

**GE T&D India Limited**

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**Statement of Financial Results for the quarter and year ended 31 March 2021**

*(All figures in Rs. Million, unless otherwise stated)*

S.No.	Particulars	Quarter ended			Year ended	Year ended
		31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
		Audited*	Un-audited	Audited*	Audited	Audited
1	Revenue from operations	9,044.7	10,342.1	6,641.7	34,523.7	31,587.0
2	Other income	297.6	227.9	343.0	657.6	595.1
3	<b>Total income (1+2)</b>	<b>9,342.3</b>	<b>10,570.0</b>	<b>6,984.7</b>	<b>35,181.3</b>	<b>32,182.1</b>
4	<b>Expenses</b>					
	(a) Cost of raw material and components consumed and other project related costs	6,679.7	7,087.5	5,794.6	24,801.8	22,903.7
	(b) Changes in inventories of finished goods and work -in-progress	70.6	763.7	(778.8)	583.0	(96.5)
	(c) Employee benefits expense	998.4	986.4	1,045.2	4,019.2	4,204.5
	(d) Finance costs	84.5	147.1	157.6	593.6	681.9
	(e) Depreciation expense and amortisation	164.6	160.6	174.8	657.4	783.9
	(f) Other expenses (refer note 7)	850.0	929.7	2,938.1	3,667.5	6,725.6
	<b>Total expenses</b>	<b>8,847.8</b>	<b>10,075.0</b>	<b>9,331.5</b>	<b>34,322.5</b>	<b>35,203.1</b>
5	<b>Profit / (loss) before exceptional item and tax (3-4)</b>	<b>494.5</b>	<b>495.0</b>	<b>(2,346.8)</b>	<b>858.8</b>	<b>(3,021.0)</b>
6	<b>Exceptional item expense / (income) (refer note 6 and 4)</b>	224.5	(259.1)	-	(34.6)	535.6
7	<b>Profit / (loss) before tax (5-6)</b>	<b>270.0</b>	<b>754.1</b>	<b>(2,346.8)</b>	<b>893.4</b>	<b>(3,556.6)</b>
8	<b>Income tax</b>					
	- Current tax	(69.8)	-	(34.2)	(72.6)	(55.6)
	- Deferred tax (charge) / credit	(39.1)	(194.9)	509.7	(217.6)	586.6
9	<b>Net profit/(loss) (7-8)</b>	<b>161.1</b>	<b>559.2</b>	<b>(1,871.3)</b>	<b>603.2</b>	<b>(3,025.6)</b>
10	<b>Other comprehensive income</b>					
	Items that will not be reclassified to profit or loss					
	- Remeasurements of defined benefits obligation	219.4	(24.7)	(233.8)	145.3	(245.6)
	- Income tax relating to above	(55.2)	6.2	58.8	(36.6)	61.8
11	<b>Total comprehensive income for the period (9+10)</b>	<b>325.3</b>	<b>540.7</b>	<b>(2,046.3)</b>	<b>711.9</b>	<b>(3,209.4)</b>
12	Paid-up equity share capital (face value of Rs.2 per share)	512.1	512.1	512.1	512.1	512.1
13	Basic and diluted EPS for the period (Face value of Rs. 2 each) ( in Rs.)	<b>0.63</b>	<b>2.18</b>	<b>(7.31)</b>	<b>2.36</b>	<b>(11.82)</b>

See accompanying notes to the financial results

\* Figures for the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the financial year. Also, the figures upto the end of the third quarter were only reviewed and not subjected to audit.

## Notes:

## 1. Statement of assets and liabilities as at 31 March 2021

(All figures in Rs. Million unless otherwise stated)

S. No.	Particulars	As at 31 March 2021 Audited	As at 31 March 2020 Audited
A	<b>Assets</b>		
1	<b>Non-current assets</b>		
	Property, plant and equipment	4,029.9	4,288.5
	Right of use assets	898.2	1,075.0
	Capital work-in-progress	216.6	121.3
	Intangible assets	7.9	13.7
	Financial assets		
	i. Investments	0.1	0.1
	ii. Loans	111.8	114.7
	Deferred tax assets (net)	1,248.0	1,502.2
	Non current tax assets (net)	1,536.2	1,394.4
	Other non-current assets	2,564.9	2,440.3
	<b>Total non-current assets</b>	<b>10,613.6</b>	<b>10,950.2</b>
2	<b>Current assets</b>		
	Inventories	5,796.0	6,494.9
	Financial assets		
	i. Trade receivables	19,050.4	18,988.2
	ii. Cash and cash equivalents	489.5	498.6
	iii. Bank balances other than cash and cash equivalent	112.5	96.4
	iv. Loans	16.2	9.2
	v. Other financial assets	209.4	125.6
	Other current assets	4,736.4	4,370.4
	Assets held for sale	-	2.5
	<b>Total current assets</b>	<b>30,410.4</b>	<b>30,585.8</b>
	<b>Total assets</b>	<b>41,024.0</b>	<b>41,536.0</b>
B	<b>Equity and liabilities</b>		
1	<b>Equity</b>		
	Equity share capital	512.1	512.1
	Other equity	10,714.7	10,002.8
	<b>Total equity</b>	<b>11,226.8</b>	<b>10,514.9</b>
2	<b>Non-current liabilities</b>		
	Financial liabilities		
	i. Lease liabilities	819.5	982.7
	Provisions (refer note 7)	1,390.4	1,776.0
	<b>Total non-current liabilities</b>	<b>2,209.9</b>	<b>2,758.7</b>
3	<b>Current liabilities</b>		
	Financial liabilities		
	i. Borrowings	2,212.8	4,897.1
	ii. Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	1,011.1	552.9
	Total outstanding dues of creditors other than micro enterprises and small enterprises	10,150.8	9,404.4
	iii. Lease liabilities	128.5	108.3
	iv. Other financial liabilities	404.1	355.9
	Other current liabilities	7,976.9	8,025.0
	Provisions (refer note 7)	5,490.9	4,693.0
	Current tax liabilities (net)	212.2	225.8
	<b>Total current liabilities</b>	<b>27,587.3</b>	<b>28,262.4</b>
	<b>Total liabilities</b>	<b>29,797.2</b>	<b>31,021.1</b>
	<b>Total equity and liabilities</b>	<b>41,024.0</b>	<b>41,536.0</b>

## 2. Cash Flow Statement for the year ended 31 March 2021

(All figures in Rs. Million unless otherwise stated)

	Year ended 31 March 2021 Audited	Year ended 31 March 2020 Audited
<b>Cash flows from operating activities</b>		
Profit / (loss) before tax	893.4	(3,556.6)
<b>Adjustments for:</b>		
Depreciation and amortization	657.4	783.9
Provision for impairment (exceptional item)	-	535.6
Provision for litigations (exceptional item)	412.9	-
Profit on sale of asset held for sale (exceptional item)	(447.5)	-
Bad debts and unbilled receivables written off (net)	233.9	793.5
Finance cost	593.6	681.9
(Gain) / loss on foreign exchange fluctuation (net)	(69.0)	46.6
Unrealised (gain) / loss on derivatives	(143.4)	85.9
Loss on sale of property, plant and equipment / assets written off	2.1	11.0
Discounting at amortised cost (net)	(49.5)	15.2
Interest income	(8.4)	(9.4)
Provision / (reversal) for contract losses (net)	222.9	(115.6)
Provision no longer required written back	(256.1)	(460.2)
	<b>2,042.3</b>	<b>(1,188.2)</b>
<b>Adjustments for changes in assets and liabilities</b>		
(Increase) / decrease in trade receivables	(310.3)	459.1
(Increase) / decrease in other assets	(478.0)	344.0
Decrease / (increase) in inventories	698.9	(152.2)
Decrease in financial assets	59.4	69.9
Increase / (decrease) in trade payables	1,233.5	(1,709.8)
Increase in other current liabilities, provisions and other financial liabilities	58.6	249.1
<b>Cash generated from / (used in) operations</b>	<b>3,304.4</b>	<b>(1,928.1)</b>
Direct taxes paid (net of refund)	(198.2)	(668.3)
<b>Net cash from / (used in) operating activities (A)</b>	<b>3,106.2</b>	<b>(2,596.4)</b>
<b>Cash flow from investing activities</b>		
(Investment) / proceeds from deposit with banks	(19.8)	4.9
Proceeds / (acquisition) of property, plant and equipment, capital work in progress and intangible assets including capital advance and capital creditors	137.5	(318.7)
Interest received on deposits with banks	5.4	8.2
<b>Net cash from / (used in) investing activities (B)</b>	<b>123.1</b>	<b>(305.6)</b>
<b>Cash flow from financing activities</b>		
(Repayment) / proceeds of short term borrowings (net)	(2,684.3)	4,091.8
Payment for lease liabilities	(140.9)	(123.5)
Interest paid on loans	(413.7)	(513.7)
Dividend and tax paid thereon	-	(555.6)
<b>Net cash (used in) / from financing activities (C)</b>	<b>(3,238.9)</b>	<b>2,899.0</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(9.6)</b>	<b>(3.0)</b>
Cash and cash equivalents at beginning of the period	498.6	499.5
Impact of foreign exchange on cash and cash equivalents	0.5	2.1
<b>Cash and cash equivalents at period end</b>	<b>489.5</b>	<b>498.6</b>

**Notes:**

- 3 The Company is engaged in the business relating to products, projects and systems for electricity transmission and related activities only. Accordingly, the Company has only one operating segment.
- 4 As part of the ongoing steps being taken by the Company to optimise the level of costs and to further improve the competitiveness in the Transformer business, the Company had offered a "Voluntary Retirement Scheme" on 13 May 2019 at one of its manufacturing facilities at Naini, Allahabad to assist in retiring its surplus workforce and reorganising its operations. The "Voluntary Retirement Scheme" did not receive a desired response.

With execution of majority of backlog orders and considering the lower probability of recovery through other means, the Company had fully impaired the carrying value of property, plant and equipment at this facility amounting to Rs. 535.6 million during the previous year ended 31 March 2020. This was presented as an exceptional item.

To optimize the utilization level of the Company's transformer business and consolidation of the transformer manufacturing operations in India, the Company had executed a Business Transfer Agreement ("BTA") dated 23 December 2019 to sell its undertaking at the above mentioned manufacturing facility at Naini, Allahabad to a third party at a proposed consideration of Rs. 250 million. The proposed sale consists of the Company's rights in the leased land at the facility, identified movable and immovable properties and assumed liabilities. The validity period of the BTA has been further extended till 30 June 2021 with additional consideration of Rs. 107.4 million for reimbursement of expenditure incurred by the Company during the extension of BTA. The consummation of the agreement is subject to conditions precedent as laid down in the agreement, including obtaining consent from the regulatory authorities for transfer of rights on leased land. Accordingly, the Company has not adjusted provision for impairment created during the previous year ended 31 March 2020.

- 5 The Company had receivables (net of advance) of Rs. 491.7 million from one of its customers, which was facing financial difficulties and was in the process of divesting its ownership in the underlying project. The Company had completed approximately 34% of the total project work and further work was suspended. The realisation of these receivables and (other project related balances (net) amounting to Rs. 96.1 million) was dependent on the completion of the divestment process including settlement by existing stakeholders.

During the year ended March 2021, the transfer of ownership of the underlying project to the new owner has been approved by the Central Electricity Regulatory Commission (CERC) vide order dated 27 January 2021.

Subsequent to this, the Company has entered into a novation agreement with the customer to complete the balance work and revised terms and conditions agreed with the new owners/ customer. The Company has also received an amount of Rs. 245.5 million subsequent to year end in accordance with the revised terms and conditions. Accordingly, the Company has resumed balance work.

- 6 During the previous quarter ended 31 December 2020, the Company had made sale of one of its business premise / property having book value of Rs. 2.5 million, which was earlier classified as "Assets held for sale", for a total sale consideration of Rs. 450 million, resulting in net gain of Rs. 447.5 million. In the same period, consequent to developments in relation to an ongoing litigation with respect to one of the properties taken on lease by the Company in an earlier period and vacated later, the Company made a provision of Rs. 188.4 million. Accordingly, the net amount of Rs 259.1 was shown as an exceptional item in the quarter ended 31 December 2020.

During the quarter ended 31 March 2021, consequent to the above mentioned developments, the Company re-assessed certain ongoing litigations in relation to other properties taken on lease in earlier years. Accordingly, the Company has created a provision of Rs. 224.5 million in the current quarter on the basis of Company's best estimate to settle the potential liability.

Accordingly, the net amount of Rs. 34.6 million as a result of above mentioned matters is shown as an exceptional item for the year ended 31 March 2021.

- 7 During the year ended 31 March 2020, the Company made provisions towards warranty and other product related settlements, which included provision on the basis of the Company's best estimate to settle potential liability arising out of some weaknesses detected by the Company in carrying out certain testing procedures in respect of certain products in the past.

The management had taken corrective steps to strengthen these procedures.

The above estimates were made on the basis of generally accepted accounting principles involving assumptions made by management and were subject to uncertainties/ sensitivities in terms of amount and timing of outflows. Actual amount of expense/ settlement could be different than the estimates. At this point of time, it is not possible to assess/ estimate the further extent and impact, if any, of the same.

- 8 The Management, have evaluated the impact of the pandemic on its business operations under various scenarios. The Company currently has a strong order book in excess of Rs. 45,000 million, leading to a clear visibility of revenue over the next 18-24 months. The Company has adequate fund-based credit facilities available from banks and other parties. The Company through the lockdown period and even subsequently has been able to maintain adequate control of its assets and there have been no significant changes to its control environment during the period.

The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers in light of current crisis, and invoking of force-majeure clause to ensure that revenue recognition in such cases reflect realisable values. Further, the Company has evaluated the impact of COVID-19 on the financial results and made adequate provisions, wherever required, such as expected credit loss, estimated project costs etc. Any further impact till the date of report, if any, of COVID 19 on current year financial results is not expected to be material.

- 9 The audit report of the Statutory Auditor is being filed with BSE Limited and National Stock Exchange of India Limited. For audited financial results, visit Investor Relations section of our website at [www.ge.com/in/ge-td-india-limited](http://www.ge.com/in/ge-td-india-limited) and financial results at Corporate section of [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com).
- 10 The above audited financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 10 June 2021.

For GE T&D India Limited

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SHIVNANI

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Noida  
10 June 2021

(Pitamber Shivnani)  
Managing Director & Chief Executive Officer  
DIN: 05187407

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## **INDEPENDENT AUDITORS' REPORT**

### **TO THE BOARD OF DIRECTORS OF GE T&D India Limited**

#### **Report on the audit of the Annual Financial Results**

#### **Opinion**

We have audited the accompanying annual financial results of GE T&D India Limited (hereinafter referred to as the “Company”) for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

#### **Emphasis of matter**

We draw attention to Note 7 to the annual financial results, which explains that during the year ended 31 March 2020, the Company made provisions include amounts provided towards warranty and other product related settlements, which included provision on the basis of the Company’s best estimate to settle a potential liability arising out of some weaknesses detected by the Company in carrying out certain testing procedures in respect of certain products in the past. The management had taken corrective steps to strengthen these procedures. The estimates involve assumptions made by management and are subject to uncertainties/ sensitivities in terms of amount and timing of outflows.

Our opinion is not modified in respect of above matter.

Principal Office:

### **Management's and Board of Directors' Responsibilities for the Annual Financial Results**

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and the 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 responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the annual financial results 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 annual financial results.

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 annual financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.