID & Client ID and PAN to generate password;
 - Member may call Kfin's toll free number given in Instruction III below;

- d. Member may send an e-mail request for USER ID and password to einward.ris@kfintech.com
 - e. If a member is already registered with KFin for e-voting, they can use their existing User ID and password for casting vote.
- III. In case of any queries, you may refer the Help & FAQ section of <https://evoting.karvy.com> (KFin Website) or call KFin on Toll Free No.1800 3454 001. In case of any other queries/grievances connected with voting by electronic means, you may also contact Ms. Rajitha Cholleti, Senior Manager, KFin Technologies Private Limited, Selenium Tower B, Plot 31& 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, telephone no. 040-67162222, email : einward.ris@kfintech.com
 - IV. E-voting period starts from Monday, 07 September 2020 at 9.00 a.m IST and ends on Wednesday, 09 September 2020 at 5.00 p.m. IST. Thereafter, e-voting module shall be disabled for voting by members.
 - V. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of Thursday, 03 September 2020.
 - VI. Mr. Hemant Kumar Singh, Company Secretary (Membership No. FCS 6370), Partner of M/s. Hemant Singh & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VII. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and make, within a period not exceeding forty eight (48) hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company or a person authorized by him in writing.

19.2 Information and instructions for Instapoll

- I. Facility to cast vote through Instapoll will be made available on the Video Conferencing screen.
- II. The e-voting Thumb sign on the left-hand corner of the video screen shall be activated upon instructions of the Chairman during the e-AGM proceedings. Shareholders may click on the same to take them to the Instapoll page.
- III. On the voting page, enter the number of shares as on the cut-off date (which represents the number of votes) for each resolution under 'FOR/AGAINST' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR/AGAINST' taken together should not exceed the total shareholding. If the member does not indicate either 'FOR' or 'AGAINST' it will be treated as 'ABSTAIN'.
- IV. The Results shall be declared within forty eight (48) hours of conclusion of the e-AGM and the Results along with the Scrutinizer's Report shall be immediately thereafter placed on the Company's website www.ge.com/in/ge-power-india-limited and on the website of KFin viz. <https://evoting.karvy.com> and communicated to BSE Ltd. and National Stock Exchange of India Ltd.

20. INFORMATION RELATING TO DIVIDEND

- I. A dividend of ₹ 2/- per equity share has been recommended by the Board of Directors for the financial year ended 31 March 2020, subject to the approval of the members at the ensuing Annual General Meeting. The dividend, if declared at the Annual General Meeting, is proposed to be paid/dispatched on and from 21 September 2020.
- II. As per the Circulars, payment of dividend shall be made through electronic mode to the members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the members who have not updated their bank account details, after normalisation of the postal services.
- III. Members are requested to register their mandate / update their complete bank details:
 - a. with their Depository Participant(s) with whom they maintain their demat accounts, if shares are held in dematerialised mode by submitting the requisite documents. Details in a form prescribed by your Depository Participant may also be required to be furnished; or
 - b. with the Company / KFin by emailing at in.investor-relations@ge.com or einward@kfintech.com, if shares are held in physical mode, by submitting (i) scanned copy of the signed request letter which shall contain member's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf.

Pursuant to the amendments introduced by the Finance Act, 2020, w.e.f. 1 April 2020, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its members. **No tax will be deducted on payment of dividend to the resident individual members if the total dividend paid does not exceed ₹ 5,000/-**

The withholding tax rate would vary depending on the residential status and category of the member and is subject to provision of requisite declaration / documents provided to the Company.

A. RESIDENT MEMBERS:

A.1 Tax Deductible at Source for Resident members (other than resident individual members receiving dividend not exceeding ₹ 5,000/-)

| S No. | Particulars | Withholding tax rate | Declaration / documents required (if any) |
|-------|---|---|---|
| 1. | Valid PAN updated in the Company's Register of Members and no exemption sought by member | 7.5% | <ul style="list-style-type: none"> Copy of PAN card Self-declaration that no exemption is sought by member |
| 2. | No/ Valid PAN not updated in the Company's Register of Members and no exemption sought by member | 20% | None |
| 3. | Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961 | Rate specified in Lower tax deduction certificate obtained from Income Tax Department | <ul style="list-style-type: none"> Copy of PAN card Lower tax deduction certificate obtained from Income Tax Department |

A.2 Nil Tax Deductible at Source on dividend payment to Resident members if the members submit and register following documents as mentioned in the below table:-

| S No. | Particulars | Declaration / documents required (if any) |
|-------|--|---|
| 1. | Member (other than a Company or a Firm) submitting Form 15G/ 15H | <ul style="list-style-type: none"> Copy of PAN card Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling prescribed conditions. |
| 2. | Members to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc. | <ul style="list-style-type: none"> Copy of PAN card Self-declaration, along with adequate documentary evidence (eg, registration certificate), to the effect that the said provisions are not applicable. |
| 3. | Member covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds. | <ul style="list-style-type: none"> Copy of PAN card Self-declaration, along with adequate documentary evidence, substantiating applicability of 196 of Income Tax Act, 1961 |
| 4. | Category I and II Alternative Investment Fund (AIF) | <ul style="list-style-type: none"> Copy of PAN card Self declaration that AIF's income is exempt under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI Regulations as Category I or Category II AIF, along with copy of registration certificate |
| 5. | <ul style="list-style-type: none"> Recognised provident funds Approved superannuation fund Approved gratuity fund | <ul style="list-style-type: none"> Copy of PAN card Self declaration, along with adequate documentary evidence, substantiating applicability of Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT) |
| 6. | National Pension Scheme | <ul style="list-style-type: none"> Copy of PAN card Self declaration, adequate documentary evidence, substantiating applicability of section 197A (1E) of Income Tax Act, 1961 |

B. NON-RESIDENT MEMBERS:

Withholding tax on dividend payment to non-resident members if the non-resident members submit and register following documents:-

| S No. | Category | Withholding tax rate | Declaration / documents required (if any) |
|-------|---|---|---|
| 1. | Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) | 20% (plus applicable surcharge and cess) | <ul style="list-style-type: none"> • Copy of PAN card • Copy of FPI registration number / certificate along with self declaration confirming whether set up as a trust |
| 2. | Other Non-resident members | 20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial | <p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> 1. Copy of PAN card 2. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the FY 2020-21 3. Form 10F filled & duly signed 4. Self-declaration for - <ol style="list-style-type: none"> (a) Absence of permanent establishment/ fixed base / business connection in India (b) Place of effective management is not situated in India (c) Eligibility to avail tax treaty benefit considering beneficial ownership requirements, principal purpose test/limitation of benefits provisions (where applicable) <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company. In case Company finds any document which is not upto the satisfaction of the Company, than the Company reserves the right to not consider the treaty benefit available to member, if any).</p> |
| 3. | Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961 | Rate specified in Lower tax deduction certificate obtained from Income Tax Department | Lower tax deduction certificate obtained from Income Tax Department |

The format of the aforementioned forms i.e., 15G, 15H and 10F and self declaration for non-resident shareholders forms part of this mail communication and may also be downloaded from the Company's website viz. www.ge.co/in/ge-power-india-limited

Notes pertaining to taxation of Dividend:-

- i. The Company will issue soft copy of the TDS certificate to its members through email registered with the Company / KFin after payment of the dividend. Members will be able to download the tax credit statement from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS)
- ii. The aforesaid documents such as Form 15G, 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://ris.kfintech.com/form15/> on or before 03 September 2020 to enable the Company to determine the appropriate TDS/ withholding tax rate applicable. In case where copy of documents (such as, PAN card, registration certificate, etc) is provided, the copy should be self-attested by the member. Any communication on the tax determination/ deduction received post 03 September 2020 shall not be considered.
- iii. Application of TDS rate is subject to necessary verification by the Company of the member details as available in Register of Members as on the Record Date, and other documents available with the Company / KFin. Members holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund. No claim shall lie against Company for taxes deducted by the Company.

- iv. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
- v. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Shome & Banerjee, Cost Accountants (Firm Registration No. 000001) (Cost Auditors) to conduct the audit of the cost records of the Company for the financial year ending 31 March 2021 at a remuneration of ₹3,00,000/- (Rupees Three Lakhs only) plus applicable taxes and reimbursement of out of pocket expenses, subject to necessary approvals. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company at the AGM.

Accordingly, the Board recommends the resolution as set out in Item No. 3 above for the approval of members as an Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 4

The Board had appointed Mr. Vijay Sharma (DIN 06700052) as an Additional Director with effect from 30 May 2020, pursuant to Article 153 of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013 and the rules made thereunder ('the Act'). Further, on the recommendation of Nomination and Remuneration Committee, the Board had appointed Mr. Sharma as Whole-time Director of the Company for a period of three (3) years with effect from 30 May 2020 upto 29 May 2023, liable to retire by rotation, subject to necessary approvals. Pursuant to the provisions of Section 161 of the Act, Mr. Sharma shall hold office as a Director up to the date of the ensuing AGM. His appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors for approval by the Members at the AGM.

The draft Agreement between the Company and Mr. Sharma *inter-alia* contains the following terms and conditions which were reviewed and recommended by the Nomination and Remuneration Committee of the Board and approved by the Board:

1. Mr. Sharma shall, during the term of this Agreement well and faithfully discharge his duties as:

Whole-time Director

with location at Noida, India. He shall use his best endeavours to promote the interest and welfare of the Company. The Company reserves the right to assign Mr. Sharma different work as required in accordance with his capabilities.

2. Mr. Sharma shall serve the Company as its Whole-time Director for a period of three years with effect from 30 May 2020 to 29 May 2023 in accordance with Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 (the "Act").
3. As Whole-time Director, Mr. Sharma shall perform such duties and exercise such powers as are entrusted to him from time to time by the Managing Director and in his absence by the Board of Directors of the Company (hereinafter referred to "the Board"). He shall report to the Managing Director and in his absence to the Board and shall promptly and faithfully obey and observe such orders and directions as may from time to time be given to him by the Managing Director and in his absence by the Board.
4. During his tenure as the Whole-time Director of the Company, Mr. Sharma shall devote his whole time and attention during business hours to the business of the Company as may be necessary or required and use his best endeavours to promote the interest and welfare of the Company.
5. During the period of his employment, Mr. Sharma shall whenever required by the Company, undertake such travelling in India and elsewhere as the Managing Director or the Board may from time to time direct in connection with or in relation to the business of the Company or as may be necessary for performance of his duties.

6. The Company shall, in consideration of the performance of his duties, pay to Mr. Sharma during the continuance of this Agreement, the following remuneration –

(a) Basic Salary of ₹3,52,433/- (Rupees Three Lakh Fifty Two Thousand Four Hundred Thirty Three only) per month.

The annual increment will be in accordance with the rules of the Company and as may be determined by Board, from time to time, subject to a ceiling on increment of 30% in a year (following April to March year) over the existing Basic salary and Allowances, as on 1st April every year or any other period as may be followed by the Company for this purpose from time to time.

(b) Ex-gratia payment: As per rules of the Company

In addition to Total Annual Fixed Pay and ex-gratia payment, the following perquisites shall be allowed to Mr. Sharma:

Target Variable Incentive Component = 35% of Total Annual Fixed Pay (Total Annual Fixed Pay = ₹1,05,73,000)

His benefits are as under:

1. Car entitlement = ₹7,00,000 per annum cash or Car up to the value of ₹31,00,000
2. Provident Fund as per Act/applicable law
3. Gratuity as per Act/applicable law
4. Medical Insurance as per Company's policy
5. Group Personal Accident as per Company's policy
6. Group Term Life Insurance cover of ₹2,00,00,000

Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable, and in the absence of any such rules, perquisites shall be evaluated at actual cost.

7. Notwithstanding anything hereinabove, where in any financial year during the currency of his tenure as Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of salary and perquisites as minimum remuneration subject to the approval of the Central Government, if and when necessary and the difference between the aforesaid minimum remuneration and the minimum remuneration as specified in the Act and Rules made thereunder (as may be amended from time to time) shall be paid after receipt of the Central Government approval based on such recommendations as may be statutorily required.

8. In the event of any statutory amendment or modification or relaxation by the Central Government to the provisions of the Act, the terms and conditions of the said appointment and / or the Agreement may be altered, modified, amended or varied, from time to time by the Board as it may, in its discretion, deem fit, so as not to exceed the limits specified in the Act, or any amendment or modification or relaxation made thereafter in that regard.

9. Mr. Sharma shall be entitled to:

(i) the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Managing Director or the Board; and

(ii) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Managing Director or the Board.

10. As long as Mr. Sharma functions as the Whole-time Director he shall not be paid any sitting fees for attending the meeting of the Board or Committee thereof.

11. Mr. Sharma shall be entitled to participate and benefit under Stock Option Scheme(s), Stock Attribution Scheme(s), Share purchase Scheme(s), Share Preferential Allotment Scheme(s) and such other similar scheme(s) of the General Electric Company, USA as may be announced from time to time.

12. The appointment of Mr. Sharma as Whole-time Director shall be subject to retirement by rotation.

13. Mr. Sharma shall not, during the term of this Agreement with the Company, engage himself either directly or indirectly or be interested in any capacity whatsoever or render assistance to any firm, Company or persons whatsoever whether a manufacturer, dealer or trader

in goods or products which are of the same or similar kind and nature as those of the Company, except for GE Group Companies or as otherwise specified in the Agreement.

14. Mr. Sharma shall not during his appointment as the Whole-time Director of the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the Company any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and he shall during the continuance of his employment hereunder also use his best endeavours to prevent any other person from so doing PROVIDED HOWEVER that where such divulgence or disclosure by Mr. Sharma is required in furtherance of legitimate purposes, performance of duties or discharge of legal obligations the same shall not be deemed to be a contravention of this clause.
15. If Mr. Sharma shall at any time be prevented by ill-health or accident or any physical or mental disability from performing his duties hereunder, he shall inform the Company and supply with such details as it may be reasonably required, and if he shall be unable due to ill-health or accident or disability for a period of 180 days in any period of twelve consecutive calendar months, to perform his duties hereunder, the Company may forthwith terminate his appointment hereunder.
16. The Company shall be entitled to terminate Mr. Sharma's appointment as Whole-time Director and/or his office as Director forthwith, if he becomes insolvent or makes any composition or arrangement with his creditors or ceases to be Director or a Whole-time Director of the Company or ceases to be an employee of the Company.
17. If Mr. Sharma is guilty of inattention to or negligence in the conduct of the business or any other act or omission inconsistent with his duties as the Whole-time Director or any breach of this Agreement, which, in the opinion of the Board, renders his retirement from office of Whole-time Director desirable, the Company by not less than 60 days' notice in writing to Mr. Sharma determine this Agreement and upon the expiration of such notice Mr. Sharma shall cease to be a Director of the Company.
18. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement at any time by giving to the other party 60 days' notice in writing in that behalf, without the necessity of showing any cause and on the expiry of the period of such notice this Agreement shall stand determined and in view thereof and as a consequence of such termination by notice Mr. Sharma shall cease to be a Director of the Company.
19. The Company has the right to cancel this Agreement without notice for Due Cause. 'Due Cause' for dismissal without notice is an event such as serious or repeated violations of contractual obligations, guidelines or instructions; intentionally or negligently causing damage or injury; any behaviour that seriously damages the Company's reputation; or serious offence against local laws.
20. The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time by the Board as may be permissible as it deems fit, subject to the provision of the Act, or any re-enactment or any amendments or modification thereto.
21. The appointment of Mr. Sharma as Whole-time Director shall be subject to the approval of shareholders in the Extra-ordinary General Meeting or Annual General Meeting or through Postal Ballot and the Central Government (as may be required).
22. All sanctions, approvals, permissions, licences and other requirements of the Government of India and of any statutory authorities required for giving effect to the appointment of Mr. Sharma and all the terms and conditions of this agreement shall be obtained by the Company and this agreement, if required, shall be amended/modified/corrected in accordance with the approvals/sanctions/permissions obtained from the approving authority.
23. The Agreement shall represent the entire agreement between the parties hereto on the subject matter with effect from 30 May 2020 hereof and shall cancel and supersede all prior agreements, arrangements or understandings, if any, whether oral or in writing, between the parties hereto on the subject matter hereof with effect from 30 May 2020.
24. This Agreement shall be governed by and constructed in accordance with the laws of India. Any differences between the parties in connection with this Agreement shall be decided by the courts of Mumbai, India.

Brief resume of Mr. Sharma, nature of his expertise in specific functional areas other directorships and Committee memberships / chairmanships, if any, shareholding and relationships between directors *inter-se* etc. as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and other relevant details as required under Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, has been provided in the Corporate Governance Report forming part of the Annual Report.

Mr. Sharma will continue to serve as Chief Financial Officer of the Company in addition to his Whole-time Directorship.

This statement may be regarded as a disclosure under Regulation 36 of the Listing Regulations and the Secretarial Standard on General Meetings (SS-2) of Institute of Company Secretaries of India.

Mr. Sharma satisfies all the conditions set out in Part - I of Schedule V of the Act and also conditions set out under Section 196(3) of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Board considers that the appointment of Mr. Sharma as Whole-time Director of the Company would be of immense benefit to the Company. Accordingly, the Board recommends the resolution as set out in Item No. 4 for the approval of members as an Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Sharma, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 5

The Board had appointed Mr. Mahesh Shrikrishna Palashikar as an Additional Director of the Company with effect from 27 May 2020 pursuant to Section 161 of the Companies Act, 2013 ('the Act') read with Article 153 of the Articles of Association of the Company. Pursuant to the provisions of section 161 of the Act, Mr. Mahesh Shrikrishna Palashikar shall hold office upto the date of the ensuing AGM.

Brief resume of Mr. Palashikar, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), are provided in the Corporate Governance Report forming part of the Annual Report.

This statement may be regarded as a disclosure under Regulation 36 of the Listing Regulations and the Secretarial Standard on General Meetings (SS-2) of Institute of Company Secretaries of India.

The Nomination and Remuneration Committee of the Board has recommended the appointment of Mr. Palashikar as Director of the Company.

In the opinion of the Board, Mr. Palashikar fulfils the conditions specified in the Act and rules made thereunder and Listing Regulations for his appointment as Director of the Company, liable to retire by rotation.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Palashikar, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 6

The Company intends to participate in a cashpool arrangement to take temporary loans at this juncture by way of short-term loans. In line with the cashpool arrangement structure, to the extent the Company has surplus funds on a daily closing basis, the same will be automatically invested in the said cashpool with GE India Industrial Pvt. Ltd. ('GEI IPL') upto the lending limit of ₹ 1,500 million, as approved by the Board. The loan transaction will be priced at arm's length rate benchmarked to rates charged by Company's banker i.e. HSBC.

The Company will take loans to the extent it requires from time to time to meet its working capital requirements. In India, GE has a cashpool arrangement wherein GE India Industrial Pvt. Ltd. is acting as the cashpool header.

Being a related party transaction, the aforesaid matter was reviewed and approved by the Audit Committee in its meeting held on 31 March 2020, subject to necessary approvals.

GEI IPL cash pooling structure has the following key features:

- Cash pooling is an internal arrangement where participants meet short term operating requirements consistent with GE Cash Management Policy
- The terms of the cash pool arrangement are consistent with the cash pool arrangement existing within General Electric Company and its subsidiaries
- The pool participants will receive a return based on 1 year Government Bond rate on all cash deposited in the cash pool, calculated daily, irrespective of the tenor of the investment.

- The cash pooling offered rate of 1 year with Govt. of India GSec with no penalty on early withdrawal is better than a similar Bank time deposit rate on new deposit rollovers of 91 days with 1 % penalty on early withdrawal
- Pool participants has full liquidity rights and can withdraw cash lent to the cash pool at any time without any penalty of early withdrawal
- Investment in the cash pool significantly reduces operational efforts and credit risks associated with constructing a diversified portfolio with a range of banks
- The pool leader (i.e. GEIPL) is a 100% indirect wholly owned subsidiary of General Electric Company
- Although the pool leader is not guaranteed, it will operate in accordance with the same rigor of the policies and guidelines as with other global cashpools. The deposits of the cash pool leader shall get similar protection as is available with bank deposits of the Company
- Pool participants can terminate cash pooling at any time

For borrowing:

1. At present the rate of interest is around 7.95%, which is variable in nature and is determined by GE transfer pricing team at arm's length, but will be benchmarked to the rates charged by Company's banker i.e. HSBC
2. It is an unsecured loan, payable on demand

For lending:

1. At present the rate of ~ 5.6%, which is variable in nature and is determined by GE transfer pricing team at arm's length but will be benchmarked to rates charged by Company's banker i.e. HSBC. However, no loan shall be given at a rate of interest lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan in compliance with the provision of section 186(7) of the Companies Act, 2013.
2. It is an unsecured loan to cash pool header, daily callable on demand.

In addition to the above, the Company intends to execute related party transactions in the form of miscellaneous shared services activities/ reimbursement of expenses. The said transactions shall be executed in the ordinary course of business and at arm's length price.

The aforesaid business transactions were undertaken/to be undertaken shall be in the best interest of the Company.

The aggregate amount of transactions of the Company with the aforesaid related party shall exceed the limit of 10% of consolidated turnover of the Company as per last audited financial statements, the matter is therefore placed before the members of the Company for ratification.

The Board recommends the resolution as set out in Item No. 6 above for the approval of members as an Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives, is in any way, concerned or interested, financially or otherwise, in this resolution.

Place : Noida
Date : 22 June 2020

Registered Office:

Unit No 211-212, 2nd Floor,
The Capital, G Block, Plot No. C-70,
Bandra Kurla Complex, Bandra East,
Mumbai - 400051.

By Order of the Board of Directors

Pradeepta Kumar Puhani
Company Secretary
FCS No. 5138



GE Power India Limited

L74140MH1992PLC068379

Registered Office

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