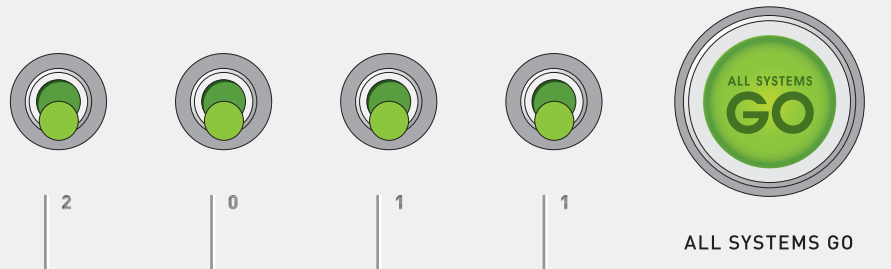
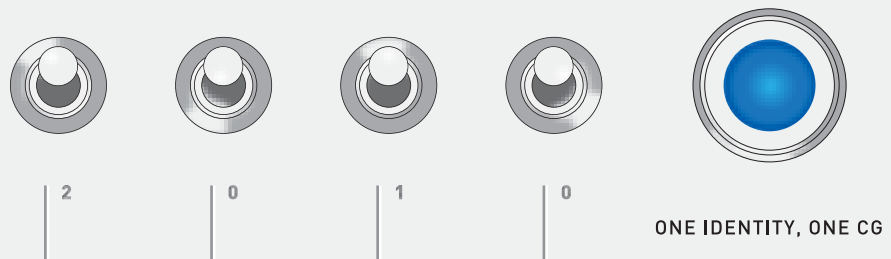
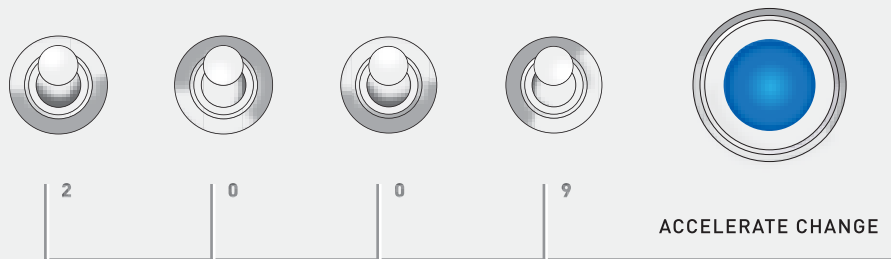
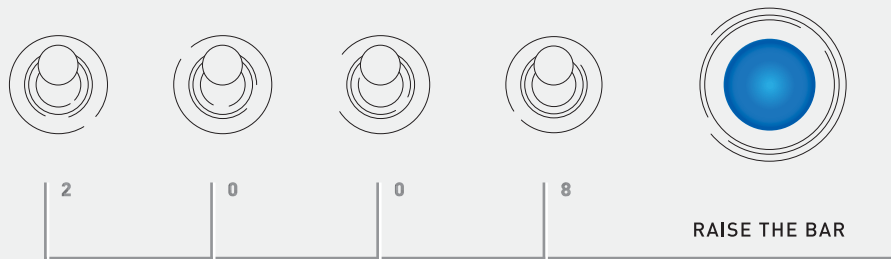
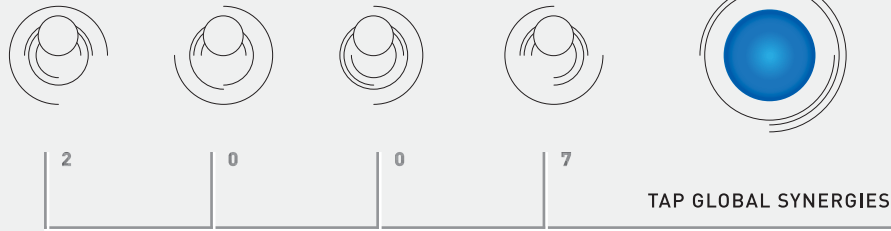




Smart solutions.
Strong relationships.



CG ANNUAL REPORT 2010–11

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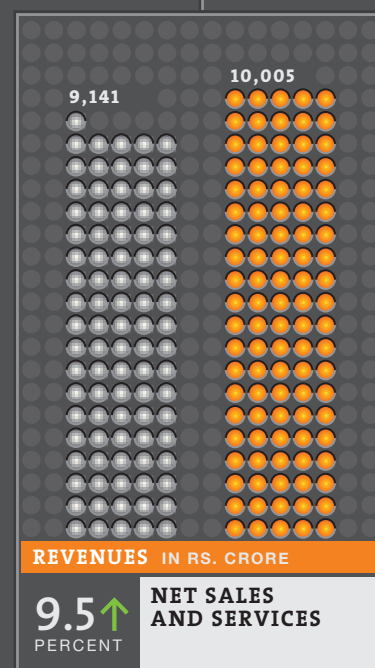
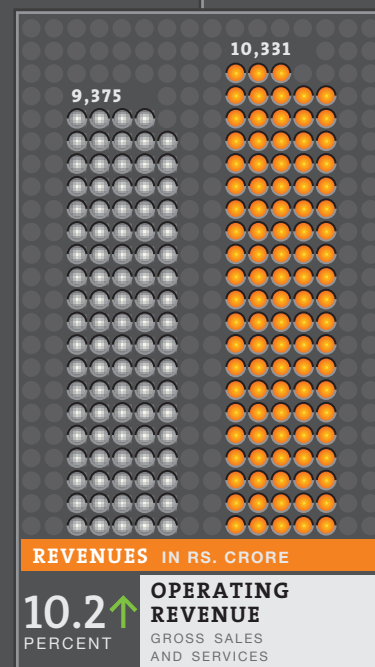
1 | 7 | 0 ESTABLISHMENTS

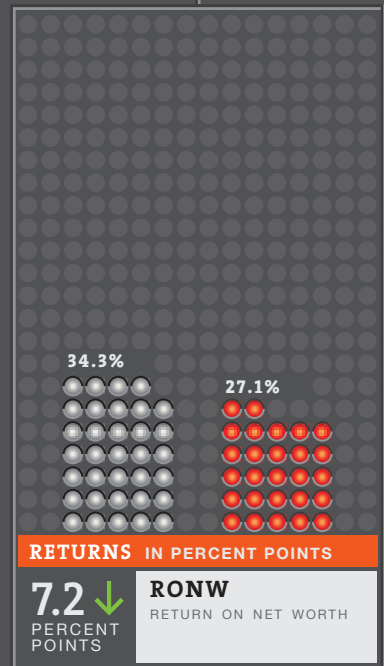
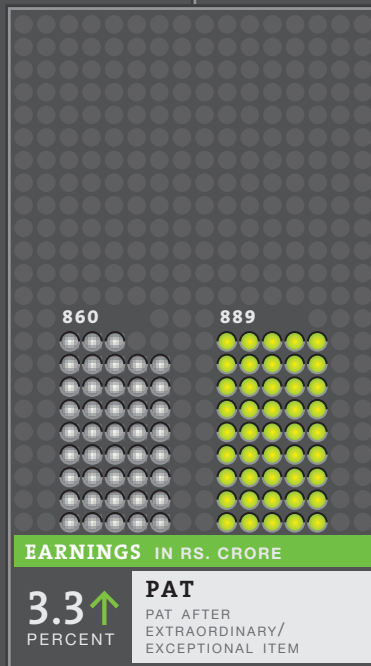
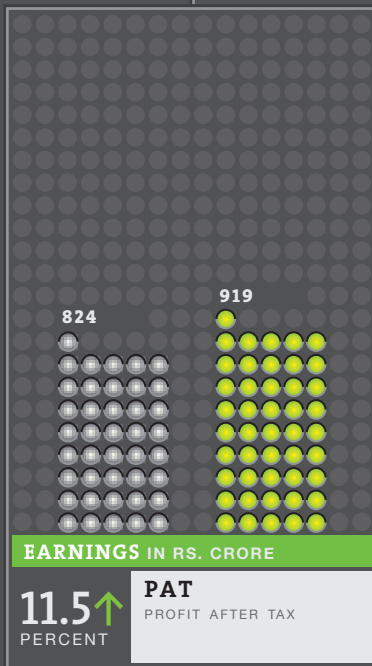
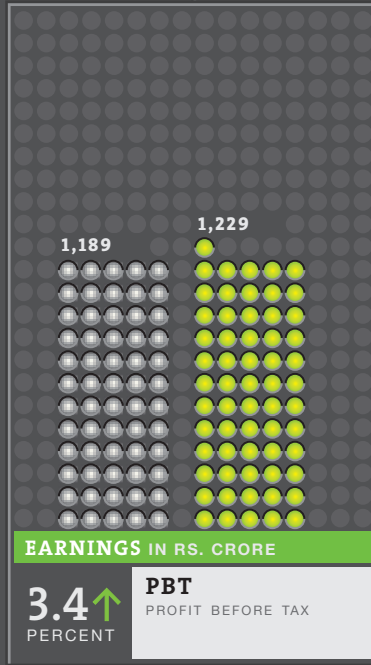
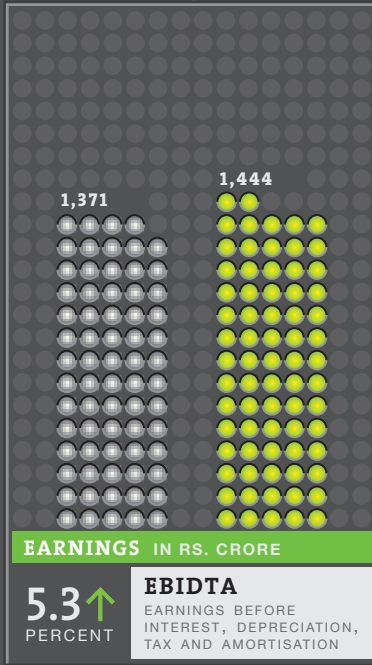
CONSOLIDATED FINANCIAL HIGHLIGHTS 2010–2011

- ▶ The consolidated net revenue of the Company during 2010-2011 grew by 9.5% at Rs.10,005 crore, as compared with Rs.9,141 crore last year.
- ▶ Consolidated profit *before* tax increased to Rs.1,229 crore, as compared with Rs.1,189 crore in the previous year, an increase of 3.4% over last year.
- ▶ Consolidated profit *after* tax (before minority interest, share of associate companies and extraordinary items) increased to Rs.919 crore as compared with Rs.824 crore in the previous year, an increase of 11.5 % over last year.
- ▶ Consolidated profit *after* tax (after minority interest, share of associate companies and extraordinary items) increased to Rs.889 crore compared with Rs.860 crore in the previous year, an increase of 3.3% over last year.
- ▶ The Company has succeeded in enhancing operating margins on account of productivity enhancements, upgradation of production facilities, R&D-led savings in raw material consumption, process technology improvements, global sourcing initiatives, better working capital management and a debt free financial structure.

RECOGNITIONS

- ▶ CG was awarded the Business Excellence Prize, 2010 by the Confederation of Indian Industry (CII), a recognition received by very few companies in India.
- ▶ CG was awarded ‘Annual Intellectual Property Award 2010-11’ for securing the highest number of design registrations during the last five years.
- ▶ Annual survey of India’s Most Valuable Brands by Brand Finance, in partnership with The Economic Times, placed CG as the 34th Most Valued Corporate Brand in India, with a brand value calculated at US\$541 million.
- ▶ The Boston Consulting Group has, for the third time, included CG in its list of 100 New Global Challengers, which are the rising stars from rapidly developing economies and are reshaping global industries.





● FY2010
●●● FY2011

CHAIRMAN'S LETTER



Industrial Systems completed its first major overseas acquisition of Sweden based Emotron Group.



Dear Shareholder,

Last year, I wrote of an economic turn for the better. This trend has continued in 2010-11 (FY2011). World output has recovered from a 0.6% contraction in calendar 2009 to 5% growth in 2010, with developing and emerging economies growing at 7.1%. India will be doing better than the previous fiscal year with growth of 8.5% in FY2011. China has grown by 10% in calendar 2010; if the first quarter's growth for 2011 is any indication, it would be fair to expect a growth of over 9% in 2011. The emerging economies and Asia are back in business.

There are, however, some concerns. First, barring Germany, Europe remains in the danger zone with threats of debt defaults in Greece, Ireland and even Portugal. Second, many emerging nations are suffering from overheating. Growth in demand outstrips supply. Moreover, these economies are also going through the pains of a global commodity price inflation, be it in hydrocarbons, metals, minerals and foodstuff. Third, central banks are resolutely raising interest rates to curb inflation, which is increasing the cost of funds and altering the profitability of new investments.

In this mixed milieu of the good and the worrying, your Company has performed satisfactorily. On a consolidated basis:

▶ **NET SALES AND SERVICES** grew by 9.5% to Rs.10,005 crore in FY2011. Today, CG's turnover stands at approximately US\$ 2.2 billion.

▶ **EARNINGS BEFORE INTEREST, DEPRECIATION, TAXES, AND AMORTISATION (EBIDTA)** increased by 5.3% to Rs.1,444 crore.

▶ **PROFIT BEFORE TAXES (PBT)** grew by 3.4% to Rs.1,229 crore.

▶ **PROFIT AFTER TAXES** net of minority interests and share of associate companies,

but excluding extraordinary item (PAT) increased by 12.4% to Rs.927 crore.

▶ **RETURN ON CAPITAL EMPLOYED (ROCE)** stood at 33.1%, which remains the highest in the industry.

▶ **RETURN ON NET WORTH (RONW)** was 27.1%.

Looking back over the past decade, I feel proud of your Company's achievements. Let me share a few facts with you. In ten years, CG has become a multinational, multi-cultural, multi-product and multi-services company. Its 8,700 employees from different nations across the world work in facilities in Belgium, Canada, Hungary, Indonesia, Ireland, France, the UK and the USA, in addition to over 14 manufacturing and design locations in India.

Ten years ago, in FY2002, Crompton Greaves was a purely Indian entity, earning net sales of Rs.1,479 crore, and EBIDTA of Rs.157 crore and a PAT of Rs.4 crore.

In FY2011, CG was a multinational enterprise with consolidated net sales of Rs.10,005 crore, and EBIDTA of Rs.1,444 crore and a PAT of Rs.889 crore.

In FY2001, total orders for the Company aggregated Rs.573 crore. In FY2010, CG received its single largest order of Rs.600 crore.

Globally CG now enjoys 42% of the market share for offshore wind transformer applications.



In today's world, very few companies in the world can claim ten consecutive years of sequential growth.

In FY2002, your Company's tangible net worth was Rs.238 crore. A decade later, it stands at Rs.3,275 crore. The Indian capital market has recognised CG's achievements, with your Company's market capitalisation rising from Rs.174 crore in April 2000 to over Rs.18,000 crore in April 2011.

All of this has been due to the performance of an excellent team led by an outstanding leader in the corporate world — Sudhir Trehan. A 'lifer' at CG, when Sudhir took over the helms of your Company as the Managing Director in May 2000, Crompton Greaves was in a deep crisis. It ran up a loss of Rs.147 crore; total liabilities were Rs.1,447 crore and debt-equity ratio was 2.33:1. Today, CG is a company with revenues in excess of US\$ 2 billion. Its top-line has been growing at a compound annual rate of 23% over ten years; and its debt-equity ratio is 0.14:1.

In today's world, very few companies in the world can claim ten consecutive years of sequential growth — in sales, income, EBIDTA, EBIT, PBT and PAT. And doing so over a rapidly expanding global base of operations. Sudhir and his team have emphatically demonstrated that it is possible. It has been an amazing achievement, and I'm sure that you will join me in raising a toast to Sudhir Trehan, who is one of the most exceptional corporate leaders of our times.

Sudhir has formally demitted office to make way for his successor. You will appreciate that he is too precious a talent to enjoy blissful retirement. He will remain on the Board of your Company as its non-executive Vice Chairman and will be a core member of the Avantha Group. I look forward to seeing Sudhir in his new avatar.

Companies must have well thought out succession plans. Today, CG is a global enterprise focusing on end-to-end solutions. Thus, there was a need to get a global leader who had the enormous energy and drive of Sudhir along with business connections throughout the world. Laurent Demortier, who has taken over as the new

CEO and Managing Director, is such a person. He has worked with some major global organizations such as Alstom and Honeywell at senior executive positions. Before joining CG, he was a Senior Vice-President, of Alstom Power Sector — in charge of Power Automation and Control Business Unit. During his 11 years with Alstom, Laurent has led several business units in the T&D and power sectors, with global operations comprising some 6,200 people across 43 countries. Do join me and your Board of Directors in wishing Laurent all success.

Let me end with the news of two acquisitions made by your Company:

- On 19 May 2011, CG acquired Emotron of Sweden for an enterprise value of €57.8 million. Emotron designs, engineers and manufactures high end drive solutions that are used across-the-board for various industrial applications. This acquisition will fill a gap in automation solutions for your Company's Industrial Systems business.
- On 27 May 2011, CG acquired QEI Inc of USA for an enterprise value of US\$30 million. QEI is a market-leading provider of SCADA and automation systems, and products for the management of electric transmission and distribution networks. This acquisition further strengthens your Company's position in SCADA and sub-station automation.

These are CG's eighth and ninth acquisitions in six years.

As I wrote last year, "Excelling is a part of this organisation's genes". That being so, we should all expect a very good future for your Company.

Thanks for your support.



GAUTAM THAPAR
Chairman

CORPORATE INFORMATION





Mr Gautam Thapar (Right)
with Mr Sudhir Trehan (Left)

BOARD OF DIRECTORS

CHAIRMAN

G Thapar

VICE CHAIRMAN

(MANAGING DIRECTOR UP TO 1 JUNE 2011)

SM Trehan

CEO AND MANAGING DIRECTOR

(FROM 2 JUNE 2011)

L Demortier

NON-EXECUTIVE, INDEPENDENT

S Bayman

O Goswami

S Labroo

S Prabhu

M Pudumjee

SP Talwar

V von Massow

AUDITORS

Sharp & Tannan

SOLICITORS

Crawford Bayley & Co.

CHIEF FINANCIAL OFFICER

M Acharya

COMPANY SECRETARY

W Henriques

BANKERS

Union Bank of India

IDBI Bank Ltd.

State Bank of India

ICICI Bank Ltd.

Corporation Bank

The Royal Bank of Scotland N.V.

Canara Bank

Standard Chartered Bank

Bank of Maharashtra

Credit Agricole CIB

Yes Bank Ltd.

REGISTERED OFFICE

6th Floor,

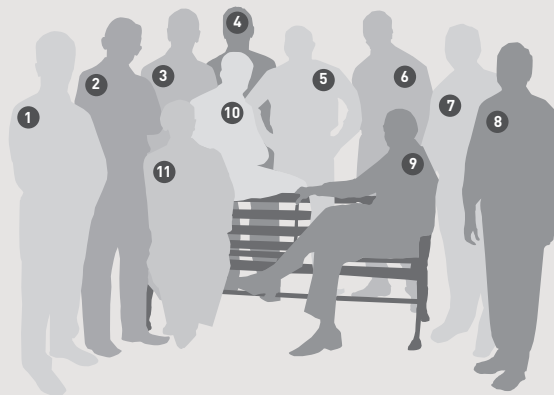
CG House,

Dr. Annie Besant Road,

Worli,

Mumbai 400 030





LEADERSHIP TEAM - FY2011

- 1 M KELLY**
CFO - CG Power
- 2 M ACHARYA**
CFO
- 3 F ROBBERECHTS**
VP - CG Power (EMEA)
- 4 M SCHILLEBEECKX**
VP - CG Power (Americas)
- 5 M VERMA**
VP - Consumer Products
& International Business
- 6 AK RAINA**
VP - Industrial Systems
- 7 DS PATIL**
CEO - CG Power
- 8 JG KULKARNI**
VP - CG Power (Asia)
- 9 SM TREHAN**
Managing Director
- 10 W HENRIQUES**
Company Secretary, General Counsel
& Global Head - Human Resources
- 11 JJ PATEL**
VP - Global R&D

MANAGEMENT DISCUSSION & ANALYSIS

CG Power's manufacturing excellence drive increased global plant capacities by 10,000 MVA this year.





WHAT IS CG? With a global turnover in excess of US\$ 2 billion, Crompton Greaves Limited ('CG' or 'the Company') has manufacturing facilities in Belgium, Canada, Hungary, Indonesia, Ireland, France, the UK, the USA, in addition to over 14 manufacturing and design locations in India. Employing 8700 people from different nations across the world, CG is a multi-national, multi-cultural, multi-product and multi-services company. It is diversified and differentiated, yet bound by the desire for customer delight and best-in-class global excellence.

CG has three major businesses: Power Systems, Industrial Systems and Consumer Products.

POWER SYSTEMS

- ▶ At Rs.6,503 crore in FY2011, it accounted for 65% of CG's consolidated net revenues.
- ▶ Has overseas facilities at Mechelen and Charleroi (Belgium), Northern France, Cavan and Dublin (Ireland), Tapioszele (Hungary), Nottingham and Jarrow (UK), Winnipeg (Canada), Washington (Missouri, USA), Albany, Connecticut, Idaho, Maryland, Pennsylvania, Florida, Texas and Arizona (USA), and Bogor (Indonesia).
- ▶ Has Indian facilities at Kanjur Marg (Mumbai), Malanpur and Mandideep (Madhya Pradesh), Nashik and Aurangabad (Maharashtra), and Gurgaon (Haryana).

INDUSTRIAL SYSTEMS

- ▶ Net revenue in FY2011 was Rs.1,497 crore, or 15% of CG's consolidated top-line.
- ▶ Has facilities at Tapioszele (Hungary), Mandideep and Pithampur (Madhya Pradesh), Kanjur Marg (Mumbai), Ahmednagar and Mahape (Maharashtra) and Goa.

CONSUMER PRODUCTS

- ▶ Earned net revenue of Rs.2,021 crore in FY2011, and accounted for 20% of CG's consolidated net revenue.
- ▶ Has facilities at Bethora and Kundaim (Goa), Baddi (Himachal Pradesh), Kanjur Marg (Mumbai), Ahmednagar (Maharashtra), and Vadodara (Gujarat).

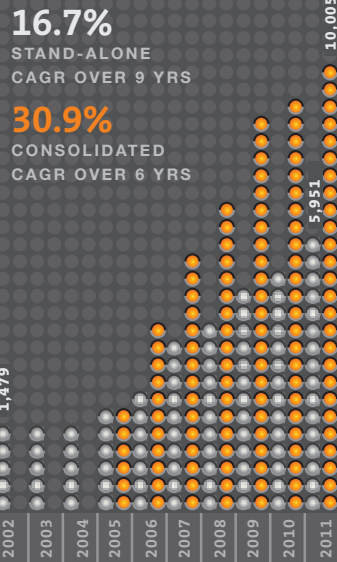
RS.1 CRORE IS RS.10 MILLION. ALL FIGURES IN US\$ FOR 2009-10 (FY2010) ARE AT US\$ 1 = RS.47.7446. FOR FY2011, THESE ARE AT US\$1 = RS.45.5712. FY2011 STANDS FOR FISCAL YEAR 2010-11, I.E. 1 APRIL 2010 TO 31 MARCH 2011. ANALOGOUSLY, FY2010.

A DECADE'S JOURNEY 2002–2011

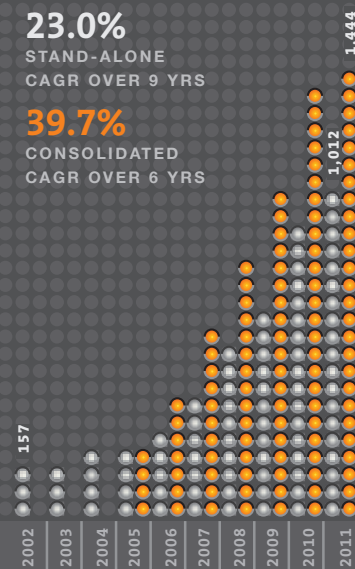
CROMPTON GREAVES THEN ... TO CG NOW

In FY2002, Crompton Greaves was an exclusively Indian entity. It earned net sales of Rs.1,479 crore; an EBIDTA of Rs.157 crore; and a PAT of Rs.4 crore.

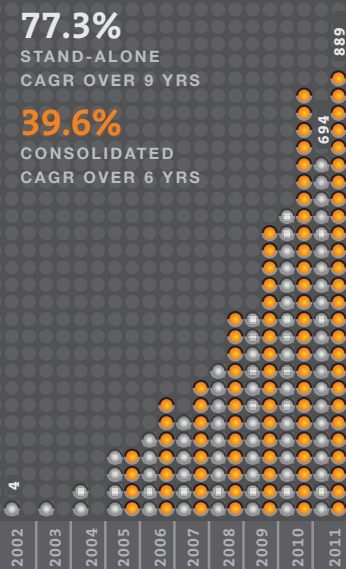
In FY2011, CG is a multinational enterprise with consolidated net sales of Rs.10,005 crore; an EBIDTA of Rs.1,444 crore; and PAT of Rs.889 crore. Even on a stand-alone basis, CG's net sales in FY2011 was Rs. 5,951 crore; EBIDTA was Rs.1,012 crore; and PAT was Rs.694 crore. Charts A, B and C tell their story.



A NET SALES
IN RS. CRORE



B EBIDTA
IN RS. CRORE



C PAT
IN RS. CRORE

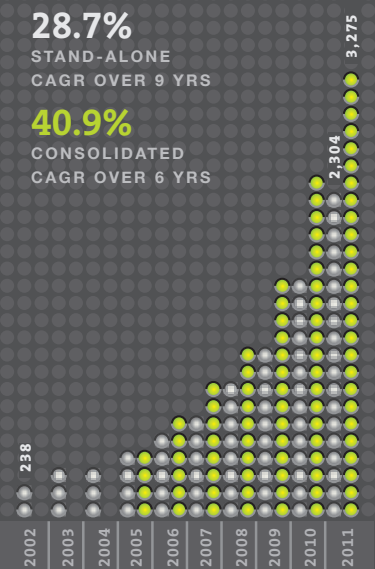
GROWING NET WORTH

Rs. 573 crore
TOTAL ORDERS IN FY2001

Rs. 600 crore
SINGLE ORDER VALUE
FROM PGCIL IN FY2010

It is worth considering a simple fact. In FY2001, the total orders for the year aggregated Rs.573 crore. In FY2010, CG received its single largest order of Rs.600 crore from Power Grid Corporation of India Limited (PGCIL).

Thanks to a decade of rising sales, income, EBIDTA and PAT, CG has delivered significant shareholder value, measured in terms of tangible net worth (i.e. shareholders' funds — miscellaneous unamortised expenses — deferred tax assets). Chart D plots the growth.



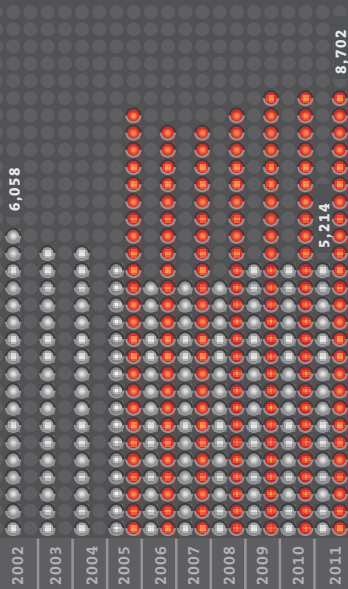
D TANGIBLE NET WORTH
IN RS. CRORE

CREATING A GROWING FAMILY

8,700
FULL TIME EMPLOYEES

50%
STATIONED OUTSIDE INDIA

CG has been a story of transformational growth in India and across the rest of the world. Today, the Company is a market leader with a single corporate brand identity across all businesses and geographies, and 8,700 full-time employees worldwide — over half of whom are located outside India, spanning various nationalities and cultures. Chart E plots the full-time employee strength of the Company throughout the world.



E FULL TIME EMPLOYEES

BUILDING A VALUED CORPORATE BRAND

US\$ 541 m
BRAND VALUE

Rs. 174 crore
MARKET CAPITALISATION
IN APRIL 2000

Rs. 18,000 crore
MARKET CAPITALISATION
IN APRIL 2011

In FY2011, the annual survey of India's Most Valuable Brands by Brand Finance, in partnership with The Economic Times, placed CG as the 34th Most Valued Corporate Brand in India, with a brand value calculated at US\$ 541 million. Thus CG entered the list of 50 most valued brands in India. The Indian capital market has recognised CG's achievements over the last decade. The Company's market capitalization has risen from Rs.174 crore in April 2000 to over Rs.18,000 crore in April 2011.

● STAND-ALONE
●●● CONSOLIDATED

RECOGNISED AS A GLOBAL CHALLENGER

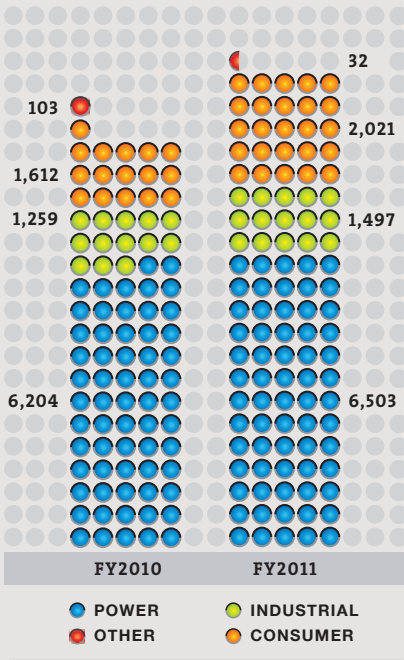
Amongst BCG's 100 new global challengers

The Boston Consulting Group (BCG) included CG in BCG's 100 New Global Challengers in its reports of 2006, 2009 and 2011. In the words of BCG, these global challengers "are based out of rapidly developing economies, are shaking up the established economic order and are among the most formidable new competitors on the global stage". CG is proud to be in this group.

During FY2011, CG was awarded the Business Excellence Prize, 2010 by the Confederation of Indian Industry (CII). It is a recognition received by very few companies in India. Moreover, CG contested this award for the entire company, comprising 22 plants/divisions and four regions.



CONSOLIDATED NET REVENUE OF THE SBUS
IN RS. CRORE



ACQUISITIONS

As mentioned in last year's annual report, on 29 April 2010 CG concluded an arrangement for acquiring three businesses of Nelco Limited — traction electronics, SCADA and industrial drives — for a value of approximately Rs.92 crore. This acquisition formally occurred during FY2011. It should enable CG Industrial Systems to become a stronger player in its railways business and also build capabilities in designing and manufacturing drives.

Acquisition of Emotron

On 19 May 2011, CG acquired Emotron of Sweden for an enterprise value equivalent to €57.8 million.

Established in 1975 as a merger of three companies, Emotron is engaged in the design, engineering and manufacturing of drive solutions — with the latest insulated gate bi-polar transistor (IGBT) based technology for variable frequency drives (VFDs) from 200 V to 690 V, and 0.2 kW to 3,000 kW. These are used for:

- + Flow controls, such as pumps, fans and compressors;
- + Material handling, e.g. cranes, crushers, mills and conveyors; and
- + Lift controls such as elevators.

It also manufactures soft starters and shaft power monitors that are widely used in several industrial applications, as well as rotary heat exchangers with switch reluctance motors for saving energy.

For the year ended 31 December 2010, Emotron earned revenue equivalent to €37.3 million, with an EBITDA of €4.4 million.

Emotron has had a long experience in West European markets especially Germany and the Benelux countries, and is respected for its knowledge and use of drive technology. With this acquisition, CG has taken a big step in being able to offer energy saving solutions with latest power electronics technology.

Rising energy costs and a global focus on energy efficiency and lower carbon emissions is expected to catapult the world market for VFDs from US\$10 billion in 2010 to US\$16 billion in 2014. Together with Emotron, CG should substantially increase its business and become a major force in global VFD/industrial motors markets — in Europe, the Americas and India. This acquisition fills the gap in the automation solutions space for CG's Industrial Systems business.

Acquisition of QEI

On 27 May 2011, CG acquired QEI Inc of USA for an enterprise value equivalent to US\$30 million.

QEI is a market-leading provider of SCADA and automation systems and allied products which are used to manage electric transmission and distribution networks in electric utilities and electrified transit. Servicing a large customer base, its major products and solutions include:

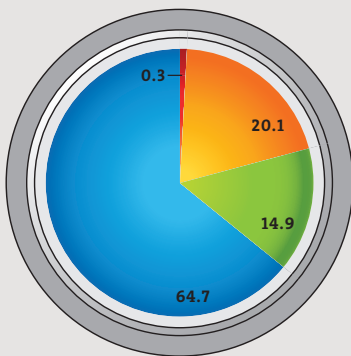
- + Complete and fully integrated SCADA systems;
- + Master stations and control centres;
- + Distribution management applications;
- + Sub-station automation systems and products;
- + Feeder automation systems and products; and
- + System installation and integration services. QEI is based in Springfield, New Jersey, USA.

With this acquisition, CG has further strengthened its position in SCADA and sub-station automation. QEI should help CG in further penetrating the North American automation market, and in also creating capabilities for distribution automation in India and Europe.

The above two are CG's eighth and ninth acquisitions in six years. The others have been Pauwels (2005), Ganz (2006), Microsol (2007), Sonomatra (2008), MSE Power Systems (2008), Power Technology Solutions (2010) and three businesses of Nelco (2010).



SHARE OF REVENUE OF THE SBUS
IN PERCENT



● POWER ● INDUSTRIAL
● OTHER ● CONSUMER

NEW BUSINESS AREA

CG has been awarded a contract for acting as the distribution franchisee of Maharashtra State Electricity Distribution Company Limited (MSEDCL) for power distribution in the Jalgaon Circle (Maharashtra) for a period of ten years. A Letter of Intent for the same has been executed between CG and MSEDCL.

CG will attempt to reduce currently high levels of technical and commercial losses by modernising the distribution infrastructure, improving collections, and bringing in place more efficient management, vigilance and application of corporate best practices.

KEY PERFORMANCE

The key performance highlights of CG for FY2011 are given to the right.

STRATEGIC BUSINESS UNITS (SBUS)

CG has three SBUs: (i) CG Power Systems, (ii) CG Industrial Systems, and (iii) CG Consumer Products. **CHART F** gives the comparative shares of business of the three SBUs on a consolidated global basis for FY2010 and FY2011.

➤ **CG POWER SYSTEMS NET REVENUES** grew by 4.8% — up to Rs.6,503 crore in FY2011.

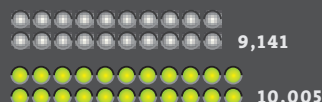
➤ **NET REVENUE FROM CG INDUSTRIAL SYSTEMS** increased by 18.9% — from Rs.1,259 crore in FY2010 to Rs.1,497 crore in FY2011.

➤ **NET REVENUE FROM CG CONSUMER PRODUCTS** rose by 25.4% from Rs.1,612 crore in FY2010 to Rs.2,021 crore in FY2011.

CHART G shows that in FY2011, CG Power accounted for almost 65% of the Company's consolidated net revenues; followed by 20% for CG Consumer Products; and 15% for CG Industrial Systems.

CONSOLIDATED FINANCIAL HIGHLIGHTS

NET SALES AND SERVICES IN RS. CRORE



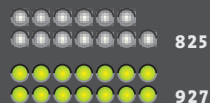
9.5↑ Net sales and services grew by 9.5% — from Rs.9,141 crore in FY2010 to Rs.10,005 crore in FY2011. Thus, the Company's turnover rose to approximately US\$ 2.2 billion.

EBIT IN RS. CRORE



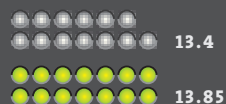
2.8↑ Earnings before interest and taxes (EBIT) grew by 2.8% — from Rs.1,216 crore in FY2010 to Rs.1,250 crore in FY2011.

PAT IN RS. CRORE



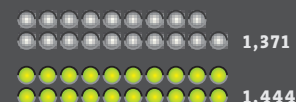
12.4↑ Profit after taxes net of minority interests and share of associate companies, but excluding extraordinary item (PAT) increased by 12.4% in FY2010 to Rs.927 crore in FY2011. Inclusive of extraordinary items, PAT rose by 3.3% from Rs. 860 crore in FY2010 to Rs.889 crore in FY2011.

EPS IN RS.



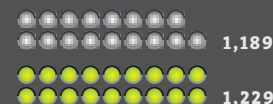
3.3↑ Earnings per share (EPS) including extraordinary items increased by 3.3% from Rs 13.4 to Rs.13.85 in FY2011.

EBIDTA IN RS. CRORE



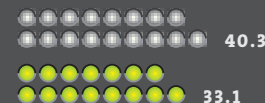
5.3↑ Earnings before interest, depreciation, taxes, and amortisation (EBIDTA) increased by 5.3% — from Rs.1,371 crore in FY2010 to Rs.1,444 crore in FY2011.

PBT IN RS. CRORE



3.4↑ Profit before taxes (PBT) grew by 3.4%, from Rs.1,189 crore in FY2010 to Rs.1,229 crore in FY2011.

ROCE IN PERCENT



7.2↓ Return on capital employed (ROCE) reduced from 40.3% in FY2010 to 33.1% in FY2011. That is still the highest ROCE among comparable players in the industry.

UEOB IN RS. CRORE



12.5↑ The unexecuted order book (UEOB) as on 31 March 2011 stood at Rs.7,169 crore. This was up by 12.5% over the previous year.

All figures in US\$ for 2009-10 (FY2010) are at US\$ 1= Rs.47.7446; for FY2011 at US\$ 1= Rs.45.5712. Figures for FY2010 have been regrouped wherever necessary in order to make them comparable with those of FY2011.

● FY2010 ● FY2011

1

CONSOLIDATED FINANCIAL PERFORMANCE OF CG POWER

YEAR ENDED 31 MARCH
IN RS. CRORE

	FY2010	FY2011	GROWTH
Net Sales	6,204	6,503	5%
EBIDTA	882	937	6%
EBIT	769	807	5%
Capital Employed	1,678	2,159	29%
ROCE	45.8%	37.4%	↓ 8.4% POINTS
Unexecuted Order Book	5,987	6,565	10%

Figures have been re-grouped wherever necessary to make them comparable.

CG POWER SYSTEMS: CONSOLIDATED PERFORMANCE

CG Power Systems (or CG Power) represents the Company's global transmission and distribution businesses, and is the largest SBU. It manufactures power transformers, distribution transformers, extra high voltage (EHV) and medium voltage (MV) circuit breakers, gas insulated switchgear (GIS), EHV instrument transformers, lightning arrestors, isolators and vacuum interrupters. It provides turnkey solutions for T&D through customised sub-station projects, EPC and other integrated end-to-end contracts that involve solutions, design, products, procurement, construction, erection and servicing. Its facilities abroad and in India have been listed earlier in this chapter.

The key performance indicators of CG Power (global as well as Indian) are in **TABLE 1**. As is evident, the SBU's performance has been somewhat muted. The reasons are given later in this chapter.

- ▶ Net sales of CG Power grew by 5% to Rs.6,503 crore in FY2011.
- ▶ EBIDTA increased by 6% to Rs.937 crore in FY2011, and EBIT by 5% to Rs.807 crore.
- ▶ There was a 29% increase in capital employed to Rs.2,159 crore. This was partly due to more investments; as well as some key customers not taking delivery of approved and successfully tested orders, and thus tying up working capital.
- ▶ As on 31 March 2011, the unexecuted order book (UEOB) was up by 10% to Rs.6,565 crore.

Those familiar with the Management Discussion and Analysis of the previous year will recall that while CG Power India did very well in FY2010, CG Power Overseas had suffered on account of the falling demand for distribution transformers (DT) in

Europe and the USA. This year, the story is the reverse.

There were no operational constraints for CG Power Overseas in FY2011. DT sales bounced back; power transformers, wind and sub-stations grew very well; and the overseas businesses witnessed healthy growth in terms of volumes and value. However, there was a negative impact of 12% on account of currency translation.

However, in CG Power India, despite a 17% growth in physical output (measured in terms of mega-volt ampere or MVA), pricing pressures dampened revenue growth. Moreover, some key customers in India delayed taking delivery of, or installing power transformers, switchgear and sub-stations — even when these had been tested to their satisfaction. Thus, there were instances where revenue could not be booked, in spite of the equipment being ready for shipment and installation.

Notwithstanding this 'blip' in India in FY2011, the outlook for CG Power continues to remain robust. According to the International Energy Agency's World Energy Outlook, 2010, global demand for primary energy will rise from 12 billion metric tons of oil equivalent in 2010 to almost 17 billion metric tons in 2035. Global energy use will grow by 42% in 25 years, with non-OECD countries accounting for almost all of the increase. China will lead the pack, with a demand surge of almost 75%. Followed by India. It is estimated that approximately three-fourths of this growth in energy demand will be accounted for by India and China.

It is inevitable, therefore, that the world will witness a steady increase in demand for T&D equipment and end-to-end solutions — both for replacement as well as for new projects. Despite T&D outlays falling below plan targets in FY2011, there is every reason to believe that India will see significant growth in power sector investments, spanning generation, transmission and distribution. CG Power is well placed to exploit these opportunities.

2

PERFORMANCE OF CG POWER OVERSEAS

YEAR ENDED 31 MARCH
IN RS. CRORE

	FY2010	FY2011	GROWTH
Net Sales	3,733	4,060	9%
EBIDTA	400	456	14%
EBIT	307	347	13%
Capital Employed	1,180	1,480	25%
ROCE	26.0%	23.5%	↓ 2.5% POINTS
Unexecuted Order Book	2,949	3,608	22%

3

PERFORMANCE OF CG POWER INDIA

YEAR ENDED 31 MARCH
IN RS. CRORE

CG POWER OVERSEAS: FINANCIAL PERFORMANCE

The Financial Performance of the CG Power Overseas is given in **TABLE 2**.

Thanks to a significant revival of the DT business both in the USA and in Europe, coupled with major growth in the demand for wind energy solutions, the top-line of CG Power Overseas grew by 21% in Euros. However, the impact of currency translation muted the growth to 9% — to reach Rs.4,060 crore (or US\$ 891 million). EBIDTA rose by 14% to Rs.456 crore (US\$ 100 million). EBIT grew by 13% to Rs.347 crore (US\$ 76 million). There was a 25% growth in capital employed, thanks to key investments, especially the acquisition of Power Technology Solutions in the UK. This led to ROCE reducing by 2.5 per cent points to 23.5%. The unexecuted order book (UEOB) increased by 22% and stood at Rs.3,608 crore as on 31 March 2011 (US\$ 792 million).

CG POWER INDIA: FINANCIAL PERFORMANCE

TABLE 3 gives the key performance indicators for FY2010 and FY2011.

Net sales of CG Power India was muted — growing by 2% over last year to reach Rs.2,554 crore. EBIDTA decreased marginally to Rs.482 crore. So has EBIT to Rs.460 crore. Return on year-end capital employed (ROCE) fell by 24.3 per cent points to 68.5% — which, despite the fall, remains by far the highest ROCE in the industry. The unexecuted order book (UEOB) reduced by 3% to Rs.2,957 crore as on 31 March 2011.

CG POWER: KEY DEVELOPMENTS

FY2011 saw several significant developments in CG Power, some of which are given below:

➤ **MANUFACTURING EXCELLENCE:** CG Power's global capacities were increased by 10,000MVA in one year by (i) setting up

of a new medium power transformer plant in the US and new low power transformer plants in Mechelen (Belgium) and Malanpur (near Gwalior, India); (ii) enhancing capabilities to higher kV and higher MVA classes across all plants; and (iii) productivity improvement of almost 15% in power transformers through modernisation and automation.

➤ **GLOBAL SOURCING:** Achieved significant savings on global material purchases by shifting procurement to low cost and emerging economy vendors. In FY2011, 46% of CG Power Systems total purchases came from Eastern Europe, India, China and the rest of Asia. There are plans to increase this share to 57% in FY2012.

➤ **ONE WORLD QUALITY:** This is a key driver to standardise best quality practices across all power transformer units. A critical parameter has been identified — namely, test bed failure, however rare, and subsequent de-tanking. The task is to bring de-tanking to below 5% at a global level, irrespective of the increased volume of production. One World Quality has been behind the success of manufacturing 765kV power transformers across different global facilities. Based on the uniformly high quality parameters, irrespective of where these transformers were manufactured, CG Power has secured repeat orders for 20 more units.

➤ **UNIPOWER PROJECTS:** Four major projects are being conducted throughout CG Power to design and implement best-in-class processes for various transformers. When successfully implemented, these should save significant costs per year.

➤ CG Power Overseas saw a sales growth of 21% in FY2011, measured in Euros. The power transformer divisions in the aggregate grew by 26% in numbers, and by 17% in terms of MVA. The distribution transformer divisions grew by 36% in terms of numbers, and by 6% in MVA.

	FY2010	FY2011	GROWTH
Net Sales (net of excise duty)	2,510	2,554	2%
EBIDTA	484	482	0%
EBIT	462	460	0%
Capital Employed	498	672	35%
ROCE	92.8%	68.5%	↓ 24.3% POINTS
Unexecuted Order Book	3,038	2,957	↓ 3%

It is inevitable, that the world will witness a steady increase in demand for T&D equipment and end-to-end solutions.



One World Quality enabled reduction in de-tanking to less than 5% for all power transformer units globally.

- There were several notable developments globally.
- Mechelen manufactured 765MVA, 380kV auto-transformers and 60MVAR, 380kV reactors for the first time. The new low power transformer plant began operations. The existing distribution transformer plant was modernised.
- In Hungary, four 765kV power transformers were tested at the Taposzele plant for the first time. The tanking facility at Szolnok produced 765kV tanks — also for the first time.
- Ireland saw the first production of 4MVA transformers.
- The new best-in-class medium power transformer plant in the US has commenced operations.
- The plant in Indonesia has been upgraded to the 500kV level with a new test bay. It is now ready to take 500kV orders from the Indonesian utility major, PLN, as well as 330kV orders from Australia.
- In 2010, the Systems Division of CG Power (Belgium) has commissioned its first offshore sub-station — of a 165MW wind-farm called Belwind, located 50 km in the coastal waters of Belgium. The project connected offshore wind-farms to the main high voltage grid. Based on its success, CG has filed a patent for customised off-shore grid connections.

➤ CG Power Overseas has created a joint venture in Saudi Arabia to manufacture medium power transformers to meet growing demand in the Middle East. The plant will have the capacity to produce transformers of the 100MVA, 132kV class. In addition, it will be able to undertake repairs for units up to the 120MVA, 220kV class. It is targeted for completion by FY2013.

➤ CG will soon be establishing a greenfield power transformer plant up to 100MVA and an HT switchgear plant in Brazil. The objective is to create a local manufacturing platform that will transform CG into a significant player in Latin America. Brazil

There is a significant revival of the overseas distribution transformer business.

is the largest transmission and distribution market in South America and has a burgeoning domestic demand. The plant's facilities can also be used as an export platform to other Latin American countries. CG has completed the acquisition of land to set up the manufacturing facility.

- CG Power Overseas secured several significant orders. Some of these include:
 - + Large orders of 1.5MVA, 1.7MVA and 6.2MVA SLIM transformers for the wind segment in Europe.
 - + Increased share of frame contracts from wind energy transmission majors in Europe, such as Enercon (Germany), Elia (Belgium), Union Fenosa (for Belgium) and Acconia (Spain).
 - + Frame contracts for 400kV and 275kV transformers with the National Grid of UK.
 - + Orders for 450MVA onshore and 245kV offshore GIS from Energinet of Denmark.
 - + The first order of 40MVA transformers from Kosovo.
 - + A major GIS substation order from Malta, and another from Finland. In addition, two utilities are sponsoring CG's GIS in the UK.
 - + Secured for the first time orders from Genesis (New Zealand) for 20MVA transformers. Won repeat orders from Meridian Energy (New Zealand), TNB Malaysia and PETEC Australia.
- In the wind segment, CG installed products of almost 700MW in the US in 2010, accounting for 24% of the US market share in wind applications. For 2011, it has projects in hand of over 1,056MW. In Europe, Middle East and Africa (EMEA), for 2010, distribution transformers including SLIM® and Bio-SLIM® transformers, accounted for 40% of the market — most of which was concentrated in western Europe. Globally, CG now enjoys 42% of the market share for offshore wind transformer applications.

CG Power India, too, had several successes to its credit. Some of these were:

- The T1 division (Kanjur Marg, Mumbai) achieved 30% growth in terms of MVA. It crossed the threshold of 20,000MVA of production; continued to earn revenue in excess of Rs.1 billion (US\$ 220 million); and retained its position as the largest transformer manufacturing unit in India. It also manufactured India's largest rating reactor of 125MVA for PGCIL and the Gujarat Energy Transmission Corporation Limited.
- The T3 division (Mandideep, Madhya Pradesh) designed, manufactured, tested and dispatched seven units of 333MVA 765kV transformers for the Unnao substation of Uttar Pradesh Power Transmission Corporation Limited (UPPTCL). The plant also secured approval from the Nuclear Power Corporation of India Limited (NPCIL), thus paving the way to produce capital goods for the country's nuclear power programme.
- The new low power transformer plant at Malanpur (near Gwalior, India) started production in FY2011.
- The switchgear division at Ambad (near Nashik, Maharashtra) designed, developed, tested and dispatched the first 1,200kV capacitive voltage transformer (CVT) in the world. It also designed, developed, tested and dispatched a 765kV circuit breaker for UPPTCL at Unnao.
- CG has created a joint venture (JV) with the ZIV Group of Spain to provide substation automation solutions. The JV was formed on 10 September 2010 and is called CG-ZIV Power Automation Solutions Limited. The proposed factory will be located at Bengaluru (in Karnataka, India).
- CG's Engineering Projects Division (EPD) has been revitalised under a new project management team trained at CG's

overseas locations, which has resulted in the division significantly increasing its revenue contributions during FY2011. Among other activities, the EPD is constructing the 765kV substation for UPPTCL at Unnao. This business is now well set to generate higher revenues in the future.

- CG is setting up one of the world's largest UHV research centres at Nashik, which will be operational by FY2012.
- CG Power India's exports did well in FY2011. It achieved leadership position in Bangladesh and Sri Lanka by accounting for over 50% of the transformer orders; generated new businesses in Ghana, Mali, Honduras and Sri Lanka; retained a market share of 60% in Malaysia, despite strong competition from Chinese and South Korean manufacturers; secured repeat orders in Venezuela; and booked orders to facilitate business for the Indonesian and Belgian plants as well as the services business in Belgium.
- Major orders received from domestic market during FY2011 were:
 - + Against intense competition from low cost foreign manufacturers, CG bagged an order for 17 units of 500MVA 765kV auto transformers worth Rs.175 crore from PGCIL.
 - + In partnership with ZTR Ukraine, CG received yet another order for the supply of 11 units of 80MVA 765kV shunt reactors. Of these, ten will be manufactured at T3, Bhopal and one will be manufactured by ZTR. Value of the Indian portion of the order is worth Rs.50 crore.
- This year, CG added a major account to its list of customers in the field of private power projects. It received an order for seven units of 270MVA 420kV generator transformers worth Rs.42 crore from Adani Power for their 2 X 660MW super-critical thermal power plant at Kawai, Rajasthan.

4

PERFORMANCE OF CG INDUSTRIAL SYSTEMS BUSINESS

YEAR ENDED 31 MARCH
IN RS. CRORE

	FY2010	FY2011	GROWTH
Net Sales (net of excise duty)	1,259	1,497	19%
EBIDTA	295	275	↓7%
EBIT	276	264	↓4%
Capital Employed	230	420	83%
ROCE	120%	62.9%	↓57.1% POINTS
Unexecuted Order Book	378	601	59%

CG INDUSTRIAL SYSTEMS

The CG Industrial Systems SBU manufactures the following types of products:

- + HIGH TENSION (HT) MOTORS
- + RAILWAY TRANSPORTATION EQUIPMENT
- + LOW TENSION (LT) MOTORS
- + DIRECT CURRENT (DC) MOTORS
- + AC DRIVES
- + RAILWAY SIGNALLING EQUIPMENT
- + FRACTIONAL HORSE POWER (FHP) MOTORS
- + AC GENERATORS
- + STAMPINGS

TABLE 4 gives the financial performance of Industrial Systems over the last two years.

Industrial Systems' net sales increased by 19% over the previous year to reach Rs.1,497 crore. Because of higher input costs and some pricing pressure, EBIDTA fell by 7% to Rs.275 crore. EBIT, too, fell by 4% to Rs.264 crore. Given a significant increase in capital employed — on account of the acquisition of NELCO's three businesses, and other expansion and modernisation programmes — and a marginally lower EBIT, the SBU's ROCE fell to 62.9%. The unexecuted order book increased by 59% to Rs.601 crore.

Some of the key developments for FY2011 are given below:

- The HT Motors division secured its single largest order to manufacture 62 HT slip ring motors for Grasim Industries for two cement (clinker) plants and five grinding units. There was another order for HT slip ring motors of 5400kW from a new customer, Chettinad Cement of Chennai, which was the highest rating slip ring motor commissioned in FY2011. The division also supplied its largest frame HT motor of the year of 900 frame size to Binani Cement.
- Received the single largest order for 160 traction motors (HS15250A) from the Chittaranjan Locomotive Works (CLW), amounting to 70% of that tender quantity. Along with it, won an order to supply 260 HS15250A armatures. Also won 85% of the

tender for another 150 traction motors from CLW.

- Won the single largest order of 19 sets of high horse power diesel electric multiple units (HHPDEMU) from the Integral Coach Factory, Chennai.
- Won substantial orders for data loggers from the Konkan Railways and the East Central Railways.
- Successfully developed the first of the new N-Series motors, which are benchmarked to the best-in-global-class. The power-to-weight ratio of these motors are higher than the existing one; they have greater efficiency; better heat dissipation; lesser vibration; and lower noise. The first N-series has been delivered to Alstom (India). Higher frame sizes will be developed and tested in the course of FY2012.
- Won a significant order of 36 three-phase AC motors for the Diesel Locomotive Works. This order is strategically important given that the future of Indian Railways is in AC traction.
- New products accounted for 21% of total sales of the Industrial Systems SBU. For critical facilities like M7 at Mandideep, it was as high as 47%.
- To create greater synergies, the key resources of the NELCO businesses — technical people, facilities and traction electronics, SCADA and industrial drives technology — were identified and shifted to CG's Mandideep facility.
- There were significant productivity improvements. De-bottlenecking of traction machines production facilities helped increase the physical output of traction machines by over 90%. The M7 plant at Mandideep achieved an average utilization of 97% during FY2011. Cycle times were decreased across the board. Better shop floor and production layout

There were significant productivity improvements at Industrial Systems. M7 plant at Mandideep achieved an average utilisation of 97% during FY2011.



Uniformly wound stator winding for high tension motors.



CG's lighting is a 'Superbrand' for the fourth consecutive year, with number two in India.

and the introduction of new Goliath cranes at the manufacturing facilities improved productivity. FY2011 saw significant improvement in supply chain management including new vendor development.

CG CONSUMER PRODUCTS

The CG Consumer Products business supplies fans, lighting equipment (light sources and luminaires), pumps, range of electrical household appliances and provides solutions for integrated security systems, home automation and street lighting. The financial performance of the SBU is given in **TABLE 5**.

The CG Consumer Products business — CG's second largest SBU in terms of revenues and its most significant cash generator — grew net sales by 25% to Rs.2,021 crore in FY2011; EBIDTA increased by 32% to Rs.312 crore; EBIT by 27% to Rs.293 crore. The SBU's ROCE stood at 364%.

CG is one of the fastest growing consumer product brands in India. It is the market leader in fans with a strong brand image; occupies the number 2 position in lighting, and is expanding its product portfolio; is the fastest growing brand in home appliances; and is the leader in the domestic pumps segment.

➤ CG fans continued its overall leadership status, and further increased its market share by growing at 31%, which was faster than the industry as a whole. It retained its 'Superbrand' status for the fifth year in succession. New products accounted for over 25% of total fan sales. The fans division has developed and started selling a new range of energy efficient fans with 5-Star ratings. It has also introduced a new range of industrial fans and is working towards providing integrated air management solutions.

➤ CG's lighting also retained its 'Superbrand' status for the fourth consecutive year, with an overall number



**PERFORMANCE OF CG
CONSUMER PRODUCTS**
YEAR ENDED 31 MARCH
IN RS. CRORE

2 position in India. CG continues to enjoy industry leadership in high intensity discharge lamps which are used for public lighting. In FY2011, lighting grew by over 16% compared to the previous year. New products accounted for over 18% of total lighting sales.

➤ CG is the first company in India to produce a highly energy efficient light emitting diode (LED) lamp, consuming just 5 watts of power, with the light equivalent of a 40 watt bulb, and an average life of 50,000 burning hours. It is using public-private partnerships, government-led initiatives and municipal-level projects to popularise energy efficiency through LED lamps.

➤ The pumps division grew by 29% in FY2011, which was considerably faster than the market. In domestic pumps, CG grew by 31%, and retained its leadership position in the segment. The division is focusing on agricultural pumps to grow the size of business. In FY2011, CG's sale of agricultural pumps increased by 23%. The division is also active in the industrial pumps segment. New products accounted for 33% of total pump sales. The division is developing a set of product-based solutions to create integrated water management systems.

➤ CG's appliances division grew by 20% in FY2011 versus the previous year, and has started to emerge as a strong domestic brand. It has become a significant player in geysers — where it has grown by 26%. Over 53% of sales of the appliances division consist of newly designed products.

➤ After sales service is important for CG Consumer Products, and committed actions have been initiated to offer world class service to consumers through a widespread network of well equipped service centres.

➤ CG is fast becoming an integrated solution provider in urban India — offering

end-to-end solutions that integrate appliances management, lighting, fans, water management, security, building management and home automation. A programme for establishing an array of CG galleries, which will exclusively showcase the diversity of the entire Consumer Products portfolio and integrated solutions is under implementation.

RESEARCH & DEVELOPMENT (R&D)

The Board of Directors of CG has set some challenging targets for Global R&D by 2015. These are:

- At least 25% of total sales should come from integrated solutions business.
- At least 15% of total sales should come from new products.
- At least 15% of total sales should come from superior, knowledge-based products and services.
- There should be five major breakthroughs in platform technology and CG's technology should be benchmarked with the top three players in the world in the respective businesses.
- The cycle time for new product development should be reduced by 75% compared to what it was in FY2008.
- There should be no less than 1,000 IPRs.
- In achieving the above, the R&D budget should increase to 4% of total sales.

This section summarises the Company's achievements in R&D during FY2011.

New Product (NP) Development

The Company has a clear metric to determine NP development. In FY2011, for CG Power India, NP accounted for 22% of the SBU's total sales revenues. For CG Industrial Systems, it was 21%. And for CG Consumer Products, it was 27%.

- For CG Power India, some of the new products were the 765kV, 333MVA single phase auto transformer; the 200MVA, 400kV/132kV/33kV auto transformers for the Power Grid Corporation of India Limited (PGCIL); the 200MVA, 400kV single phase generator transformer for the National

	FY2010	FY2011	GROWTH
Net Sales (net of excise duty)	1,612	2,021	25%
EBIDTA	237	312	32%
EBIT	230	293	27%
Capital Employed	51	81	59%
ROCE	451%	364%	↓87% POINTS

The fans division has developed and started selling a new range of energy efficient fans with 5-Star ratings.

Thermal Power Corporation's (NTPC's) Simhadri unit, the 245MVA, 420kV/21kV single phase step up generator transformer for NTPC's Korba unit; and the 45MVA auxiliary transformer for NTPC's Simhadri unit. All these have been either delivered or successfully tested.

- ✦ For CG Industrial Systems, R&D has helped in creating new products such as different models of high tension vertical motors, high efficiency alternators and new general purpose motors up to 1HP.
- ✦ For CG Consumer Products, R&D has played a role in successfully introducing several new products, such as the 4" submersible jacketed pump-set; a new design of a three-phase open submersible pump; more efficient pedestal and table fans; and a Solarium Plus instant water heater.

Other significant developments in CG's Global R&D during FY2011 have been:

- ✦ Successfully developing a 36kV isolator with 12% cost reduction.
- ✦ Enhancing the capacity of a 245kV circuit breaker from 3,150 amperes to 4,000 amperes.
- ✦ Delivering the first N-Series motor, where the test results exceeded the benchmarked parameters.
- ✦ Completing the design and development of a SCADA system based on the IEC101 and IEC104 protocols, and receiving orders for their supply.
- ✦ Developing and commercialising smart LED street lighting solutions, with the first integrated package being sold in August 2010.
- ✦ Reducing the height of the 72.5kV breaker interrupter by 15%.
- ✦ Reducing the weight of the 315MVA power transformer by 8.5%, and power loss by 148kW.

Technology Initiatives

During FY2010, several platform technology initiatives were identified. In FY2011, these were rolled out. Some of these involved areas such as designing

high tension motors with low noise and vibration; developing nano-based insulation technology for instrument transformers; GIS technology; medium voltage drives technology; vacuum interrupter technology; high efficiency CFL technology for indoor lighting; and high temperature, high reflective coatings for luminaires.

IPR Achievements

FY2011 saw CG apply for 159 patents, and 161 design registrations, or 320 IPRs in total. Of the 159 patents applied for, 37 were from CG Power India; 18 from CG Consumer Products; 44 from CG Industrial Systems; and 60 from Global R&D. During the year, eight patents were granted, out of which five patents were in India, two in the USA, and one in Russia.

Technology Networks

R&D sustains 21 technology networks consisting of experts and their laboratories in India and abroad. Ten such networks were added in FY2011. These cover power systems, power quality, high voltage products, cryogenics and vacuum technology, dielectrics, drives, rotating machines, solar energy, wide area monitoring, material science, reliability, electronics and others.

Integration with CG's overseas units

There have been several R&D projects initiated in FY2011 in association with CG Global's units in Belgium, Hungary, Ireland, Canada, Indonesia and the US.

Recognition by India's Department of Scientific and Industrial Research (DSIR)

In FY2011, the DSIR officially recognised 11 R&D units within CG's SBUs in India: four in CG Power India, three in CG Industrial Systems; and four in CG Consumer Products. These recognitions are an indication of the quality of R&D work carried out by the Company; they also allow the units to claim fiscal benefits on account of R&D.



The new best-in-class medium power transformer plant in the US has commenced operation.

The Company has a clear metric to determine new products development. New products accounted for 23% of total CG India sales.





• Nine schools near various CG facilities have been renovated and reconstructed benefitting approx. 1800 students annually.

This year the thrust was to focus on HR initiatives abroad; employee engagement surveys have yielded insights into employee's expectations after acquisitions.

HUMAN RESOURCES (HR)

In FY2011, CG continued to concentrate on strengthening its HR philosophy of 'Performance Excellence and Meritocracy' across all employees — executives and workers. Within this, the thrust was to further focus on HR initiatives abroad, given that more than half of CG's 8700 employees are located across various nations outside India.

Common themes were chosen across all locations — ones that could be immediately understood, put in motion in a uniform manner and monitored globally. Some of these were: (i) talent management, (ii) performance management, (iii) CG Productivity System (CGPS), (iv) corporate social responsibility (CSR), (v) employee engagement, and (vi) CG brand and what it stands for. Globally, CG invested dedicated management time on integrating various initiatives under these themes to achieve the desired business outcomes.

The year witnessed greater momentum in the area of talent management — especially in integrating talent management imperatives into key HR processes. Decisions on career progression of executives were evaluated vis-a-vis the CG Competency Model, to create a better alignment on the proficiencies needed for tomorrow's managers and leaders. To further strengthen functional capabilities, a dedicated Functional Leadership Academy has been launched in many areas.

Overseas locations went through a detailed talent identification initiative, supplemented by workshops and development centres, to strengthen executive capabilities through individually structured development plans. Approximately 70% of CG's leadership positions have been successfully filled by internal candidates — which bears testimony to the quality of the leadership team, and the ability of entrants to leadership positions to deal with significantly greater responsibilities.

CG continued its initiative in preparing select executives for global leadership. With the success of the first 'Leading a Global Organisation' (LAGO) programme, a second batch has been launched in April 2011. This programme exposes participants from different countries to future global trends and best practices, in addition to building contacts and connections across CG. LAGO is structured through three intensive modules and is conducted in Belgium, India and the USA.

In FY2010, the Company re-oriented its approach to training and development by focusing on trainings based on 'business drivers'. This approach continued in FY2011, with positive outcomes.

A voluntary Employee Engagement Survey was conducted across all locations abroad, with a very high response rate by global standards. It has yielded many insights into our employees' expectations after acquisitions, and has provided useful information for senior management to increase employee engagement. Senior management, together with the HR function, has identified priorities for action, and has put in place regular review mechanisms for enhancing employee engagement.

CG's compensation philosophy continues to be governed by an approach that combines 'performance, potential and person' with 'market realities'. This approach has helped CG appropriately design its reward and recognition systems, which has helped contain CG's attrition rates.

In India, the thrust on productivity improvement continues. All wage settlements signed in FY2010 contained an ingredient of CGPS at 133%. In FY2011, production related norms have been recalibrated at many divisions, resulting in an increase by further 10-20 percentage points — thus contributing to higher productivity output with the same infrastructure. CGPS studies for the residual units will be completed in FY2012.

On the global front, after successfully implementing CGPS at Indonesia and Hungary, studies are underway at the CG plants at Canada, Ireland and Belgium. These initiatives will gain momentum during FY2012, in addition to CGPS being started at its US facilities.

CG has prided itself in fostering collaborative relationships with its blue collar work force. As in earlier years, CG has not experienced a single day's work stoppage or industrial unrest during FY2011.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Actively supported by CG's management and its employees at all levels, the CSR movement at CG has entered its fifth year. Given below are the key initiatives.

CSR in India

As in the past, the key CSR areas of CG in India are (i) health and sanitation, (ii) creating employability, (iii) affirmative actions, (iv) industry-academia interface, (v) HIV/AIDS and, more recently, (vi) agriculture and animal husbandry initiatives.

Much of CG's CSR focus is in villages near its plants and facilities. In India, these are at: Nandurvaitya (near Nashik), Shevta (Aurangabad), Rithora (Gwalior), Bhatkhadi (Indore), Ratanpur and Gurarighat (Bhopal), Gametha (Vadodara), Mator (Chennai), Hingangaon, Nimgaon and Nimblak (Ahmednagar), Kanjur (Mumbai), and Kunkoliem and Bethora (Goa).

As a new initiative in the area of agriculture and animal husbandry, a division of Industrial Systems has started experimenting with innovative practices in water harvesting, organic farming, multi-cropping, horticulture, as well as improvement of cattle yield for dairy. A pilot project has been initiated in the village of Ratanpur together with BAIF, a well known NGO with expertise in these activities.

To accelerate efforts in creating employability, the Northern region has

Approximately 70% of CG's leadership positions have been successfully filled by internal candidates.

expanded its Graphic and Multimedia Training Centre and, in FY2011, another 200 students were selected to study eight different courses.

Providing equipment and infrastructure is also a part of the Company's commitment. The Lighting Division at Baroda is setting up a solar powered, LED-illuminated lighting system in the village of Gametha, near its Vadodara facilities. It has also introduced a six-month practical training course in collaboration with the MS University in glass and ceramics technology.

CG continues its collaboration with the Industrial Training Institute (ITI) at Satpur, Nashik — a five year commitment under the Government of India's public-private partnership programme. Through this, CG will foster a 'learn and earn' environment at the ITI; alter the syllabus wherever required to better reflect needs of neighbouring industries; increase employability of participants through better industry networking; create better marketability of the graduating students; and develop the ITI into a profit centre.

A summary of some other CSR initiatives are given below:

+ SCHOOL RENOVATION & RECONSTRUCTION

Nine schools near various CG facilities have been renovated and reconstructed, benefiting approximately 1,800 students annually.

+ MULTI-MODULE KNOWLEDGE BUILDING

PROGRAMMES 567 engineering students from affirmative action backgrounds have benefited from multi-module knowledge building programmes.

+ SKILL DEVELOPMENT PROGRAMMES

397 school drop-outs have been imparted skill development programmes.

+ TOILET CONSTRUCTION

335 toilets have been constructed in line with CG's emphasis on health and sanitation.

+ SELF-HELP GROUPS

57 self-help groups have been formed, with increasing amounts of revenue being generated in each group.

Each year, CG continues its commitment to the three dedicated days - the World Environment Day (5 June), the Voluntary Blood Donation day (1 October), and the World AIDS Day (1 December).

CSR in the Rest of the World

Each unit abroad has adopted three days every year as facility-wide CSR days, such as the Forest Day (21 March), World Health Day (7 April), the Earth Day (22 April), the Anti-Tobacco Day (31 May), the Blood Donation Day, and the World AIDS Day. In addition, different countries/units have focused on various CSR activities, some of which are given here:

BELGIUM

CG has been supporting Foundation Yvens (at Boons) for children who cannot go to school because of sickness, or because they are hospitalised.

IRELAND

CG employees have been mentoring 'willing and able' students, and have helped them secure employment. In addition, the facility has directly sponsored and helped the local Lions Club Annual charity fund raiser, and has begun to assist the local nursing home for the aged.

HUNGARY

Has been supporting the local junior football and handball team, and has made significant financial contributions to local school programmes.

CANADA

Raised US\$ 4,750 for The United Way campaign.

USA

Employees raised over US\$ 12,000 for the Junior Achievement fund-raiser, with CG contributing an extra US\$ 5,000. It also raised US\$ 26,228 for The United Way.



STAND-ALONE PERFORMANCE OF CG

IN RS. CRORE, EXCEPT EPS

INFORMATION TECHNOLOGY (IT)

CG possesses a high speed IT network spanning all locations in India and abroad. It has a well equipped data centre at Kanjur Marg (Mumbai), which houses all servers running critical applications such as SAP, Business Warehouse, Dealer Portal, After-Sales Service portal, CGHR4U and Six Sigma. It also has a full-fledged, and frequently tested disaster recovery site at Chennai. CG's IT policy covers key aspects of security: physical and electronic access to information; access to critical areas; electronic distribution; and sharing of information.

The key IT initiatives during FY2011 were:

▶ **HARDWARE REFRESHING AND**

RESTRUCTURING: CG's hardware, supporting enterprise-wide resource planning under SAP, which was established in 2004, needed to be upgraded. This was done in FY2011. The hardware systems now deployed at Kanjur Marg and the disaster recovery site at Chennai can comfortably cater to increased volume of business and significantly more users. Moreover, CG has also restructured its hardware environment by implementing virtualisation of servers. This will significantly benefit CG by saving server space in the data centres, saving power consumption and reducing the service costs for maintenance of individual servers.

▶ **ERP UPGRADE PROJECT:** In FY2011, CG embarked on a major upgrade of the SAP ERP system from version 4.7 to ECC6.0. This was achieved in a cost effective manner by deploying internal expertise. The success of the project lay in the fact that none of the business processes were affected during the transition. Today, post-upgrade, CG is at an advantageous position with respect to the new product features and modules of SAP.

▶ **THE NEW CG WEBSITE:** CG's website was renewed as a part of its new brand identity. It is a single global website offering

YEAR ENDED ON 31 MARCH	FY 2010	FY 2011
Gross Sales and Services	5,516	6,276
Less : Excise Duty	232	325
Net Sales and Services	5,284	5,951
Manufacturing, Construction & Operating Expenses	3,623	4,173
Staff Expenses	256	310
Selling and Administrative Expenses	548	535
Operating EBIDTA	857	933
Other Income (OI)	69	79
EBIDTA Including OI	926	1,012
Interest and Commitment Charges (Net)	4	4
Depreciation and Amortization	52	81
Operating PBT	801	848
PBT Including OI (Before Extraordinary Item)	870	927
Less : Provision for Taxes		
Current Tax	274	244
Deferred Tax	19	(11)
PAT (Before Extraordinary Item)	577	694
Extraordinary Item (Net of Taxes)	40	-
PAT (After Extraordinary Item)	617	694
Balance Brought Forward	811	1,272
Amounts transferred on amalgamation of a subsidiary	-	8
Transfer To General Reserve	(62)	(70)
Interim Dividends (Including Corporate Dividend Tax)	(94)	(164)
Balance Carried Forward To The Balance Sheet	1,272	1,740
Basic And Diluted EPS, Before Extraordinary Items (In Rs.) (Face Value of Equity Shares of Rs. 2 Each)	9.0	10.8
Basic And Diluted EPS, After Extraordinary Items (In Rs.) (Face Value of Equity Shares of Rs. 2 Each)	9.6	10.8

information on all its businesses, products, services and capabilities in a logically coherent manner — united by the common CG brand. It has a single address: www.cgglobal.com. In addition to providing business related information, including news and events, a new CSR section has been incorporated in the site.

▶ **DASHBOARDS FOR MEASURING CORPORATE PERFORMANCE:** Graphic representation of data is an extremely effective way of inferring relevant information. In FY2011, the IT team implemented a powerful business intelligence (BI) tool and created corporate performance dashboards for its different businesses. This includes tracking of CG's businesses with that of its competitors for comparative trend of performance versus peers over defined periods.

FINANCIAL PERFORMANCE

We first highlight CG stand-alone results, after which we discuss the financial performance of overseas entities and, finally, the consolidated financials for the Company.

CG: Stand-alone Performance

The stand-alone results of CG for the year ended 31 March 2011 and 2010 are detailed in **TABLE 6**. **TABLE 7** gives the key ratios (profitability, assets efficiency and leverage ratios) of the stand-alone entity for FY2010 and FY2011.

- ▶ **GROSS SALES** grew by over 13.8% to reach Rs.6,276 crore. Net sales increased by 12.6% to Rs.5,951 crore.
- ▶ **MANUFACTURING, CONSTRUCTION AND OPERATING EXPENSES** as a percentage

7

STAND-ALONE PERFORMANCE OF CROMPTON GREAVES — KEY RATIOS

YEAR ENDED ON 31 MARCH	FY 2010	FY 2011
Profitability Ratios		
Operating EBIDTA w/o Other Income / Net Sales	16.2%	15.7%
EBIDTA With Other Income / Net Sales	17.5%	17.0%
PBT / Net Sales	16.5%	15.6%
RONW	35.0%	30.1%
ROCE (at Year End Capital Employed)	46.6%	38.9%
Cash ROCE (Terminal)	49.4%	42.3%
Per Share Ratios		
EPS before extraordinary items (Rs. per share)	9.0	10.8
EPS after extraordinary items (Rs. per share)	9.6	10.8
Cash EPS before extraordinary items (Rs. per share)	10.1	11.9
Cash EPS after extraordinary items (Rs. per share)	10.7	11.9
Leverage Ratios		
Total Debt to Equity	0	0
Interest Coverage Ratio	231.5	253.0
Asset Efficiency Ratios		
Net Sales to Gross Working Capital (times)	2.4	2.5
Net Sales to Net Working Capital (times)	8.5	8.7

8

CONSOLIDATED FINANCIAL PERFORMANCE OF THE OVERSEAS ENTITIES

YEAR ENDED 31 MARCH	FY 2010		FY 2011	
	RS. CRORE	US\$ MILLION	RS. CRORE	US\$ MILLION
Gross Sales and Services	3,824	801	4,151	911
Net Sales and Services	3,824	801	4,151	911
Operating EBIDTA	382	80	440	96
Other Income (OI)	32	7	22	5
EBIDTA Including OI	414	87	462	101
Interest and Commitment Charges (Net)	17	4	18	4
Depreciation and Amortization	97	20	113	25
Operating PBT	268	56	309	67
PBT Including OI	300	63	331	72
Less : Provision for Taxes				
Current Tax	37	8	49	11
Deferred Tax	30	6	38	8
PAT	233	49	244	53
Minority Interest	-	-	-	-
Share of Profit / (Loss) of Associates	0	0	1	0
PAT (Before Extraordinary Item)	233	49	245	53
Extraordinary Item	-	-	(38)	(8)
PAT (After Extraordinary Item), Carried Forward to the Balance Sheet	233	49	207	45
Foreign Exchange Rate for US \$ 1		47.7446		45.5712

to net sales grew by 150 basis points to 70.1% in FY2011.

- + **OPERATING EARNINGS BEFORE INTEREST, DEPRECIATION, AMORTISATION AND TAXES (OPERATING EBIDTA)** grew by 8.8% over the previous year to Rs.933 crore. Operating EBIDTA to net sales margin reduced by 50 basis points, from 16.2% in FY2010 to 15.7% in FY2011.
- + **OPERATING PROFIT BEFORE TAXES (OPERATING PBT)** grew by 5.8% to Rs.848 crore in FY2011.
- + **PROFIT AFTER TAX (PAT)** grew 12.5% to Rs.694 crore. Excluding extraordinary items, PAT increased by 20.3% to the same number, i.e. Rs.694 crore.
- + **RETURN ON YEAR END CAPITAL EMPLOYED (ROCE)** was 38.9%; and return on net worth (RONW) stood at 30.1%. Earnings per share before extraordinary items increased from Rs.9.0 for each Rs.2 share in FY2010 to Rs.10.8 in FY2011. It was the same after extraordinary items.
- + As a stand-alone entity, CG is a debt free company, with an interest coverage ratio that stands at 253.0.

CG Overseas

The consolidated financial performance of all overseas entities is given in **TABLE 8**.

For the CG overseas entities:

- + **NET SALES GREW** by 8.6% in rupee terms to clock Rs.4,151 crore in FY2011. In US\$ terms, it increased by 13.7% to US\$ 911 million.
- + **OPERATING EBIDTA** grew by 15.2% to reach Rs.440 crore in FY2011; and by 20% in US\$ terms to US\$ 96 million.
- + **PBT** grew by 10.3% in rupees to Rs.331 crore; and by 14.3% in US\$ terms to US\$ 72 million.
- + **PAT** before extraordinary item increased by 4.7% to Rs.244 crore; and by 8.2% to US\$ 53 million.

CG: CONSOLIDATED PERFORMANCE

TABLE 9 gives the consolidated performance of CG. **TABLE 10** sets out the key ratios of the consolidated entity.



CG, CONSOLIDATED FINANCIAL PERFORMANCE

Key financial achievements of CG as a consolidated entity were:

- NET SALES AND SERVICES:** CG's net sales were US\$ 2.2 billion in FY2011, or Rs.10,005 crore.
- OPERATING EBIDTA** stood at US\$ 295 million, or Rs.1,344 crore.
- OPERATING PBT** was US\$ 248 million, or Rs.1,129 crore.
- PAT** (after accounting for minority interests and share of associated companies, and before extraordinary items) was US\$ 203 million, or Rs.927 crore. PAT (after accounting for minority interests and share of associated companies, and after extraordinary items) was US\$ 195 million, or Rs.889 crore.

RISK MANAGEMENT

CG views risk management as a value creating function, responsible for bringing about a culture change and preparing the organisation to face uncertain events.

With this perspective, FY2011 saw a more comprehensive risk management policy being re-launched in CG — which is being implemented across all divisions and branches, both in India and abroad. This policy strengthens CG's ability to better visualise enterprise, process and compliance risks, and to proactively undertake mitigation actions to minimise such risks — and thus increase the likelihood of business success. The policy recognises that risk is not just about downsides or things going wrong; and that it should be equally focused on missing out the upside or added value that opportunities present.

CG has a corporate risk management department, which has the responsibility of implementing this policy and monitoring the risk mitigation measures. Comprehensive risk templates have been introduced for continuous review, focussed assessment and monitoring of action steps.

During FY2011, based on the revised policy, there was a detailed evaluation of the risks associated with various aspects of

YEAR ENDED 31 MARCH	FY 2010		FY 2011	
	RS. CRORE	US\$ MILLION	RS. CRORE	US\$ MILLION
Gross Sales and Services	9,375	1,964	10,331	2,267
Less : Excise Duty	234	49	326	72
Net Sales and Services	9,141	1,915	10,005	2,195
Manufacturing, Construction & Operating Expenses	5,797	1,214	6,498	1,426
Staff Expenses	1,113	233	1,181	259
Selling and Administrative Expenses	954	200	982	215
Operating EBIDTA	1,277	268	1,344	295
Other Income (OI)	94	20	100	22
EBIDTA Including OI	1,371	288	1,444	317
Interest and Commitment Charges (Net)	27	6	21	5
Depreciation and Amortization	155	32	194	42
Operating PBT	1,095	230	1,129	248
PBT Including OI	1,189	250	1,229	270
Less : Provision for Taxes				
Current Tax	314	66	293	64
Deferred Tax	51	11	17	4
PAT	824	173	919	202
Minority Interest	(2)	(1)	0	0
Share Of Profit / (Loss) of Associates	3	1	8	1
PAT After Minority Interest & Share Of Associates	825	173	927	203
Extraordinary Item	35	7	(38)	(8)
PAT (After Extraordinary Item)	860	180	889	195
Dividends (Including CDT)	(95)	(20)	(165)	(36)
Balance Carried Forward To The Balance Sheet	765	160	724	159
Foreign Exchange Rate for US \$ 1		47.7446		45.5712

CG's businesses across major locations — India, EMEA and the Americas.

The Risk and Audit Committee of the Board of Directors conducts quarterly reviews regarding adequacy of risk management.

INTERNAL CONTROLS AND THEIR ADEQUACY

CG believes that a strong internal controls framework is an essential pre-requisite of growing businesses.

It has well documented policies, procedures and authorisation guidelines commensurate with the size of the organisation, as well as an independent internal audit system to conduct audits of various divisions, sales offices, corporate

headquarters and overseas operations.

The Risk and Audit Committee of the Board is updated on significant internal audit observations, compliance with statutes, progress of risk management and effectiveness of working of the control systems every quarter. Internal Audit also extensively interacts with the external auditors.

During FY2011, a Risk Control Framework (RCF) software was developed. RCF is a process embedded in the organisation to understand the risk and control environment from the perspective of each unit within an SBU. It also highlights the lack or weakness of controls, assessing what risk these present to the business, and how these risks are to be reduced.



CG was awarded the Business Excellence Prize, 2010 by the Confederation of Indian Industry.



CG, CONSOLIDATED FINANCIAL PERFORMANCE, KEY RATIOS

YEAR ENDED ON 31 MARCH	FY 2010	FY 2011
Profitability Ratios		
Operating EBIDTA w/o Other Income (OI) / Net Sales	14.0%	13.4%
EBIDTA with OI / Net Sales	15.0%	14.4%
PBT / Net Sales	13.0%	12.3%
RONW	34.3%	27.1%
ROCE (terminal)	40.3%	33.1%
Cash ROCE (terminal)	45.5%	38.2%
Per Share Ratios		
EPS (w/o Extraordinary Items) (Rs. per share)	12.9	14.5
EPS (with Extraordinary Items) (Rs. per share)	13.4	13.9
Cash EPS (w/o Extraordinary Items) (Rs. per share)	16.1	17.7
Cash EPS (with Extraordinary Items) (Rs. per share)	16.6	17.1
Leverage Ratios		
Total Debt to Equity	0.2	0.1
Interest Coverage Ratio	50.8	69.0
Asset Efficiency Ratios		
Net Sales to Gross Working Capital (times)	2.2	2.2
Net Sales to Net Working Capital (times)	8.4	8.6

OUTLOOK

The outlook for FY2012 is more positive than before. CG sees significant growth in its power systems business in India, Asia, as well as in Europe and the Americas. Power transformer demand is picking up everywhere, and so too is the demand for distribution transformers in Europe and the Americas. Wind energy is back in a reasonably significant manner, and CG ought to be able to leverage its strengths in this sector.

One thing is becoming clear. Future success for CG will depend upon being an end-to-end solutions provider in all its businesses, especially power and industrial systems. Given CG's acquisitions up to date, including Emotron and QEI, and potential acquisitions that it is pursuing, the Company is now well poised to becoming a global end-to-end solutions provider.

SM TREHAN

Managing Director
Mumbai, 1 June 2011

CAUTIONARY STATEMENT

The management of Crompton Greaves has prepared and is responsible for the financial statements that appear in this report.

These are in conformity with accounting principles generally accepted in India and, therefore, may include amounts based on informed judgements and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Management has based these forward looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.

TEN YEARS' FINANCIAL HIGHLIGHTS

	2002	2003	2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011
EARNINGS																	
YEAR ENDED 31ST MARCH, RS. CRORE																	
TOTAL INCOME	1616	1740	1888	2180	2200	2771	4412	3695	6039	4290	7247	4940	9090	5585	9469	6356	10431
GROSS SALES AND SERVICES	1602	1726	1861	2153	2172	2739	4346	3660	5934	4223	7181	4904	9031	5516	9376	6277	10331
NET SALES AND SERVICES	1479	1587	1711	1973	1989	2521	4127	3368	5640	3876	6832	4611	8737	5284	9141	5951	10005
EBIDTA*	157	170	185	190	194	265	390	377	588	553	811	674	1054	927	1371	1012	1444
PBT	7	37	90	125	128	195	277	307	436	486	615	614	867	870	1189	927	1229
PAT**@	4	28	71	115	120	163	233	192	282	314	407	397	560	617	860	694	889
DIVIDEND PER SHARE IN RS	-	-	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.60	1.60	2.00	2.00	2.20	2.20	2.20	2.20
DIVIDEND PAY-OUT	-	-	37	37	37	37	37	47	47	59	59	73	73	81	81	141	141
WHAT THE COMPANY OWNED																	
YEAR ENDED 31ST MARCH, RS. CRORE																	
GROSS BLOCK (INCL. CAPITAL WIP)	773	792	801	819	825	861	1733	959	2335	1078	2733	1124	3083	1204	3099	1652	3891
NET BLOCK (INCL. CAPITAL WIP)	415	394	368	351	354	364	541	433	1087	515	1245	523	1379	567	1376	923	1942
INVESTMENTS	95	74	70	77	83	102	65	135	65	195	93	266	167	688	553	782	675
NET CURRENT ASSETS	298	282	246	295	297	331	571	414	708	361	759	570	969	620	1085	686	1160
NET ASSETS EMPLOYED	808	750	684	723	734	797	1177	982	1860	1071	2097	1359	2515	1875	3014	2391	3777

* EBIDTA = Earnings before Interest, Depreciation, Amortisation, Tax and Exceptional Items.

** Profit after tax, Minority Interest and Share of Associate Companies for Consolidated Profit and Loss Account.

@ After extraordinary item for the Financial Year 2010-11

■ STAND-ALONE

■ CONSOLIDATED

	2002	2003	2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011
WHAT THE COMPANY OWED																	
YEAR ENDED 31ST MARCH, RS. CRORE																	
BORROWINGS	571	459	334	315	315	250	422	270	904	88	842	54	718	27	501	13	470
TOTAL LIABILITIES	1127	1033	982	912	915	1052	1970	1317	3139	1383	3484	1570	3919	1627	3518	1712	3859
NET WORTH OF THE COMPANY																	
YEAR ENDED 31ST MARCH, RS. CRORE																	
SHARE CAPITAL	52	52	52	52	52	52	52	73	73	73	73	73	73	128	128	128	128
RESERVES AND SURPLUS	404	403	288	356	367	484	733	601	896	858	1229	1169	1758	1637	2376	2176	3146
SHAREHOLDERS' FUNDS	417	442	340	408	419	536	785	674	969	931	1302	1242	1831	1765	2504	2304	3275
TANGIBLE NET WORTH***	238	291	340	408	419	536	742	674	927	931	1243	1242	1783	1765	2504	2304	3275
RATIOS																	
YEAR ENDED 31ST MARCH																	
BOOK VALUE PER SHARE IN RS.	3.7	4.5	5.3	6.4	6.5	8.4	11.6	10.5	14.5	14.5	19.4	19.4	27.8	27.5	39.0	35.9	51.0
EARNINGS PER SHARE IN RS. @	0.06	0.44	1.10	1.79	1.87	2.54	3.63	3.00	4.39	4.89	6.34	6.19	8.73	9.62	13.40	10.82	13.85
CASH EARNINGS PER SHARE IN RS. @	1.22	1.74	2.12	2.45	2.53	3.40	5.03	4.03	6.48	5.76	8.36	7.08	11.22	10.74	16.62	11.91	17.13
CURRENT RATIO	1.54:1	1.49:1	1.38:1	1.49:1	1.5:1	1.41:1	1.37:1	1.39:1	1.32:1	1.28:1	1.29:1	1.38:1	1.3:1	1.39:1	1.36:1	1.40:1	1.34:1
DEBT EQUITY RATIO	2.40:1	1.58:1	0.98:1	0.77:1	0.75:1	0.47:1	0.57:1	0.4:1	0.98:1	0.09:1	0.68:1	0.04:1	0.4:1	0.02:1	0.2:1	0.01:1	0.14:1
EBIDTA/ NET SALES %	10.6	10.7	10.8	9.6	9.8	10.5	9.4	11.2	10.4	14.3	11.9	14.6	12.1	17.5	15.0	17.00	14.43
RETURN ON TANGIBLE NET WORTH %	1.7	9.6	20.9	28.2	28.6	30.4	31.4	28.5	30.4	33.7	32.7	32.0	31.4	35.0	34.3	30.13	27.14
FIXED ASSETS TURNOVER RATIO TIMES	3.6	4.0	4.6	5.6	5.6	6.9	7.6	7.8	5.2	7.5	5.5	8.8	6.3	9.3	6.6	6.4	5.2
NO OF PERMANENT EMPLOYEES	6058	5707	5470	5256	8174	4916	7801	4912	7972	5002	8307	5094	8564	5116	8647	5214	8702

*** Tangible Net Worth = Shareholders' Funds – Miscellaneous Exps. (unamortised) - Deferred Tax Asset (net)


@ After extraordinary item for the Financial Year 2010-11

■ STAND-ALONE

■ CONSOLIDATED

DIRECTORS' REPORT





Four major projects for improved efficiencies are being conducted throughout CG Power to design and implement best-in-class processes for various transformers.

To, THE MEMBERS,

Your Directors are pleased to present their Seventy Fourth Annual Report on the business and operations of the Company and the accounts for the financial year ended 31 March 2011.

THE YEAR IN RETROSPECT

The consolidated net revenue of the Company during 2010-2011 grew by 9.5% at Rs.10005 crore, as compared with Rs.9141 crore last year. The Company has achieved a stand-alone net turnover of Rs.5951 crore, during the year under review, as compared with Rs.5284 crore during the previous year, a rise of 12.6%. Whilst order input has grown at a rate of 11.1% at a consolidated level during the year; growth in revenue has been, and is expected to be subdued on account of delayed off-takes by customers in the Power and Industrial segments.

Stand-alone Power Systems grew by 1.8%, whilst consolidated Power Systems grew by 16.9% in Euro terms. A healthy growth in the slim transformer, gas insulated switchgear and project business in the Power Systems segment were the key growth drivers for this segment.

The Industrial Systems segment grew quite significantly, by 18.9% during the year, largely due to revival in demand from steel, cement, fertilizers, oil & gas and other end user industries. The Company has successfully integrated the businesses of traction electronics, SCADA and drives which it acquired from Nelco last year; and is poised to increase its offering in this segment as a part of its larger vision to transform itself from a Product company

to a Solutions Provider status. It has established a new plant dedicated to the manufacture of drives and automation, spread over 30,000 sq feet, equipped with modern equipment. The plant adds a new frontier to the technological capabilities of the Company as a Solutions Provider.

The Consumer Products segment continued to outperform the market, with a growth of 25.4% fuelled by higher disposable incomes and the continuing growth in the construction sector.

Consolidated profit *before* tax increased to Rs.1229 crore, as compared with Rs.1189 crore in the previous year, an increase of 3.4% over last year. Stand-alone profit *before* tax increased from Rs.870 crore to Rs.927 crore, an increase of 6.5% over last year. Stiff competition from Korean and Chinese players created continuing margin pressures, which was further aggravated by rising prices of key materials. The Company has succeeded in sustaining operating margins largely on account of productivity enhancements, upgradation of production facilities, R&D-led savings in raw material consumption, process technology improvements, global sourcing initiatives, better working capital management and a debt free financial structure.

Consolidated profit *after* tax (before extraordinary items) increased to Rs.927 crore as compared with Rs.825 crore in the previous year, an increase of 12.4 %



SBU
IN RS. CRORE

	2010-11	2009-10
Power Systems (CG stand-alone)	460	462
Industrial Systems (CG stand-alone)	263	260
Consumer Products	293	230
Power Systems (including International operations)	807	769
Industrial Systems (including International operations)	264	276

over last year. Consolidated profit *after* tax increased to Rs.889 crore compared with Rs.860 crore in the previous year, an increase of 3.3% over last year. The Company recorded a stand-alone profit *after* tax of Rs.694 crore, an increase of 20.3% as compared with last year.

The Profit *before* interest and tax of the respective Business Groups, compared with last year is given in **TABLE 1**.

A detailed review of the operations and performance of each Business Group as well as the Company's International operations is contained in the Management Discussion and Analysis Report, which is given as a separate chapter in the Annual Report.

AMALGAMATIONS

The Board of Directors at their meeting held on 28 January 2011, approved the amalgamation of CG Capital and Investments Ltd (CG Capital), the Company's wholly-owned subsidiary with the Company. After divesting most of its portfolio of investments, CG Capital was practically dormant; and administratively, it was felt more convenient to manage the residual investments of CG Capital through the Company directly, instead of maintaining a separate entity.

Pursuant to the Scheme of Amalgamation, filed by CG Capital with the High Court of Judicature at Bombay, the regulatory procedures are in an advanced stage of progress.

On 6 July 2010, the Company completed the amalgamation of its wholly-owned subsidiary, Brook Crompton Greaves Limited with it, as reported in the previous year's Directors' Report.

JOINT VENTURES

During the year, to consolidate its market share in the Middle East market, the Company entered into a strategic alliance with the EIC Group, from Saudi Arabia, for establishment of 2 joint venture companies - Saudi Power Transformers Company

Ltd (SPTC) and CG Power Systems of Saudi Arabia Ltd (PS SA). SPTC will strengthen the Company's manufacturing presence of medium power transformers in Saudi Arabia, whilst PS SA will enhance the Company's EPC footprint in Saudi Arabia and other Middle East countries. The Company holds a 49% equity stake in SPTC and a 51% equity stake in PS SA, through its overseas subsidiaries, CG Power Systems Belgium N.V. and CG Holdings Belgium N.V. respectively.

In November 2010, the Company established CG-ZIV Power Automation Solutions Limited (CGZIV), a joint venture company in India with ZIV Aplicaciones y Tecnologia, S.L. (ZIV), for the manufacture of Substation Automation systems for substations in EHV and UHV range. ZIV, headquartered in Spain, is a key player in serving the needs of the electrical industry in Protection, Control, Measurement and Communications through state of art innovative, cost effective and customer oriented solutions in over 50 countries. This joint venture is yet one more major step by the Company in establishing itself as a full Solutions Provider. The Company holds a 70% equity stake in CGZIV.

DIVIDEND

The Company declared three interim dividends during the year :

- **RS.0.80 PER EQUITY SHARE (40%)** aggregating to a total dividend payout of Rs.60 crore (including dividend tax) declared on 25 October 2010; the Record Date for this purpose was 1 November 2010 and the Interim Dividend was paid on 12 November 2010.
- **RS.0.80 PER EQUITY SHARE (40%)** aggregating to a total dividend payout of Rs.60 crore (including dividend tax) declared on 28 January 2011; the Record Date for this purpose was 4 February 2011 and the Interim Dividend was paid on 14 February 2011.



FINANCIAL HIGHLIGHTS IN RS. CRORE

PARTICULARS	CG STAND-ALONE		CGIBV CONSOLIDATED* [@]		CG CONSOLIDATED**	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010
a Gross Sales	6,276	5,516	4,151	3,824	10,331	9,375
b Less: Excise Duty	325	232	0	0	326	234
c Net Sales	5,951	5,284	4,151	3,824	10,005	9,141
d Less: Operating Expenses	5,019	4,427	3,711	3,442	8,661	7,864
e Operating Profit	933	857	440	382	1,344	1,277
f Add: Dividend and Other Income	79	69	22	32	100	94
g Profit before Interest, Depreciation, Amortisation and Taxes	1,012	926	462	414	1,444	1,371
h Less: Interest (net)	4	4	18	17	21	27
i Profit before Depreciation, Amortisation and Taxes	1,008	922	444	397	1,423	1,344
j Less: Depreciation and Amortisation	81	52	113	97	194	155
k Profit Before Tax	927	870	331	300	1,229	1,189
l Less: Provision for Current Year Tax	244	274	49	37	293	314
m Less: Provision for Deferred Tax	(11)	19	38	30	17	51
n Profit After Tax	694	577	244	233	919	824
o Minority Interest	0	0	0	0	0	(2)
p Share of Profit/(Loss) of Associate Companies	0	0	1	0	8	3
q Profit after tax, minority interest and share of profit/(loss) of Associate Companies	694	577	245	233	927	825
r Extraordinary Item	0	40	(38)	0	(38)	35
s Profit available for distribution	694	617	207	233	889	860
t Balance brought forward from previous years	1,272	811	0	0	0	0
u Amount transferred on amalgamation	8	0	0	0	0	0
Appropriation/Distribution						
v Transfer to General Reserve	(70)	(62)	0	0	0	0
w Interim Dividend	(141)	(81)	0	0	(141)	(81)
x Corporate Tax on Dividend	(23)	(13)	0	0	(24)	(14)
BALANCE CARRIED TO BALANCE SHEET	1,740	1,272	207	233	724	765

*Consolidated Accounts of CG International BV, the holding company for CG's international operations.

** Includes results of CG Stand-alone, Indian subsidiaries and CGIBV Consolidated.

@ Figures have been regrouped for the purposes of consolidation.

+ RS.0.60 PER EQUITY SHARE (30%)

aggregating to a total dividend payout of Rs.45 crore (including dividend tax) declared on 23 March 2011; the Record Date for this purpose was 28 March 2011 and the Interim Dividend was paid on 8 April 2011.

The above mentioned dividend payout as a percentage of the share capital works out to 110%. These dividends were paid on the enlarged equity base of Rs.128.30 crore, consequent to the bonus issue of 3 shares for every 4 shares held, made in March 2010, which when computed on a pre-bonus share capital works out to 192%, as compared with last year's dividend rate of 110%.

RESERVES

The Reserves, on a stand-alone basis, at the beginning of the year were Rs.1636 crore. The Reserves at the end of the year are Rs.2176 crore.

DIRECTORATE

In 2009, the Board of Directors had formed a Succession Committee to carry out a global search, both external and internal, to identify a successor for Mr Trehan.

The Succession Committee identified Mr Laurent Demortier as the new CEO and Managing Director, who will take over as successor to Mr SM Trehan.

Although, Mr SM Trehan's tenure as Managing Director of the Company was scheduled for completion on 2 May 2011, until such time as Mr Demortier was appointed as CEO and Managing Director, Mr Trehan's term was extended from 3 May 2011 to 1 June 2011 on the same remuneration as well as other terms and conditions applicable to his earlier tenure.

Mr SM Trehan retired as the Managing Director of the Company on 1 June 2011; however he will continue as a Non-Executive Director and has been appointed Vice Chairman of the Board.

Mr Trehan has served the Company with dedication for 28 years; and was elevated to the position of Managing Director in



FINANCIAL HIGHLIGHTS IN EURO MILLION

PARTICULARS	CG STAND-ALONE		CGIBV CONSOLIDATED* [@]		CG CONSOLIDATED**	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010
a Gross Sales	1,037	817	686	567	1,707	1,390
b Less: Excise Duty	54	34	0	0	54	35
c Net Sales	983	783	686	567	1,653	1,355
d Less: Operating Expenses	829	656	613	510	1,431	1,166
e Operating Profit	154	127	73	57	222	189
f Add: Dividend and Other Income	13	10	3	5	17	14
g Profit before Interest, Depreciation, Amortisation and Taxes	167	137	76	62	239	203
h Less: Interest (net)	1	0	3	3	4	4
i Profit before Depreciation, Amortisation and Taxes	166	137	73	59	235	199
j Less: Depreciation and Amortisation	13	8	19	14	32	23
k Profit Before Tax	153	129	54	45	203	176
l Less: Provision for Current Year Tax	40	40	8	6	48	46
m Less: Provision for Deferred Tax	(2)	3	6	4	3	8
n Profit After Tax	115	86	40	35	152	122
o Minority Interest	0	0	0	0	0	0
p Share of Profit/(Loss) of Associate Companies	0	0	0	0	1	0
q Profit after tax, minority interest and share of profit/(loss) of Associate Companies	115	86	40	35	153	122
r Extraordinary Item	0	6	(6)	0	(6)	5
s Profit available for distribution	115	92	34	35	147	127
t Balance brought forward from previous years	204	135	0	0	0	0
u Amount transferred on amalgamation	1	0	0	0	0	0
Appropriation/Distribution						
v Transfer to General Reserve	(12)	(9)	0	0	0	0
w Interim Dividend	(23)	(12)	0	0	(23)	(12)
x Corporate Tax on Dividend	(4)	(2)	0	0	(4)	(2)
BALANCE CARRIED TO BALANCE SHEET	281	204	34	35	120	113

*Consolidated Accounts of CG International BV, the holding company for CG's international operations.

** Includes results of CG Stand-alone, Indian subsidiaries and CGIBV Consolidated.

[@] Figures have been regrouped for the purposes of consolidation.

Note: Average exchange rate considered for 1 EURO in 2010-11 is Rs 60.5116 and in 2009-10 is Rs.67.4706.

May 2000. During his tenure as Managing Director, the Company has transformed itself from an Indian company to a truly Transnational Corporation. During the past 11 years as Managing Director, the Company witnessed a very successful turnaround. Under his able leadership, the Company has grown from a modest Rs.1254 crore company to a Rs.10000 crore company, an eight-fold growth, with a compounded annual growth rate exceeding 19% for net revenues and over 30% for net profits, over the last five years. Today, the Company is a force to reckon with, and the 7th largest transformer manufacturer in the world. It has a manufacturing presence in 10 countries, and a workforce that consists

of more than 8,000 employees from different backgrounds and cultures.

The Board places on record its gratitude and appreciation for Mr Trehan's inspirational leadership, unstinted commitment, dedication and bias for action, which grew the Company and its market capitalization multifold during his tenure as Managing Director.

Mr Demortier has been appointed as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956 at the Board Meeting held on 2 June 2011. At this Meeting, Mr Demortier has also been appointed the CEO and Managing Director of the Company w.e.f from 2 June 2011, initially for a period of

5 years. Mr Demortier brings with him rich experience and professional expertise in the business areas relevant to the Company.

Mr Demortier was most recently Senior Vice-President, of Alstom Power Sector in-charge of the Power Automation and Control Business Unit. He joined Alstom in the year 2000 and has led several Business Units (BU) both in T&D and Power sectors.

During his eleven years with Alstom, Mr Demortier has spent eight years within Transmission and Distribution (T&D) and the last three years within the Power Business. In T&D he has run businesses of up to Euro 1.1 billion turnover and has led global operations employing up to 6,200 people with 65 units across 43 countries. He has



FINANCIAL HIGHLIGHTS

IN USD MILLION

PARTICULARS	CG STAND-ALONE		CGIBV CONSOLIDATED* [@]		CG CONSOLIDATED**	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010	31.3.2011	31.3.2010
a Gross Sales	1,377	1,155	911	801	2,267	1,964
b Less: Excise Duty	71	48	0	0	72	49
c Net Sales	1,306	1,107	911	801	2,195	1,915
d Less: Operating Expenses	1,101	927	814	721	1,900	1,647
e Operating Profit	205	180	97	80	295	268
f Add: Dividend and Other Income	17	14	4	7	22	20
g Profit before Interest, Depreciation, Amortisation and Taxes	222	194	101	87	317	288
h Less: Interest (net)	1	1	4	4	5	6
i Profit before Depreciation, Amortisation and Taxes	221	193	97	83	312	282
j Less: Depreciation and Amortisation	18	11	25	20	42	32
k Profit Before Tax	203	182	72	63	270	250
l Less: Provision for Current Year Tax	53	57	11	8	64	66
m Less: Provision for Deferred Tax	(2)	4	8	6	4	11
n Profit After Tax	152	121	53	49	202	173
o Minority Interest	0	0	0	0	0	(1)
p Share of Profit/(Loss) of Associate Companies	0	0	0	0	1	1
q Profit after tax, minority interest and share of profit/(loss) of Associate Companies	152	121	53	49	203	173
r Extraordinary Item	0	8	(8)	0	(8)	7
s Profit available for distribution	152	129	45	49	195	180
t Balance brought forward from previous years	289	193	0	0	0	0
u Amount transferred on amalgamation	2	0	0	0	0	0
Appropriation/Distribution						
v Transfer to General Reserve	(15)	(13)	0	0	0	0
w Interim Dividend	(31)	(17)	0	0	(31)	(17)
x Corporate Tax on Dividend	(5)	(3)	0	0	(5)	(3)
BALANCE CARRIED TO BALANCE SHEET	392	289	45	49	159	160

*Consolidated Accounts of CG International BV, the holding company for CG's international operations.

** Includes results of CG Stand-alone, Indian subsidiaries and CGIBV Consolidated.

[@] Figures have been regrouped for the purposes of consolidation.

Note: Average exchange rate considered for 1 USD in 2010-11 is Rs. 45.5712 and in 2009-10 is Rs. 47.7446.

led divestment, integration, acquisition, turnaround and organic growth mandates across the Americas, Europe, Middle East, Africa and Asia, with considerable exposure to emerging markets. More recently, within the Power Business, he has built a new BU dedicated to the development of Power Conversion and Power Automation Solutions for all type of Power Generation Plants. This BU included three R&D facilities and 14 engineering centres in Europe, America and Asia.

Prior to Alstom, Mr Demortier worked with Honeywell Corporation between 1990 and 2000. At Honeywell, Mr Demortier held several senior responsibilities as Managing Director of the European Advanced Control

Engineering Business; Head of the Industrial Automation & Control Division France, Head of the European Measurement and Control BU; and, Country President for Honeywell France.

Mr Demortier holds an MBA from The Wharton School of the University of Pennsylvania, USA and a Masters Engineering Degree in Physics from Ecole Centrale Marseille, France.

Mr Demortier holds office up to the date of the forthcoming Annual General Meeting, and considering that he has been appointed as CEO and Managing Director, the Board recommends his appointment to the Members. His appointment will also be subject to Central Government approval thereafter.

Mr SM Trehan, Mr G Thapar and Mr S Bayman are the Directors who retire by rotation at the forthcoming Annual General Meeting; and being eligible, offer themselves for re-appointment to the Board.

The details of the Directors being recommended for extension of tenure, appointment and re-appointment are contained in the accompanying Notice of the forthcoming Annual General Meeting.

PROMOTER GROUP

The Avantha Group is the promoter of the Company. For the purposes of the SEBI (Substantial Acquisition of Shares And Takeovers) Regulations, 1997, the names

of the Promoter entities and other entities comprising the “Group” as on 31 March 2011, as defined under the Monopolies and Restrictive Trade Practices Act, 1969, are detailed at **ANNEXURE 1** to this Report.

RESEARCH AND DEVELOPMENT

The Company's “Technology Vision 2015” continues to steer the Company's efforts on development of new products. During the year, a significant percentage of the turnover generated in India was through recent products developed, which were less than 3 years old. The Company has also launched initiatives for eight platform technologies which would be pursued in the near future.

In the Company, R&D projects are undertaken in India as well as at overseas locations, driven centrally by the Global R&D Centre in India. A collaborative approach on project selection, prioritization and regular reviews ensures adequate focus on commitments and time-frames which keeps the R&D efforts aligned with its Technology Vision and business priorities, at all times.

The recent development of products suitable for Extra High Voltage transmission of 1200 kV is a testimony to the success of the focused approach of recent years. The Company has been in the forefront for developing high voltage products and after developing products of up to 800 kV, over the last two years has indigenously designed and developed the first 1200 kV Current Voltage Transformer and first 1200 kV Surge Arrester in the world for a research station being established by Power Grid Corporation of India Limited (PGCIL), the largest power utility in India.

Towards attaining global leadership in high voltage power products, the Company has also established one of the world's largest Ultra High Voltage (UHV) Research Centres at Nashik, which would be operational by 2012. This UHV research centre is a giant leap towards fulfilling the Company's cherished objective of positioning itself as the dominant player in the Ultra High Voltage arena.

Exhaustive information about the new products and processes developed during the year along with technology absorption, energy conservation measures and future directions are detailed at **ANNEXURE 2** to this Report.

The Company's efforts at innovation was recognised by the Industry, when it received the “India Power Award for R&D efforts” for New Product Development, for its 765 kV SF6 circuit breaker.

It is a matter of pride that, 11 out of 14 R&D technology centres have been recognized by the Department of Scientific and Industrial Research (DSIR). These recognitions will also enable the Company to achieve enhanced tax benefits and provide greater impetus for R&D activities. The balance three technology centres are in the process of applying for recognition.

SUBSIDIARY COMPANIES

The Company has four Indian subsidiaries - CG Energy Management Limited (CEM), CG Capital & Investments Limited (CG Capital), CG-PPI Adhesive Products Limited (CGPPI) and CG-ZIV Power Automation Solutions Limited (CGZIV). CEM, CG Capital and CGZIV are subsidiaries of the Company, and CGPPI, being a subsidiary of CG Capital, in terms of the provisions of the Companies Act, 1956, is also the Company's subsidiary.

The Netherlands-based CG International B.V., a 100% subsidiary of the Company, is the ultimate mother holding company of the 30 downstream subsidiaries, as under :

- + CG HOLDINGS BELGIUM N.V.
- + CG POWER HOLDINGS IRELAND LIMITED
- + CG POWER SYSTEMS BELGIUM N.V.
- + CG AUTOMATION SYSTEMS UK LIMITED
- + PAUWELS TRAFU GENT N.V.
- + CG AUTOMATION SYSTEMS USA INC.
- + CG POWER SYSTEMS IRELAND LIMITED
- + VISERGE LIMITED
- + CG SALES NETWORKS FRANCE SA
- + MICROSOL LIMITED
- + CG SERVICE SYSTEMS CURACAO N.V
- + CG SERVICE SYSTEMS FRANCE SAS
- + CG HOLDINGS HUNGARY KFT
- + CG HOLDINGS GERMANY GMBH

- + CG ELECTRIC SYSTEMS HUNGARY ZRT.
- + CG SALES NETWORKS AMERICAS INC.
- + CG POWER SOLUTIONS USA INC.
- + CG POWER SYSTEMS CANADA INC.
- + CG POWER SOLUTIONS UK LIMITED
- + CG POWER SYSTEMS OF SAUDI ARABIA LTD
- + CG POWER SYSTEMS USA INC.
- + CG HOLDINGS USA INC
- + CG SALES NETWORKS SINGAPORE PTE. LTD
- + CG POWER COUNTY LLC
- + CG HOLDINGS BRAZIL LTDA
- + POWER COUNTY WIND PARK SOUTH LLC
- + CG GLENMORE LLC
- + POWER COUNTY WIND PARKS LLC
- + PT. CG POWER SYSTEMS INDONESIA
- + POWER COUNTY WIND PARK NORTH LLC

In totality, as on 31 March 2011, the Company has 35 subsidiaries, 4 Indian and 31 foreign.

Pursuant to a general exemption granted by the Ministry of Corporate Affairs under Section 212 of the Companies Act, 1956, the Company is not required to annex to this Report, the Annual Reports of the above mentioned 4 Indian subsidiaries and 31 foreign subsidiaries, for the year ended 31 March 2011. However, if any Member of the Company or its subsidiaries so desires, the Company will make available the Annual Accounts of the subsidiaries to them, on request. These will also be available for inspection at the Registered Office of the Company and of its subsidiaries, during working hours up to the date of the Annual General Meeting.

The details of each subsidiary with respect to capital, reserves, total assets, total liabilities, details of investment (except in case of investment in subsidiaries), turnover, profit before taxation, provision for taxation, profit after taxation and proposed dividend are detailed at Page 123 of this Report.

BRANCH OFFICE

The Company has established a branch office at Poland. The stand-alone financial statement of the Company includes the financial statement of its Poland branch i.e. Crompton Greaves Ltd SA.

CONSOLIDATION OF ACCOUNTS

As required by Accounting Standards AS-21 and AS-23 of the Institute of Chartered Accountants of India, the financial statements of the Company reflecting the consolidation of the Accounts of the Company, its 35 subsidiaries mentioned above, and five Associate Companies, are annexed to this Report. The Associate Companies are Avantha Power & Infrastructure Limited, CG Lucy Switchgear Limited, Pauwels Middle East Trading & Contracting Pvt Co. LLC, CEnergy-Glenmore Windfarm 1 LLC and Saudi Power Transformers Company Ltd.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the prescribed format as **ANNEXURE 2** to this Report.

PARTICULARS OF EMPLOYEES

The statement of particulars required pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) (Amendment) Rules, 2011, forms a part of this Report. However, as permitted by the Companies Act, 1956, the Report and Accounts are being sent to all Members and other entitled persons excluding the above statement. Those interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office and the same will be sent by post. The statement is also available for inspection at the Registered Office, during working hours up to the date of the Annual General Meeting.



Personal protection equipment provided to workmen was enhanced at various locations.

The Company is replacing use of hazardous substances in manufacturing processes with environment friendly variants.

CG re-oriented its approach to training and development by focusing on trainings based on 'business drivers'.



DIRECTORS' RESPONSIBILITY STATEMENT

The Directors would like to assure the Members that the financial statements for the year under review conform in their entirety to the requirements of the Companies Act, 1956.

The Directors confirm that :

- + **THE ANNUAL ACCOUNTS** have been prepared in conformity with the applicable Accounting Standards;
- + **THE ACCOUNTING POLICIES** selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the profit for the financial year;
- + **SUFFICIENT CARE** has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- + **THE ANNUAL ACCOUNTS** have been prepared on a going concern basis.

AUDITORS

The Company's Statutory Auditors, Sharp & Tannan, hold office up to the conclusion of the forthcoming Annual General Meeting; and, being eligible, are recommended for re-appointment on terms to be negotiated by the Audit Committee of the Board of Directors. They have furnished the requisite certificate to the effect that their re-appointment, if effected, will be in accordance with Section 224(1B) of the Companies Act, 1956.

At the 73rd Annual General Meeting of the Members of the Company held on 19 July 2010, the Members had empowered the Board of Directors to approve appointment as well as fixation of remuneration of Branch Auditors. The Company proposes to appoint Pricewaterhouse Coopers as the Branch Auditors to audit the accounts for the Company's Poland Branch.

The Company had appointed Ashwin Solanki & Associates, Cost Accountants, to audit the cost accounts related to the Company's products, namely, Electric Lamps, Electric Fans, Electric Motors, Power Driven Pumps, Transformers and Alternators, for 2009-2010. The due date for filing the above cost audit reports was 30 September 2010; the actual date of filing was 8 September 2010. The Company has re-appointed Ashwin Solanki & Associates as Cost Auditors, for the financial year 2010-2011, for all the above six products.

FIXED DEPOSITS

The Company has discontinued acceptance of fresh deposits and also renewal of existing deposits. 59 persons have not claimed repayment of their matured deposits amounting to Rs.7,49,000 as at 31 March 2011. At the date of this Report, an amount of Rs.30,000 has been claimed and repaid therefrom, or transferred to the Investor Education Protection Fund, on completion of seven years.

Link Intime India Pvt. Ltd (formerly Intime Spectrum Registry Limited) continues to be the Company's Registrars for all matters related to the Company's Fixed Deposit Scheme. The contact details of Link Intime India Pvt. Ltd are mentioned in the Report on Corporate Governance.

SHARE REGISTRAR & TRANSFER AGENT

The Company's Registrar & Transfer Agents for shares is Datamatics Financial Services Ltd (DFSL). DFSL is a SEBI-registered Registrar & Transfer Agent. The contact details of DFSL are mentioned in the Report on Corporate Governance.

Investors are requested to address their queries, if any to DFSL; however, in case of difficulties, as always, they are welcome to contact the Company's Investor Services Department, the contact particulars of which are contained in the Report on Corporate Governance.

ENVIRONMENT, HEALTH & SAFETY

All manufacturing locations of the Company have received ISO 14001 Environmental Standards and Management Certification and OHSAS 18001 Certification for Occupational Health & Safety Assessment Systems. The Company periodically conducts surveillance audits of both ISO 14001 and OHSAS 18001, to ensure continued conformity with these standards.

The theme of this year has been achievement of "zero reportable accident status" across the Company's manufacturing locations in India. Personal protection equipment provided to workmen was enhanced at various locations, which has resulted in reduction of the number of reported accidents. Safety audits were undertaken by independent assessors to assess the safety effectiveness at locations. The Company periodically conducts mock/test drills for improving overall awareness and responsiveness towards emergency situations. On-the-job training is provided for handling risks associated with electrical equipment, hot works, working at heights, fire fighting and the various measures to handle resultant medical emergencies. An external audit for evaluation of fire risks was conducted at some manufacturing locations.

National Safety Week was observed at all the Company's locations from 4 March 2011 to 10 March 2011, during which safety and first aid awareness was enhanced amongst employees by conducting essay competitions and lectures on different aspects of safety.

The Company fosters environment friendly manufacturing practices at all locations. In this endeavour, it has been replacing use of hazardous substances such as lead and mercury used during certain manufacturing processes, with environment friendly processes. The Company is entirely replacing thermocol packaging for its Consumer Products, with environment friendly packaging materials.

A hygienic and healthy working environment is the norm followed across

all manufacturing locations. Various health check-ups for employees are regularly undertaken at all of the Company's locations, especially for the workmen who are working with hazardous processes.

The Company is also increasing its focus on manufacturing value added products, which conserve energy or which can be utilized for power generation through non-conventional renewable sources such as wind and solar energy.

ACKNOWLEDGEMENTS

The Directors acknowledge and are grateful for the encouragement and co-operation extended by the financial institutions, banks, government authorities, customers, vendors and Members during the year under review and look forward to their continued support.

The Directors also wish to convey their sincere appreciation to the Company's employees at all levels, for their continued dedication, hard work and commitment which has been a significant enabler in achieving the Company's high performance levels.

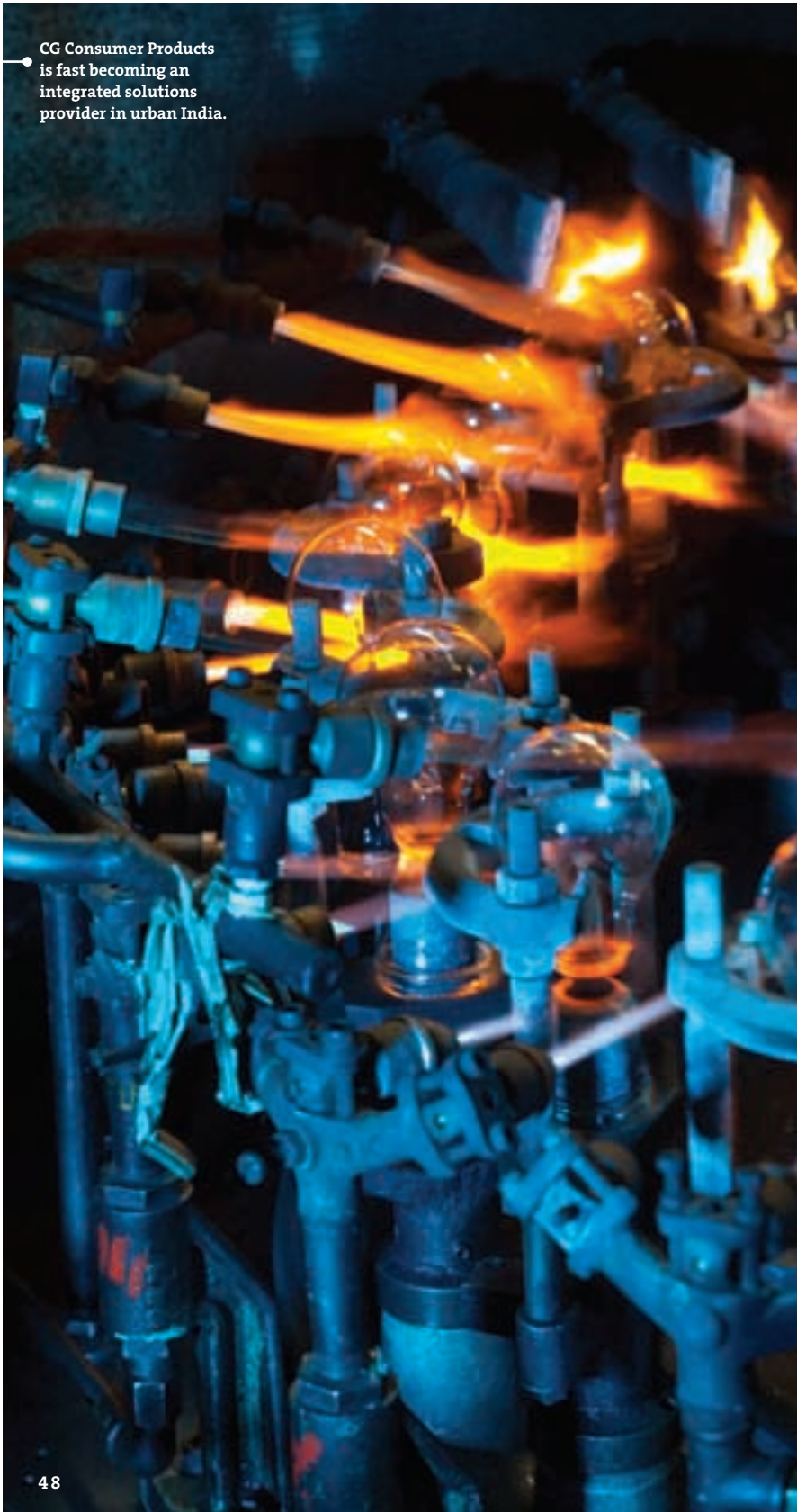
On behalf of the Board of Directors

G THAPAR

Chairman
Mumbai, 2 June 2011

CG has established one of the world's largest Ultra High Voltage Research Centres at Nashik which would be operational by 2012

CG Consumer Products is fast becoming an integrated solutions provider in urban India.



ANNEXURE 1 TO DIRECTORS' REPORT

List of Group Entities

The following entities and persons, along with Crompton Greaves Limited constitute the Group as defined under the Monopolies and Restrictive Trade Practices Act, 1969 :

- + Avantha Holdings Limited
- + APR Sacks Limited
- + Arizona Printers & Packers Private Limited
- + ASA Agencies (P) Limited
- + Asia Aviation Limited
- + Avantha Business Solutions Inc.
- + Avantha Foundation
- + Avantha International Asset B.V.
- + Avantha International Holdings B.V.
- + Avantha Power & Infrastructure Limited
- + Avantha Realty Limited
- + Avantha Technologies Limited
- + Ballarpur Industries Limited
- + Ballarpur International Graphic Paper Holdings B.V.
- + Ballarpur International Holdings B.V.
- + Ballarpur International Packaging Holdings B.V.
- + Ballarpur International Paper Holdings B.V.
- + Ballarpur Packaging Holdings B.V.
- + Ballarpur Packaging Holdings Private Limited
- + Ballarpur Paper Holdings B.V.
- + Ballarpur Speciality Paper Holdings B.V.
- + BILT Graphic Paper Products Limited
- + BILT Industrial Packaging Company Ltd.
- + Bilt Paper Limited
- + BILT Tree Tech Limited
- + Biltech Building Elements Limited
- + Blue Horizon Investments Limited
- + CEnergy-Glenmore Windfarm 1 LLC
- + CG Automation Systems UK Ltd
- + CG Automation Systems USA Inc
- + CG Capital & Investments Ltd
- + CG Electric Systems Hungary Zrt
- + CG Energy Management Ltd
- + CG Glenmore LLC
- + CG Holdings Belgium N.V.
- + CG Holdings Brazil Ltda
- + CG Holdings Germany GmbH

- + CG Holdings Hungary Kft
- + CG Holdings USA Inc
- + CG International B.V.
- + CG Lucy Switchgear Ltd
- + CG Power County LLC
- + CG Power Holdings Ireland Limited
- + CG Power Solutions UK Ltd
- + CG Power Solutions USA Inc.
- + CG Power Systems Belgium N.V.
- + CG Power Systems Canada Inc.
- + CG Power Systems Ireland Limited
- + CG Power Systems of Saudi Arabia Ltd
- + CG Power Systems USA Inc.
- + CG Sales Networks Americas Inc.
- + CG Sales Networks France SA
- + CG Sales Networks Singapore PTE. Ltd.
- + CG Service Systems Curacao N.V.
- + CG Service Systems France SAS
- + CG-PPI Adhesive Products Ltd
- + CG-ZIV Power Automation Solutions Ltd.
- + Corella Investments Limited
- + Dunakiliti Kanzervuzem Kft
- + Floragarden Tarim Gida Sanay ve Ticaret A.S.
- + GG International N.V.
- + Global Green Company Limited
- + Global Green USA Limited
- + Greenhouse Agraar Kft
- + Gyanodaya Prakashan (P) Limited
- + Imerys NewQuest (India) Private Limited
- + Intergarden (India) Private Limited
- + Intergarden N.V.
- + JG Containers (Malaysia) Sdn. Bhd.
- + Jhabua Power Investments Limited
- + Jhabua Power Limited
- + Karam Chand Thapar & Bros. Limited
- + KCT Chemicals and Electricals Limited
- + Korba West Power Company Limited
- + Krebs & Cie (India) Limited
- + Leading Line Merchant Traders (P) Limited
- + Lustre International Limited
- + Malanpur Captive Power Limited
- + Microsol Ltd
- + Mirabelle Trading Pte. Limited
- + MTP NEW Ocean (Mauritius) Limited
- + NewQuest Insurance Broking Services Ltd.
- + NewQuest Services Private Limited
- + NQC Global (Mauritius) Limited
- + NQC International (Mauritius) Limited
- + Orient Engineering & Commercial Limited

- + Oyster Buildwell (P) Limited
- + Pauwels Middle East Trading and Contracting Pvt Co LLC.
- + Pauwels Trafo Gent N.V.
- + Power County Wind Parks LLC
- + Power County Wind Parks North LLC
- + Power County Wind Parks South LLC
- + Premier Tissues (India) Limited
- + Prestige Wines and Spirits (P) Ltd.
- + PT. CG Power Systems Indonesia
- + Puszta Konserv Kft, Hungary
- + Pyramid Healthcare Solutions USA
- + Sabah Forest Industries Sdn. Bhd.
- + Sairam Infra Projects Pvt. Ltd.
- + Salient Business Solutions Limited
- + Salient Business Solutions USA, Inc.
- + Salient Financial Solutions Limited
- + Salient Knowledge Solutions Limited
- + Saraswati Travels (P) Limited
- + Saudi Power Transformers Company Ltd
- + Seer Buildwell (P) Limited
- + SMI NewQuest India Private Limited
- + Sohna Stud Farms P. Ltd.
- + Solaris Chemtech Industries Limited
- + Solaris Industrial Chemicals Limited
- + THE Paperbase Company Limited
- + TAF Asset 2 B.V.
- + The Pioneer Limited
- + TKS Developers Limited
- + Topscore Tradevariety (P) Ltd
- + Toscana Footwear Components Limited
- + Toscana Lasts Limited
- + UHL Power Company Limited
- + Ultima Hygiene Products (P) Limited
- + Vani Agencies P. Ltd.
- + Vanity Propbuild (P) Limited
- + Varun Prakashan (P) Limited
- + Venus Financial Services Limited
- + Viserge Ltd

ANNEXURE 2 TO DIRECTORS' REPORT

Information Under Section 217(1)(e) of the Companies Act, 1956.

A Conservation of Energy

1 ENERGY CONSERVATION MEASURES TAKEN

During the year, efforts at energy conservation have focused on substitution

of sources of heating in manufacturing processes to such having lower carbon footprint, reduction of process cycle time and manufacturing of green products meeting BEE star ratings or such which have applications in the renewable energy sector.

The typical measures taken towards energy conservation are:

- + Modification of fluorescent lamp exhausting process to gas based furnace
- + Installation of electric furnaces instead of LDO based furnaces
- + Installation of 54 kW baking oven with modified blowers resulting in reduced energy consumption per stator
- + Replacement of infrared heaters with compact ovens for varnishing process
- + Usage of customized hand trolleys for material movement, reducing diesel consumption per forklift

The Company believes that energy conservation efforts of the corporate sector need to be supplemented by creating awareness for green products in the society. To this effect, energy conserving CFL bulbs were distributed to underprivileged communities by certain locations. Energy conservation related messages also feature in the Company's advertisement campaigns from time to time.

2 ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION IN CONSUMPTION OF ENERGY:

The following processes are under implementation for reducing energy consumption:

- + Implementation of induction brazing processes
- + Introduction of glue based process to replace shrink fitting process which reduces energy requirements for heating
- + Optimization of varnish impregnation process to reduce energy consumption for LT motors line
- + Introduction of epoxy based coating process for geyser tanks in place of glass coating
- + Optimization of current transformer drying cycle

- + Usage of self bonding winding wires reducing energy needs for varnishing
- + Reduction of cycle time for manufacture of contact tips in vacuum interrupter development

3 IMPACT OF THE MEASURES AT 1 AND 2 FOR REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION:

The above measures have resulted in effective management and utilization of energy resources and have resulted in cost savings for the Company. However, since the Company's manufacturing processes are not energy intensive, the energy conservation measures have a negligible impact on the Company's overall cost of production of goods.

During the year, the Company has won multiple awards signifying appreciation from the external community for the Company's efforts at energy conservation; notable among them are:

- + The Lighting division received the National Energy Conservation Award 2010 from the Ministry of Power, for efforts in improving efficacy of FTL lamps.
- + The Company received the Confederation of Indian Industry (CII) National award for "Excellence in Innovative Energy Saving Product 2010".
- + The Company received "the Empower Award" from Urjavarman Foundation and International Copper Foundation for the Most Energy Efficient FTLs.

B Technology Absorption RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas of significance in which R&D is carried out by the Company:

R&D priorities of the Company are aligned with the Company's strategic business plan and market indicators. R&D continues its thrust on offering smart solutions through development of new technologies and new products. To optimize the Company's products for providing increasing value demanded by the market, several projects

were undertaken for rationalizing material content and reducing process cycle time of manufacturing. Two of the six platform technologies initiated in the previous years have started yielding benefits, and have resulted in new products and improved processes. The other platform technology projects have shown good progress and would yield results in the future years. Work on insulation systems done in the previous years have helped the Company in development of ultra high voltage class products this year.

2. Benefits derived as a result of the above R&D:

New products commercialised

Power Systems

- + 200 MVA auto transformer
- + 66 MVA transformer
- + 250 MVA, 500 kV single phase auto transformer
- + Neutral grounding reactors with taps
- + 500 kV shunt reactor
- + 765 kV class 333 MVA, single wound limb single phase auto transformer
- + 125 MVA 400 kV shunt reactor with largest rating
- + 36 kV dry type 1.9 VF inductive voltage transformer
- + Numerical relays of the following types : a)"over current" condition, "over/under voltage" condition b) self powered c) non -communicable "over current" condition for 3 phases and earth fault d) feeder protection
- + 400 kV, 2000 A condenser bushing
- + 36 kV, 40 kA outdoor vacuum circuit breaker
- + 800 kV capacitive voltage transformer
- + 800 kV and 1200 kV surge arresters
- + 420 kV bushing current transformer with oil insulated paper technology
- + 36 kV, 26.3 kA gas insulated switchgear
- + 12 kV, 50 kA indoor vacuum circuit breaker
- + 12 kV, 40 kA-0.5sec & 26.3 kA-1sec. internal arc withstand panel
- + 12 kV, 25 kA, 1250 A outdoor vacuum circuit breaker

- + 36 kV, 40 kA outdoor vacuum circuit breaker
- + 36 kV, 26.3 kA indoor vacuum circuit breaker
- + 400 kV 4000 A gas circuit breaker
- + Optimized 145 kV gas circuit breaker
- + 145 kV/245 kV gas circuit breaker suitable for -60deg application
- + 400 kV gas circuit breaker with controlled switching

R&D from CG Power (overseas locations)

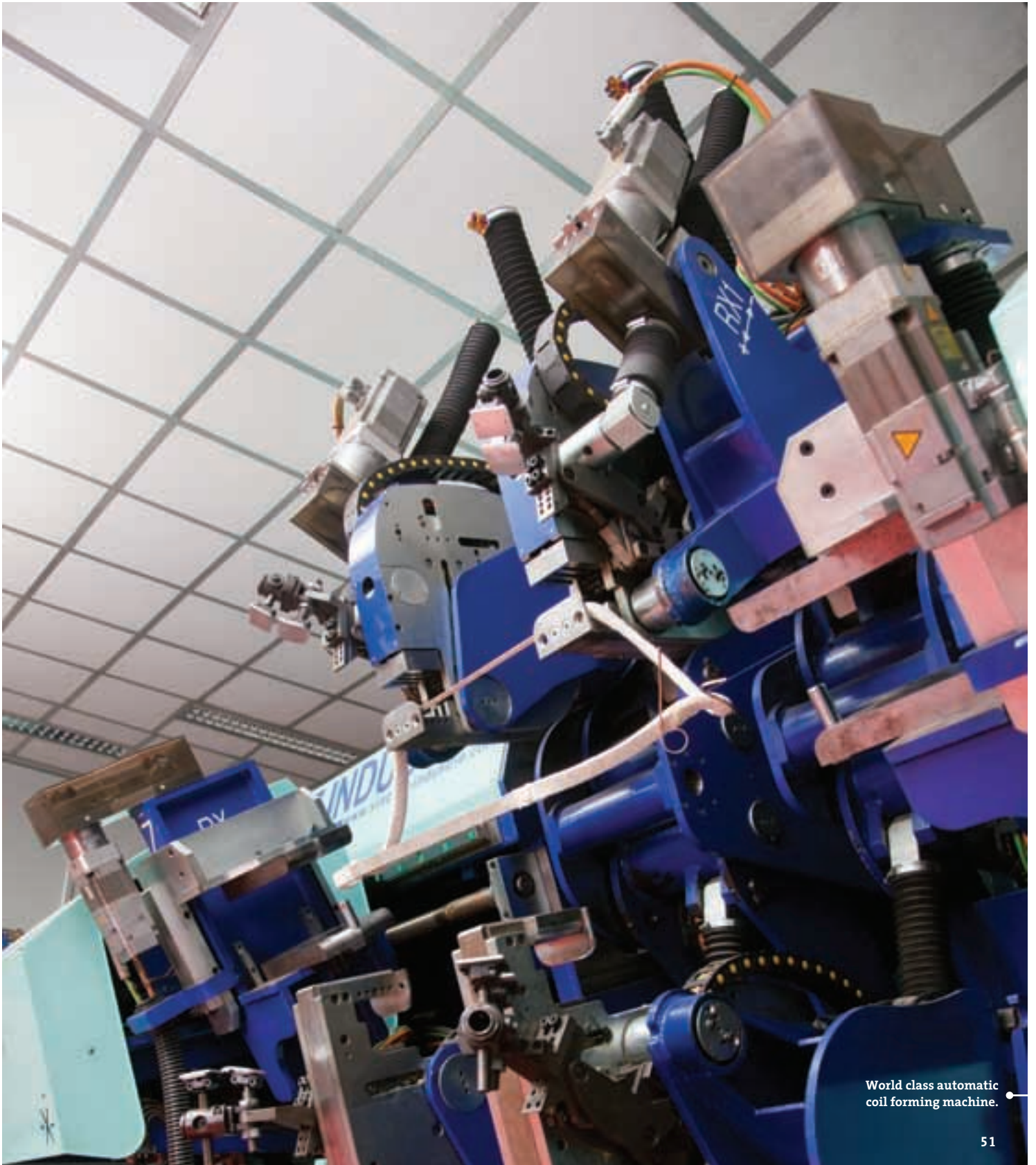
The Company has also benefited from the Research and Development work undertaken at CG Power (Overseas locations) as under :

- + 500 MVA 765 kV power transformer
- + 750 MVA auto transformer
- + Compact substation containing cabinet, LV panel, switchgear local intelligence
- + Containerized 52 kV substation for offshore applications
- + "Bioslim" transformer with lower footprint capable of being hung in a wind turbine
- + 200 MVA 500/18kV 3 phase generator step up transformer
- + 235 MVA 500/18kV 3 phase generator step up transformer
- + 69 kV dead tank breaker
- + 600 MVA, 500/230 kV auto transformers bank
- + Data concentrator for distribution automation solution

Industrial Systems

- + 2550 kW, 560 frame closed air circuit air cooled N series HT motor
- + Range extension of "Sheetal series" economy range motors
- + Range extension of "e-Lite Series" motors
- + 107 W 4P 3-speed motor-cooler fan application and cooler series motor
- + 450 frame mill duty AC motors
- + 690 V AC drives
- + Air/Water handling motors
- + 2.5 MW, 11 kV, closed air circuit air cooled N Series Motor

During the year, eight patents have been granted, out of which five patents were granted in India, two in the USA and one in Russia.



World class automatic coil forming machine.

Efforts are in progress to innovate technologies needed for the Company's Solutions businesses in drives, monitoring and controlling systems.



CG's high voltage products undergo extensive testing at its laboratories.

Consumer Products

- + 400 mm sweep "EVA" plastic based table fan with two piece detachable base
- + 1200 mm sweep "HS Plus" ceiling fan with BEE five star rating
- + 1200 mm sweep "Flavia" ceiling fan with dual tone colours
- + Solarium Plus, 3 litres class, instant water heater
- + 15 litres; 25 litres Magna range of storage water heater
- + 50 W low voltage submersible pump series
- + 1 ph series agricultural monobloc pump
- + 3 phase open well submersible pump
- + 1.5 HP to 10 HP open well submersible pumps
- + 6" borewell submersible pump with copper rotor
- + Cooking induction tops
- + DXT Plus mixer grinder with low noise
- + 2.5/3.5/5 KVA home UPS
- + 5 W compact downlighter version LED PharoX lamp
- + 30/45 W LED streetlight
- + PVC extruded T 5-8 W luminaire
- + Recessed commercial luminaire with micro linear frosted diffuser
- + High end suspended/recessed lumbency range luminaire
- + Flameproof clean-room commercial luminaire
- + Long life low maintenance induction lamp streetlight
- + 150/250W and 50/70W pressure die cast IP66 streetlight

New Processes Implemented/ Processes Improved

- + Current transformer insulation through narrow band winding technology
- + Development of reduced autoclave cycle for current transformers through vacuum monitoring method
- + Case hardening by nitriding process for mechanism components
- + Surface treatment by delta process for mechanism components to enhance the corrosion withstand capacity up to 500 hours of salt spray test

- + Unification of processes for manufacture of contacts in vacuum interrupter
- + Development of PVD coating technology for punching tools
- + Usage of nano-crystalline cores in place of conventional cores in instrument transformers
- + A new economical and versatile proprietary grade, S0 steel for FHP and LT motors up to ND 132 frame
- + Enhancement from 3150 to 4000 A of 245 kV gas circuit breaker
- + Development of 36 kV 800 A Isolator
- + Introduction of induction brazing for traction motors instead of gas brazing
- + Implementation of cold core insertion process for N series motors

Technology Competence Achieved

- + Design of 500 kV shunt reactors
- + Design of neutral grounding resistance with taps
- + Gas insulation switchgear product technology
- + Mixed dielectric synthetic oil current voltage transformers design & manufacture
- + Development of high energy ultra high voltage lightning arresters
- + Insulation design using narrow band technology
- + IEC 61850 communication protocol for numerical relays
- + Prediction of short circuit performance of gas circuit breaker using computational fluid dynamics based simulation
- + Design of low temperature application products

Patents

- + During the year, eight patents have been granted, out of which five patents were granted in India, two in the USA and one in Russia.
- + During the year, the Company filed 159 patents in India and 4 patents overseas through Patent Co-operation Treaty process, which together with 398 patents filed earlier, are pending for registration.
- + On the occasion of the World Intellectual Property Day, on 26 April 2011, the

Company was awarded the prestigious “Annual Intellectual Property Award 2010-2011”, instituted by the Indian Intellectual Property Office, in collaboration with Confederation of Indian Industry, for securing the highest number of design registrations during the last five years (2006-07 to 2010-11).

3. Future Plan of Action

The Company’s future R&D efforts will comprise identification of road map for the Company’s technology needs, world-wide integration of R&D and technology plans and segmentation in the form of products, platform and emerging technologies.

The above initiatives would require creation of new “Centres of Excellence”, development of a policy for funding of global R&D operations, plans for new R&D establishments at overseas locations and greater number of collaborative projects with academia, suppliers and research houses.

4. Expenditure on R&D

The Company’s expenditure on Research & Development is detailed in the table below:

	RS. CRORE
a Capital	38
b Revenue	49
c Total (a + b)	87
d Total R&D expenditure	
as a percentage of net turnover	1.46%
as a percentage of profit before tax and extraordinary item	9.38%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts and Benefits

- + Competency in development of UHV products is being built through a combination of in-house development and acquiring key capabilities from external technology sources. Products such as 800 kV gas circuit breaker, capacitive voltage transformer and surge arresters have been manufactured through in-house development. 1200 kV capacitive

voltage transformer is an important capability, which has been added to the Company’s technology portfolio.

- + Efforts are in progress to innovate technologies needed for the Company’s Solutions businesses in drives, monitoring and controlling systems. In case of LED based products, technologies are being developed by collaborating with industry leaders. On the other hand, drives and automation for Industrial Systems and streetlight automation are being developed in-house.

2. Imported Technology: Nil

© Foreign Exchange Earnings and Outgo

ACTIVITIES RELATING TO EXPORTS; INITIATIVES TAKEN TO INCREASE EXPORTS; DEVELOPMENT OF NEW EXPORT MARKETS FOR PRODUCTS AND SERVICES; AND EXPORT PLANS

The Company’s activities and initiatives relating to exports are contained in the Management Discussion and Analysis Report.

FOREIGN EXCHANGE EARNED AND USED

	RS. CRORE
Total Foreign Exchange Earned	1070
Total Foreign Exchange Used	602

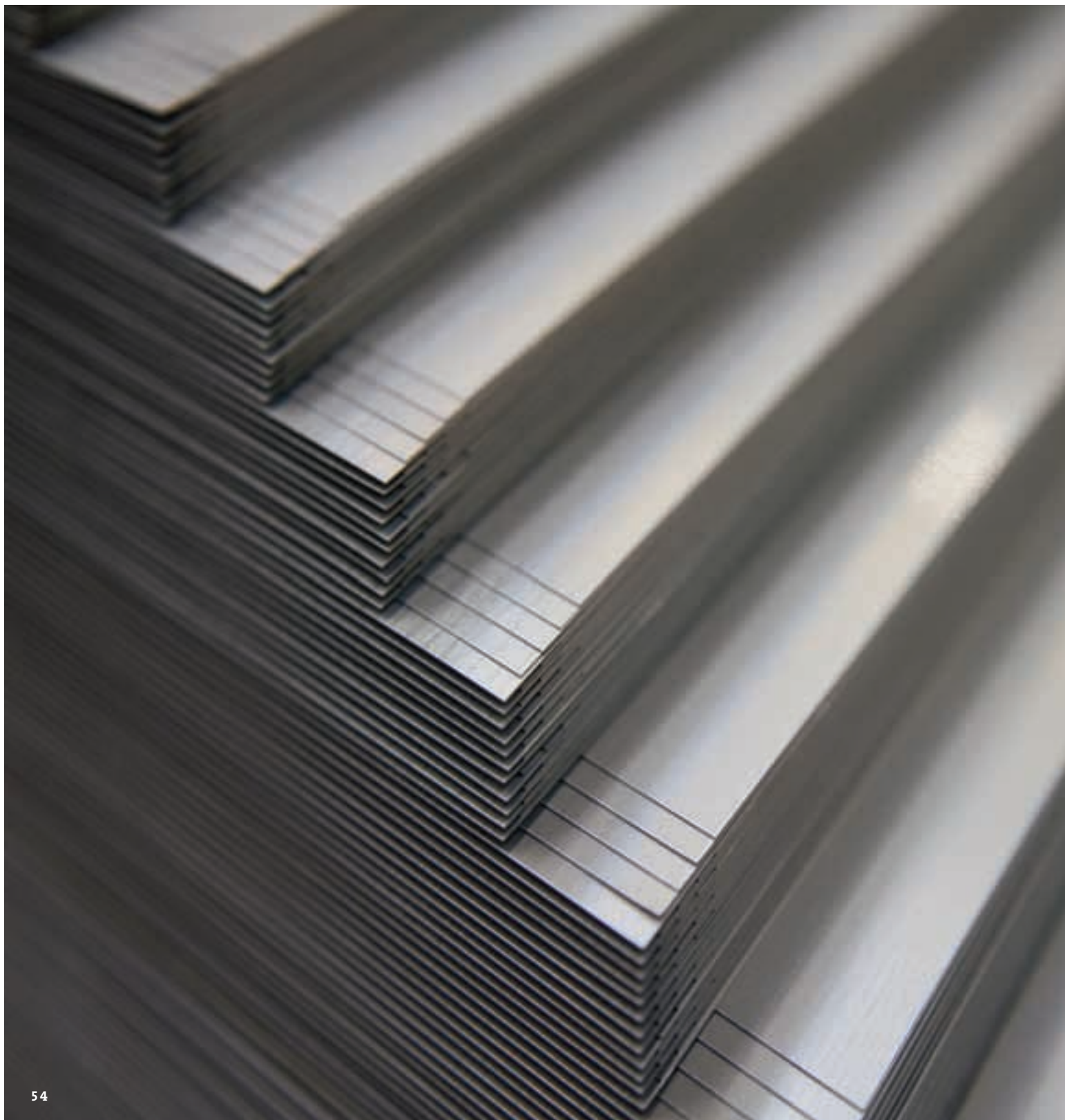
On behalf of the Board of Directors

G THAPAR

Chairman

Mumbai, 2 June 2011

CORPORATE GOVERNANCE



THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As a globally oriented company, CG is continuously focused in enhancing shareholder value through aligning its Corporate Governance framework and practices to international standards. Its Vision 2015 aims to create a sustainable growth pattern where growth subsumes building capabilities in qualitative growth enablers such as technology, quality, productivity, human resources & leadership, with high thresholds of governance in all its facets.

CG's Board of Directors and its employees world-wide continue to stand committed to the core principles of transparency, integrity and honesty, by adhering to the CG Values and CG's Code of Business Practices.

Equally important is management independence and professionalism at all CG locations. CG actively fosters a professional management, which is adequately empowered by its Board to take entrepreneurial decisions, yet adequately regulated by robust systems of internal controls.

At the global level, CG's overseas subsidiaries manage their operations independently, with business decisions on future directions being guided by the main CG Board. Comprehensive oversight is ensured through regular Management and Board reviews.

CG is committed to the identification, management and mitigation of risks associated with its businesses. The Company's risk management policies and procedures cover enterprise risks, process risks, regulatory, property, treasury and financial reporting.

The overall outcome of the Company's various governance sub-systems is an architecture that functions effectively and efficiently which addresses the progressive needs of customers, societies and other stakeholders around the world.

BOARD OF DIRECTORS

Composition

In 2009, the Board of Directors had formed a Succession Committee to carry out a global search, both external and internal, to identify a successor for Mr Trehan. The Succession Committee identified Mr Laurent Demortier as the new CEO and Managing Director, who will take over as successor to Mr SM Trehan.

Although, Mr SM Trehan's tenure as Managing Director of the Company was scheduled for completion on 2 May 2011, until such time as Mr Demortier was appointed as CEO and Managing Director, Mr Trehan's term was extended from 3 May 2011 to 1 June 2011 on the same remuneration as well as other terms and conditions applicable to his earlier tenure.

Mr SM Trehan retired as the Managing Director of the Company on 1 June 2011; however he will continue as a Non-Executive Director and has been appointed Vice Chairman of the Board.

Mr Demortier has been appointed as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956 at the Board Meeting held on 2 June 2011. At this Board Meeting, Mr Demortier has also been appointed the CEO and Managing Director of the Company w.e.f from 2 June 2011, initially

1

COMPOSITION OF THE BOARD

AS ON 2 JUNE 2011

NAME	PARTICULARS	OTHER BOARD REPRESENTATIONS		
		DIRECTORSHIPS (a)	COMMITTEE MEMBERSHIPS (b)	COMMITTEE CHAIRMANSHIPS (b)
Mr Gautam Thapar	Non-Executive Chairman; Promoter	10	3	0
Mr Sudhir Trehan (c)	Non-Executive; Vice-Chairman	6	0	0
Mr Laurent Demortier (d)	Executive; CEO and Managing Director	-	-	-
Mr Scott Bayman	Non-Executive; Independent	1	0	0
Dr Omkar Goswami	Non-Executive; Independent	11	4	3
Mr Sanjay Labroo	Non-Executive; Independent	15	2	0
Mr Suresh Prabhu	Non-Executive; Independent	0	0	0
Ms Meher Pudumjee	Non-Executive; Independent	3	1	0
Mr Satya Pal Talwar	Non-Executive; Independent	14	3	4
Dr Valentin von Massow	Non-Executive; Independent	1	0	0

(a) Includes private limited companies, but excludes alternate directorships and foreign bodies corporate.

(b) Of only public limited companies.

(c) Was Managing Director of the Company up to 1 June 2011.

(d) CEO and Managing Director of the Company from 2 June 2011.

2

ATTENDANCE RECORD OF THE DIRECTORS

FOR THE FINANCIAL YEAR 2011

NAME	ATTENDANCE	
	BOARD MEETINGS	LAST AGM
Mr Gautam Thapar	6	YES
Mr Sudhir Trehan	6	YES
Mr Laurent Demortier	NA	NA
Mr Scott Bayman	5	YES
Dr Omkar Goswami	6	YES
Mr Sanjay Labroo	5	NO
Mr Suresh Prabhu	6	YES
Ms Meher Pudumjee	5	YES
Mr Satya Pal Talwar	5	YES
Dr Valentin von Massow	6	YES

Mr Demortier has been appointed as the CEO and Managing Director from 2 June 2011.

for a period of 5 years. Mr Demortier brings with him rich experience and professional expertise in the business areas relevant to the Company. A detailed profile of Mr Demortier is detailed under the heading "Directorate", in the Directors' Report, in this Annual Report.

Mr Demortier's appointment as CEO and Managing Director will be placed before the Shareholders for approval at the forthcoming Annual General Meeting to be held on 19 July 2011. His appointment will also be subject to Central Government approval thereafter.

As on the date of this Report, the Company has a ten-member Board of Directors. The Chairman, Mr Gautam Thapar is a Non-Executive Director and a member of the Promoter Group. The Vice-Chairman, Mr SM Trehan is a Non-Executive Director. Seven other Non-Executive Directors — Mr Scott Bayman, Dr Omkar Goswami, Mr Sanjay Labroo, Mr Suresh Prabhu, Ms Meher Pudumjee, Mr Satya Pal Talwar and Dr Valentin von Massow — are independent in terms of Clause 49 of the Listing Agreement with Stock Exchanges. Mr Laurent Demortier is the CEO and Managing Director. Thus, the Board of Crompton Greaves presently comprises of one Executive Director and nine Non-Executive Directors, of whom seven

are independent Directors. TABLE 1 gives the composition of the Board, and the number of outside Directorships held by each. None of the Directors are related to each other.

Board Meetings

There were 6 Board Meetings held during FY2011 : on 13 May 2010, 10 June 2010, 24 June 2010, 19 July 2010, 25 October 2010 and 28 January 2011. The Company's last Annual General Meeting was held on 19 July 2010. TABLE 2 gives the attendance record of the Directors.

DIRECTORS' COMPENSATION

Managing Director's Compensation

For the FY2011, Mr Sudhir Trehan received a remuneration package comprising a fixed salary component, a perquisite basket, commission, and performance incentive, as approved by the Remuneration Committee of the Board on 21 October 2008, in terms of the powers delegated by the shareholders at the Annual General Meeting held on 23 July 2008.

Mr Laurent Demortier, the new CEO and Managing Director, will receive a remuneration package which broadly comprises of a fixed salary component, a one-time sign-on bonus, a basket of allowances/reimbursements, performance



COMPENSATION OF THE DIRECTORS FOR THE FINANCIAL YEAR 2011, IN RUPEES

	SALARY	PERQUISITES	COMMISSION	SPECIAL PERFORMANCE INCENTIVE	RETIREMENT BENEFITS	SITTING FEES	TOTAL
Mr Gautam Thapar	-	-	8,46,75,000	-	-	2,20,000	8,48,95,000
Mr Sudhir Trehan	96,00,000	92,85,729	2,64,00,000	6,50,00,000	97,20,000	-	12,00,05,729
Mr Scott Bayman	-	-	7,00,000	-	-	1,20,000	8,20,000
Dr Omkar Goswami	-	-	22,25,000	-	-	2,40,000	24,65,000
Mr Sanjay Labroo	-	-	7,00,000	-	-	1,60,000	8,60,000
Mr Suresh Prabhu	-	-	7,00,000	-	-	2,00,000	9,00,000
Ms Meher Pudumjee	-	-	7,00,000	-	-	1,00,000	8,00,000
Mr Satya Pal Talwar	-	-	9,50,000	-	-	1,60,000	11,10,000
Dr Valentin von Massow	-	-	29,50,000	-	-	1,20,000	30,70,000

Mr Demortier has not received any compensation in FY2011, as he has been appointed as the CEO and Managing Director on 2 June 2011.

linked bonus/commission, housing, and other cash as well as non-cash perquisites usually applicable to expatriate appointments at this level. This remuneration package has been approved by the Remuneration Committee, as well as the Board of Directors on 2 June 2011. The Remuneration Committee of the Board is authorised to revise the remuneration package during the initial appointment tenure of 5 years, up to the ceiling of 5% of the Company's net profits as prescribed by the Companies Act, 1956.

A service contract exists with the CEO and Managing Director which contains his terms and conditions of service, including remuneration, notice period, severance compensation, etc, as approved by the Remuneration Committee and the Board of Directors.

The terms and conditions of his appointment and remuneration are subject to approval by the shareholders at the forthcoming Annual General Meeting, and thereafter by Central Government.

Non-Executive Directors' Compensation

The shareholders, at the 73rd Annual General Meeting held on 19 July 2010 approved payment of commission to the Company's Non-Executive Directors, collectively, upto 1% of net profits, computed in the manner provided in Section 309(5) of the Companies Act. The Board has formulated Guidelines for apportionment of commission amongst the

Non-Executive Directors, which provides for a minimum fixed payment for participation at Board Meetings and also a variable component for contributions as Chairmen of Board Committees, greater involvement with the Company's initiatives and strategic direction, and for roles as nominee directors on the Board/Committees of Directors of joint ventures, subsidiaries and associate companies, based on their attendance.

Based on these Guidelines, the commission payable to Mr G Thapar is higher than the other Non-Executive Directors. The compensation of all the Directors is given in TABLE 3. The Company does not have any stock option plans or schemes.

Directors' Shareholding

As on 31 March 2011, Mr SM Trehan held 1,80,320 shares and Dr von Massow held 2,687 Global Depository Receipts. Mr Thapar does not hold any shares in the Company either in his individual capacity, or beneficially for others. However, he exercises control over the Promoter Group holding, aggregating to 26,25,26,641 equity shares, constituting 40.92 percent of the total shareholding of the Company. None of the other Non-Executive Directors held any shares in the Company.

Code of Conduct

The Company has a Code of Conduct for Directors and Senior Management, that reflects its high standards of integrity and ethics. The Directors and Senior Management of the Company have

affirmed their adherence to this Code of Conduct and to the absence of any actual or potential conflict with the interests of the Company with reference to material, financial and commercial transactions. As required by Clause 49 of the Listing Agreement, Mr SM Trehan, as the Company's Managing Director on 31 March 2011, has signed and confirmed adherence to this Code of Conduct, which is annexed to this Report.

COMMITTEES OF THE BOARD

Risk and Audit Committee

During the year, the Risk and Audit Committees of the Board were merged to form a single Risk and Audit Committee of the Board. It was felt that a single forum could better evaluate the Company's risk management program, internal controls and corporate governance processes in a comprehensive manner to better achieve the desired levels of integration, without overlaps.

Whilst deciding the powers and the terms of reference of the Risk and Audit Committee, it was envisaged, that, in its new form, the Committee would deliberate the risk profile of the Company with respect to enterprise, process and compliance risks, as well as mitigation actions related thereto, in addition to oversight of the internal control mechanisms and monitoring of financial reporting processes for the Company as well as its subsidiaries.

For FY2011, the Risk and Audit Committee comprised six Non-Executive Directors, of whom four are Independent.

The composition is as follows:

- ✦ **DR OMKAR GOSWAMI**
(Chairman, Independent Director)
 - ✦ **MR SANJAY LABROO** (Independent Director)
 - ✦ **MR SURESH PRABHU** (Independent Director)
 - ✦ **MR SATYA PAL TALWAR** (Independent Director)
 - ✦ **MR GAUTAM THAPAR** (Non-Executive Director)
 - ✦ **MR SUKHR TREHAN** (Executive Director)
- The Managing Director, Chief Financial Officer, Chief of Internal Audit, Chief of Risk Management and representatives of the Statutory Auditors attend the meetings of Risk and Audit Committee. The Company Secretary is the Secretary to this Committee.

The Chairman of the Risk and Audit Committee briefs the Board of Directors on the discussions at the Risk and Audit Committee Meeting, at every Board Meeting.

During the year, a new Risk Management Policy encompassing enterprise, process and compliance risks was adopted by the Company. The earlier policy focused predominantly on business risks. The coverage of this new policy, besides being wider and more comprehensive, also contain a risk universe containing illustrative examples of various risks and their possible mitigation actions, to better facilitate risk identification and mitigation at all the divisions.

The Company has a Corporate Risk Management department which implements the Risk Policy at all its locations, and also monitors risk mitigation measures. The new Risk Management Policy has been implemented at all the three SBUs of the Company which has resulted in identification of additional risk mitigation plans, as well as re-calibration of the existing risk levels amongst the divisions.

The Company has an independent in-house internal audit function with adequate professional resources and skills, aligned with the Company's nature, size and complexity of business. The Head of the Internal Audit reports directly to the

Managing Director and also to the Risk and Audit Committee.

During the year, the Audit function has installed a new methodology for evaluating the Company's systems and internal controls based on the Risk Based Internal Auditing (RBIA) concept, for the entire CG Group, including the Company's overseas subsidiaries. Risks controls have been identified, across business areas and processes, with which control effectiveness of each division and the Company as a whole will be mapped. Four divisions have already been successfully audited on a pilot basis using this methodology. To facilitate easy comparison of audit findings across functions/divisions/companies, a customised software application has been developed and commissioned, which will highlight comparative heat maps of risks and provide inferential management dashboards, in important areas. These dashboards would ensure greater management focus to priority areas.

In addition to the above, the function carried out operational and system audits at various locations. Standardized internal control process approaches have been installed in areas where common weaknesses amongst divisions were observed.

During FY2011, 4 Risk and Audit Committee meetings were held: on 12 May 2010, 19 July 2010, 25 October 2010 and 27 January 2011. The attendance record is given in **TABLE 4**.

Remuneration Committee

Although not mandatory in terms of Clause 49 of the Listing Agreement, the Company has a Remuneration Committee comprising three Non-Executive Directors, of which two, including the Chairman, are independent. Presently, the Committee comprises:

- ✦ **MR SANJAY LABROO**
(Chairman, Independent Director)
- ✦ **DR OMKAR GOSWAMI**
(Independent Director)
- ✦ **MR GAUTAM THAPAR**
(Non-Executive Director)

The Committee reviews the remuneration paid to the CEO and Managing Director. The Committee also reviews the Company's HR processes related to talent management, recruitment, employee engagement, performance management and its compensation philosophy.

During FY2011, one Remuneration Committee Meeting was held on 19 July 2010. The attendance record is given in **TABLE 5**.

Shareholders' / Investors' Grievance Committee

The Company has a Shareholders' / Investors' Grievance Committee, details of which are given under the section "Shareholders" in this Report.

MANAGEMENT

Management Discussion and Analysis Report

This is given as a separate chapter in the Annual Report.

Disclosure of Material Transactions

Considering the size and nature of operations, there were no related party transactions of a materially significant nature in terms of the Listing Agreement with Stock Exchanges that could have a potential conflict with the interests of the Company at large.

Accounting Policies

The Company has adopted accounting treatments which are in conformance with those prescribed by the Accounting Standards.

Insider Trading

The Company has comprehensive guidelines in accordance with the SEBI Regulations in this regard, which advise and caution the Directors, Management and Executives on the procedures to be followed, whilst dealing with the securities of the Company. The Insider Trading Code framed by the Company helps in ensuring compliance with these requirements.

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RISK AND AUDIT COMMITTEE MEETINGS FOR FINANCIAL YEAR 2011

SHAREHOLDERS

Disclosure regarding Appointment and/or Re-appointment of Directors

➔ **MR SM TREHAN** (born in 1946) is a gold medalist engineering graduate from the renowned Birla Institute of Technology at Ranchi. He has completed his Post Graduate studies (M.S.) at the State University of New York, Stony Brook, USA. Mr Trehan has served the Company for 28 years, and was elevated to the position of Managing Director in May 2000.

He is actively involved in various national industry forums like IEEMA, CII and AIMA. He was the recipient of the 'Business Standard CEO of the Year' Award for 2008–2009, for initiatives he took towards successfully implementing his vision of making the Company a world-class company.

After his retirement as the Managing Director on 1 June 2011, he will continue as the Vice Chairman of the Board of Directors of the Company in a Non-Executive capacity. Mr Trehan is a Member of the Company's Risk and Audit Committee as well as Shareholders/ Investors' Grievance Committee.

Indian Directorships

- + CG Energy Management Limited
- + CG Lucy Switchgear Limited
- + CG-PPI Adhesive Products Limited
- + Malanpur Captive Power Limited
- + Avantha Power & Infrastructure Limited
- + CG-ZIV Power Automation Solutions Limited

Foreign Directorships

- + CG Holdings Belgium N.V.
- + PT. CG Power Systems Indonesia

Mr Trehan does not have any relationship with any of the other Directors on the Board. Mr Trehan holds 1,80,320 equity shares in the Company in his individual capacity.

➔ **MR GAUTAM THAPAR** (born in 1960) is the Chairman and CEO of one of India's foremost diversified Groups, the Avantha Group.

DIRECTOR	STATUS	MEETINGS ATTENDED
Dr Omkar Goswami	Chairman, Independent Director	4
Mr Sanjay Labroo	Member, Independent Director	2
Mr Suresh Prabhu	Member, Independent Director	4
Mr Satya Pal Talwar	Member, Independent Director	3
Mr Gautam Thapar	Member, Non-Executive Director	2
Mr Sudhir Trehan	Executive Director	4

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REMUNERATION COMMITTEE MEETING FOR FINANCIAL YEAR 2011

DIRECTOR	STATUS	MEETINGS HELD	MEETINGS ATTENDED
Mr Sanjay Labroo	Chairman, Independent Director	1	1
Dr Omkar Goswami	Member, Independent Director	1	1
Mr Gautam Thapar	Member, Non-Executive Director	1	1

The USD 4 billion Avantha Group has business interests in diverse areas, including pulp and paper, power transmission and distribution equipment and services, food processing, farm forestry, chemicals, energy, infrastructure, information technology (IT) and IT-enabled services. With an impressive global footprint, the Group operates in more than 10 countries with 20,000 employees of 20 nationalities. Crompton Greaves Limited and Ballarpur Industries Limited are the listed companies amongst the Group companies.

An alumnus of the prestigious Doon School, Mr Thapar completed his Chemical Engineering from USA and has 25 years of industrial experience. Mr Thapar is the Chairman of the Board of Directors of Crompton Greaves Limited, Member of its Risk and Audit Committee, Remuneration Committee and Chairman of its Shareholders/ Investors' Grievance Committee.

He has been appointed as Board Member of the National Security Advisory Board, a key component of the National Security Council of India, the apex agency looking into the nation's political, economic, energy and strategic security concerns.

Keen on giving back to society, Mr. Thapar takes his social responsibilities very seriously. This is manifested in his involvement across three sectors: education, leadership development and sports. He is President of Thapar University,

one of the top twenty technical schools in India. He is Chairman of The Aspen Institute India, which aims to internationalize India's business, political and cultural leadership. He is President of the All India Management Association (AIMA), the apex body of professional management in India. He also takes an avid interest in promoting the game of golf, and is President of the Professional Golf Tour of India (PGTI).

Indian Directorships

- + Ballarpur Industries Limited
- + Salient Business Solutions Limited
- + Avantha Holdings Limited
- + Avantha Realty Limited
- + CG Capital & Investments Limited
- + Global Green Company Limited
- + Asahi India Glass Limited
- + Lavasa Corporation Limited
- + Karam Chand Thapar and Bros. Limited
- + Sohna Stud Farm Private Limited

Foreign Directorships

- + Compass Ltd. (Holding Company of Bata International Ltd.)
- + Ballarpur International Graphic Paper Holdings BV

Committee Positions

- + Ballarpur Industries Limited (1)
- + Asahi India Glass Limited (1)
- + CG Capital & Investments Limited (1)

Mr Thapar does not hold any shares in the Company either in his individual capacity, or beneficially for others. However, he exercises control over the Promoter Group holding, aggregating to 26,25,26,641 equity shares, constituting 40.92 percent of the total shareholding of the Company.

MR. S BAYMAN (born in 1946) holds a Bachelor of Science degree in Business Administration from the University of Florida, USA, and a Master's degree in Management from the Alfred P Sloan School of Management, MIT, Massachusetts, USA.

During his 20-year career with the General Electric Company (GE), he held several senior positions of responsibility, before being elevated to the status of Vice President, Worldwide Marketing and Product Management for GE Appliances. Thereafter, he was positioned as President and CEO of GE – India. He is a senior advisor to the Board of the US-India Business Council and is past Chairman of the American Chamber of Commerce, India.

Indian Directorships

- + Lumis Consulting Partners India Private Ltd.
- + Star Dental Center Private Limited

Mr Bayman is an Independent Director on the Board.

Mr Bayman does not have any relationship with any of the other Directors on the Board; and does not hold any shares in the Company either in his individual capacity, or beneficially for others.

➤ **MR. DEMORTIER** (born in 1961) was appointed as an Additional Director with effect from 2 June 2011, and in terms of the provisions of Section 260 of the Companies Act, 1956, he holds office up to the date of the forthcoming Annual General Meeting. A detailed profile of Mr Demortier is detailed under the heading "Directorate", in the Directors' Report, in this Annual Report.

Communication to Shareholders

Full and complete disclosure of information regarding the Company's financial situation and performance is an important part of the Company's Corporate Governance ethos. The Company has demonstrated this commitment by sending its shareholders a full version of its Annual Report, despite a Regulatory exemption. Towards providing better and clearer information, the stand-alone as well as consolidated balance sheet and profit and loss account are also provided in USD and Euro in the Annual Report to give shareholders a better perspective of the Company's performance in these two major international currencies.

The Company welcomes the "Green Initiatives" being promoted by the Ministry of Corporate Affairs (MCA), to encourage e-enabled regulatory compliances, in its efforts to conserve consumption of paper and preserve the environment. In furtherance of this important initiative, the MCA, has permitted companies to provide its shareholders documents, including the Annual Report, by electronic mode. In support of MCA's endeavours in this direction, commencing this year, and in future, the Company will be sending its Annual Report as well as other shareholder correspondence by e-mail, to those shareholders whose e-mail addresses are registered with the Company/their depository participants. However, the Company has already communicated to these shareholders, that, in case they desire to receive a physical copy of the Annual Report, the Company will be happy to provide the same on their request.

Clause 41 of the Listing Agreement requires a company to only publish stand-alone financial results; and, gave an option to a company having subsidiaries, to submit consolidated results to Stock Exchanges. However, despite this Regulatory exemption available, the Company has consciously chosen to submit quarterly consolidated financial results to the Stock Exchanges, and additionally also publish both stand-alone and consolidated financial results in

the newspapers, for better disclosures to its shareholders and the general investor community.

The Company's quarterly results in the format prescribed by the Stock Exchanges are approved and taken on record by the Board within the prescribed timeframe, and sent immediately to all Stock Exchanges on which the Company's shares are listed. Recent amendments to Clause 41 of the Listing Agreement permit a company to publish its quarterly results alongwith Limited Review within 45 days from the end of each quarter. However, the Company has decided to continue its practice of submitting quarterly results within 30 days from the end of each quarter. These results are published in leading newspapers – The Economic Times, in English and the Maharashtra Times, in vernacular, and are also uploaded on the "Corporate Filing" website sponsored jointly by the National and Bombay Stock Exchanges, as required by the Listing Agreement with Stock Exchanges. The Company further files on-line information on financial statements and other matters specified, on the PN Newswire website which is approved by the London Stock Exchange.

Information about the Company in general, its financial results, and other information, including official press releases can also be accessed at the Company's website www.cgglobal.com.

Information on General Body Meetings

The details of the last 3 Annual General Meetings are given in **TABLE 6**.

Given below are the Special Resolutions that were approved by shareholders at the last three Annual General Meetings held on:

➤ 23 JULY 2008

No Special Resolution was passed at the 72nd Annual General Meeting held on 23 July 2008.

➤ 17 JULY 2009

No Special Resolution was passed at the 73rd Annual General Meeting held on 17 July 2009.



ANNUAL GENERAL MEETINGS

19 JULY 2010

Special Resolution was passed for payment of commission to Non-Executive Directors up to 1% of the net profits of the Company per annum.

Details of Capital Market Non-Compliance, if any

The Company has complied with all requirements of the Listing Agreement with Stock Exchanges as well as the regulations and guidelines prescribed by SEBI. There were no penalties or strictures imposed on the Company by any Regulatory Authorities for non-compliance on any matter related to capital markets, during the last three years.

Shareholders'/Investors' Grievance Committee

During FY2011, the Committee comprised Mr Gautam Thapar (Chairman) and Mr Sudhir Trehan, Managing Director. Mr W Henriques, the Company Secretary, has been designated by the Board as the Compliance Officer. During FY2011, the Shareholders'/Investors' Committee met on 28 January 2011 at which meeting both Members were present.

The Committee reviews the redressal of investors' complaints related to transfers and transmission of shares, non-receipt of annual reports, dividends and other share related matters, the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Transfer Agent. In addition to review by this Committee, the Company continues its existing practice of reporting to the Directors at each Board Meeting, the number and category of shareholder complaints received and the status of their resolution.

The Company received only 11 shareholders' complaints during the financial year under review, which were of a routine nature and were satisfactorily resolved. There are no outstanding complaints or shares pending transfer as on 31 March 2011.

Unclaimed Shares

Clause 5A of the Listing Agreement with Stock Exchanges requires a listed company to transfer shares, which have remained unclaimed pursuant to a public issue or any other issue, to an Unclaimed Suspense Account with a Depository Participant. The voting rights with respect to the shares held in such Unclaimed Suspense Account would be frozen and future share allotments would also be issued directly to such account. This Clause requires a Company to send three reminders in this regard before the transfer.

The Company has already sent the first reminder on 11 April 2011 to 5,548 shareholders. The second and third reminders are proposed to be sent in July 2011 and September 2011 respectively, after which shares still remaining unclaimed will be credited to the Unclaimed Suspense Account. Even after transfer of shares, genuine shareholders can claim their shares after submission of the requisite documentary proof of their identity to the Company.

GOVERNANCE OF SUBSIDIARIES

The Indian and foreign subsidiaries of the Company function independently, with an adequately empowered Board of Directors and sufficient resources. The business decisions on future directions are guided by the Main CG Board. However, for more effective governance, the material contents of the minutes of Board Meetings of all Indian as well as foreign subsidiaries of the Company are placed before the Board of Directors of the Company for review. The Company has also established a mechanism through which material defaults, show cause notices, dangerous occurrences, product liability claims, significant developments in human resources, major financial decisions and similar significant actions/decisions of all subsidiary companies are reported to the Company's Board of Directors. In addition, the internal control procedures and operational risks of these subsidiaries are also

FY	LOCATION	DATE	TIME
'07-08	Ravindra Natya Mandir, Mumbai- 400 025	23.07.08	3.30 P.M.
'08-09	Ravindra Natya Mandir, Mumbai- 400 025	17.07.09	3.30 P.M.
'09-10	Ravindra Natya Mandir, Mumbai- 400 025	19.07.10	3.30 P.M.

reviewed by the Risk and Audit Committee of the Board. This framework has been further strengthened by the implementation of the "CG Transnational Governance Guidelines", which are implemented at all world-wide entities and locations.

CEO/CFO CERTIFICATION

Mr SM Trehan as the Managing Director as on 31 March 2011 and the Chief Financial Officer have certified to the Board with respect to the financial statements, internal controls and other matters, as required by Clause 49 of the Listing Agreement with Stock Exchanges, and the said Certificate is contained in this Annual Report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance prescribed by Clause 49 of the Listing Agreement with Stock Exchanges, which is attached herewith.

REPORT ON CORPORATE GOVERNANCE

This chapter, read together with the information given in the chapter titled "Additional Shareholder Information", constitutes the compliance report on Corporate Governance for FY2011.

ADDITIONAL SHAREHOLDER INFORMATION





UNCLAIMED DIVIDENDS

ANNUAL GENERAL MEETING

DATE	Tuesday, 19 July 2011
TIME	3.30 p.m.
VENUE	Ravindra Natya Mandir, Prabhadevi, Mumbai - 400 025

FINANCIAL CALENDAR

FIRST QUARTER RESULTS	End July
SECOND QUARTER RESULTS	End October
THIRD QUARTER RESULTS	End January
LAST QUARTER RESULTS AND ANNUAL AUDITED RESULTS	April

DATES OF BOOK CLOSURE

13 JULY 2011 TO 19 JULY 2011

The register of members and share transfer books of the Company will remain closed from Wednesday, 13 July 2011 to Tuesday, 19 July 2011, both days inclusive.

UNCLAIMED DIVIDENDS

Dividends pertaining to the financial years 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010 and 2010-2011 which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund. To enable the members to claim their dividend before its transfer to the above Fund, the proposed dates of transfer are given in **TABLE 1**.

REGISTRAR AND AGENTS

For Shares

The Company's R&T Agent is **DATAMATICS FINANCIAL SERVICES LIMITED**. Datamatics Financial Services Limited is a SEBI registered Registrar and Transfer Agent, whose contact details are:

DATAMATICS FINANCIAL SERVICES LIMITED

ADDRESS Unit: Crompton Greaves Limited
Plot No B-5, Part B Crosslane

DATE OF DECLARATION OF DIVIDEND	DUE DATE FOR TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND
22 July 2004	21 August 2011
25 November 2004	24 December 2011
22 March 2005	21 April 2012
14 October 2005	13 November 2012
25 January 2006	24 February 2013
29 March 2006	28 April 2013
14 October 2006	13 November 2013
25 January 2007	24 February 2014
21 March 2007	20 April 2014
30 October 2007	29 November 2014
30 January 2008	1 March 2015
28 March 2008	27 April 2015
21 October 2008	20 November 2015
23 January 2009	22 February 2016
24 March 2009	23 April 2016
27 October 2009	26 November 2016
28 January 2010	27 February 2017
25 October 2010	24 November 2017
28 January 2011	27 February 2018
23 March 2011	22 April 2018

MIDC Marol Andheri (East) Mumbai 400 093
TEL + 91 (0) 22 66712151- 160
FAX + 91 (0) 22 6671 2230
EMAIL cginvestors@dfssl.com

For Fixed Deposits

The Registrar details are as under:

LINK INTIME INDIA PVT. LTD

(formerly Intime Spectrum Registry Ltd)
ADDRESS C-13 Pannalal Silk Mills
Compound, L B S Marg Bhandup (West)
Mumbai 400 078
TEL + 91 (0) 22 25963838
FAX + 91 (0) 22 25962691
EMAIL fd@linkintime.co.in

SHARE TRANSFER SYSTEM

The Company's shares are compulsorily traded in dematerialised form. In the case of transfers in physical form which are lodged

2

MARKET PRICE DATA

THE STOCK EXCHANGE, MUMBAI

MONTH	HIGHEST OF THE MONTH (RS.)	LOWEST OF THE MONTH (RS.)	CLOSING (1ST TRADING DAY OF THE MONTH) (RS.)	SENSEX (1ST TRADING DAY OF THE MONTH) (RS.)
April 2010	279.60	250.15	272.95	17,692.62
May 2010	266.00	219.10	261.05	17,386.08
June 2010	267.00	235.10	240.50	16,572.03
July 2010	296.00	246.75	256.65	17,509.33
August 2010	309.10	273.20	277.10	18,081.21
September 2010	326.40	296.00	299.50	18,205.87
October 2010	341.00	304.00	317.35	20,445.04
November 2010	345.95	315.10	325.55	20,355.63
December 2010	349.00	303.90	337.60	19,850.00
January 2011	314.15	228.00	311.70	20,561.05
February 2011	281.50	240.00	273.80	18,022.22
March 2011	284.00	244.75	249.90	18,446.50
			SHARE PRICE	SENSEX
As on 31 March 2011			272.95	19,445.22

at the Registrar and Transfer Agent's office, these are processed within a maximum period of 30 days from the date of receipt.

All share transfers and other share related issues are approved by a Director or by a Senior Executive duly authorised by the Board. Approvals are, generally, on a weekly basis. During FY2011, 44 approvals were obtained. The total number of shares in physical form transferred during the year under review was 1,21,163 shares.

DEMATERIALIZATION OF SHARES

As on 31 March 2011, 98.6% of the total shares of the Company were dematerialised, compared with 98.5% last year.

GLOBAL DEPOSITORY RECEIPTS (GDRS)

The Company issued GDRs in 1996 and the underlying shares for each GDR were issued in the name of The Bank of New York, the Depository. Each GDR of the Company is equivalent to 5 shares. As on 31 March, 2011, 328,362 GDRs were outstanding, which represented 1,641,809 underlying equity shares.

STOCK CODES

- 1 **BSE, MUMBAI**
CODE 500093
- 2 **NATIONAL STOCK EXCHANGE**
CODE CROMPGREAV
- 3 **GDR**
CODE 5090318
- 4 **ISIN**
CODE INE067A01029 (NSDL & CDSL)
- 5 **CORPORATE IDENTIFICATION NUMBER**
CODE L99999MH1937PLC002641

LISTING DETAILS

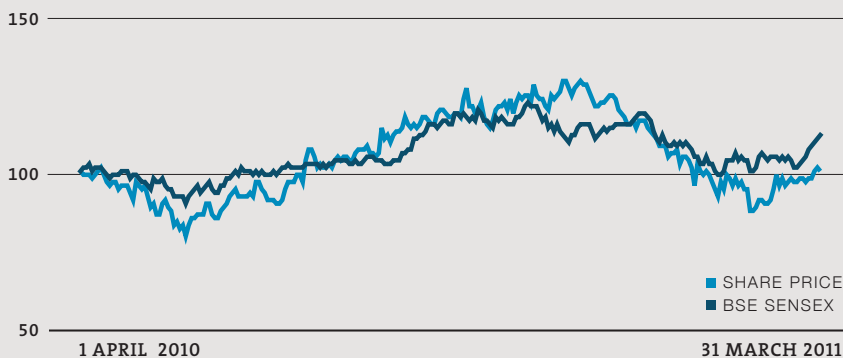
The Company's shares are listed and traded on the Mumbai and National Stock Exchanges. The Company's GDRs are listed on the London Stock Exchange.

The details of the Stock Exchanges on which the Company's shares are listed are:

A

SHARE PERFORMANCE VS BSE SENSEX

CROMPTON GREAVES SHARE PRICE AND BSE SENSEX = 100 ON 1 APRIL 2010





DISTRIBUTION OF SHAREHOLDING

AS ON 31 MARCH 2011

1 THE STOCK EXCHANGE, MUMBAI

ADDRESS Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

2 NATIONAL STOCK EXCHANGE OF INDIA LTD

ADDRESS Exchange Plaza, Bandra-Kurla
Complex, Bandra (E), Mumbai 400 051

The Company's payment of listing fees are up to date.

The Market Price Data for CG during FY 2011 is given in **TABLE 2**.

The performance of CG's equity share prices, relative to the BSE Sensex, is given in **GRAPH A**.

The distribution of CG's shareholding is given in **TABLE 3** and categories of its shareholders is given in **TABLE 4**.

PLANT LOCATIONS

Detailed information on Plant locations, products, establishments and service centres with their contact details, is provided at the end of the Annual Report.

ADDRESS FOR CORRESPONDENCE

Corporate Secretarial Department

The Corporate Secretarial Department is located at the Company's Corporate Office situated at 1st Floor, CG House, Dr Annie Besant Road, Worli, Mumbai 400 030.

Investor Services Department

In addition to the Share Registrar and Transfer Agent, our Investor Services Department, which is located at the Company's Corporate Office, will be happy to assist, in case investors experience any difficulties in their interaction with Datamatics Financial Services Limited.

CONTACT PERSON Mr SK Athalekar

Senior Executive - Corporate Secretarial

TIME 2-5 pm (Mondays to Fridays)

TEL +91 22 24237805

FAX +91 22 24237788

E-MAIL shirish.athalekar@cgglobal.com

NO OF SHARES	NO OF SHAREHOLDERS	% OF SHAREHOLDERS
UP TO 500	67,221	82.72
501-1000	4,866	5.99
1001-2000	3,976	4.89
2001-3000	1,477	1.82
3001-4000	930	1.14
4001-5000	447	0.55
5001-10000	1,124	1.38
10001 AND ABOVE	1,224	1.51
	81,265	100.00



CATEGORIES OF SHAREHOLDERS

AS ON 31 MARCH 2011

CATEGORY	NO OF SHARES OF RS.2/- EACH	%
Promoters	26,25,26,641	40.92
Indian Institutional Investors	4,46,79,749	6.96
Bodies Corporate	4,78,18,601	7.45
Foreign Institutional Investors	13,93,45,855	21.72
NRIs, OCBs, GDRs	1,16,06,266	1.81
Mutual Funds	8,77,69,436	13.68
General Public	4,75,64,668	7.43
Directors*	1,80,320	0.03
	64,14,91,536	100.00

* Mr SM Trehan, Director, holds 180,320 equity shares. Mr Thapar does not hold any shares in the Company either in his individual capacity, or beneficially for others. However, he exercises control over the Promoter Group holding, aggregating to 26,25,26,641 equity shares, constituting 40.92 percent of the total shareholding of the Company.

NON-MANDATORY REQUIREMENTS

The Company has implemented the following non-mandatory requirements recommended by Clause 49 of the Listing Agreement:

Chairman's and Vice-Chairman's Office

Offices with requisite facilities are provided and maintained at the Company's expense for use by the Chairman and Vice-Chairman of the Company. The Company also reimburses all expenses incurred in their furthering the Company's business interests.

Remuneration Committee

A Remuneration Committee comprising three Non-Executive Directors is already functional, for review and decisions on the remuneration package of the CEO and Managing Director.

Financial Results

Financial results as published in the newspapers are made available to the Members on request. These results are also sent by e-mail, to those Members who have provided their e-mail ids to the Company.

Whistle Blower Policy

The Company has a dedicated e-mail id addressed to the CEO and Managing Director for enabling employees to represent concerns about unethical practices, fraud or violation of the Company's Code of Business Practices. This medium provides sufficient safeguards against victimisation of employees who report such matters.

On behalf of the Board of Directors

G THAPAR

Chairman

Mumbai, 2 June 2011

**CERTIFICATE ON
CORPORATE GOVERNANCE**

TO,
THE MEMBERS
Crompton Greaves Limited,
CG House, Dr. Annie Besant Road,
Worli, Mumbai-400 030

Dear Sirs,

We have examined the compliance of conditions of Corporate Governance by Crompton Greaves Limited, for the year ended 31 March 2011, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clauses. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance 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 **SHARP & TANNAN**
Chartered Accountants
REGISTRATION NO. 109982W

I VAIDYANATHAN
Partner
MEMBERSHIP NO. 16368
Mumbai, 2 June 2011

**DECLARATION OF COMPLIANCE WITH
CODE OF CONDUCT**

This is to certify that all the Members of the Board of Directors and Senior Management (i.e. one level below the Executive Directors i.e. Vice President level) of the Company, have confirmed compliance with the Company's Code of Conduct during April 2010 to March 2011.

**The Company's Code requires every
Member of the Board and Senior
Management to:**

- + Fulfill the functions of their office with integrity as well as professionalism and exercise the powers attached thereto, with due care and diligence.
- + Act in the best interests of, and fulfill their fiduciary obligations to the Company's shareholders, whilst also considering the interests of other stakeholders.
- + Take informed business decisions based on independent judgment and in the best interests of the Company, not influenced by personal interest or gain.
- + Respect the confidentiality of information and use utmost discretion whilst deciding its disclosure or dissemination, ensuring that no personal advantage or detriment to the Company results from the same.
- + Make available to, and share information with fellow Directors/Executives when considered expedient in the best interests of the Company.
- + Protect and use the Company's assets for legitimate business purposes and be alert to situations that could lead to loss or misuse of these assets.
- + Minimise any situation or action that can create conflict of interests of the Company vis-à-vis personal interest or interests of associated persons, and make adequate disclosures, where necessary.
- + Act in a manner that will protect the Company's reputation.
- + Encourage reporting of behaviour, which is contrary to the Company's "Values",

and ensure that the person reporting such violation is not aggrieved in any manner.

- + Comply, in letter and spirit, with all applicable laws, rules and regulations, and also honour the philosophy of "good faith", guided by one's sense of right and wrong.
- + Abide by the relevant terms of the Insider Trading Code formulated by the Company, and any other Code that may be formulated from time to time, as applicable.
- + Adhere to the terms of the powers delegated by the Board.
- + Whilst entering into contracts with Service Providers and Consultants, protect the arrangement for disclosure or dissemination of confidential information.
- + Establish processes and systems for storage, retrieval and dissemination of documents, both in physical and electronic form, so that the obligations of this Code of Conduct are fulfilled.
- + Raise concerns, if any, on the above issues, at a Board Meeting.

SM TREHAN
Managing Director
Mumbai, 28 April 2011

**MANAGING DIRECTOR'S AND CHIEF FINANCIAL OFFICER'S
CERTIFICATE ON CORPORATE GOVERNANCE**

TO,
THE BOARD OF DIRECTORS
Crompton Greaves Limited

CERTIFICATE

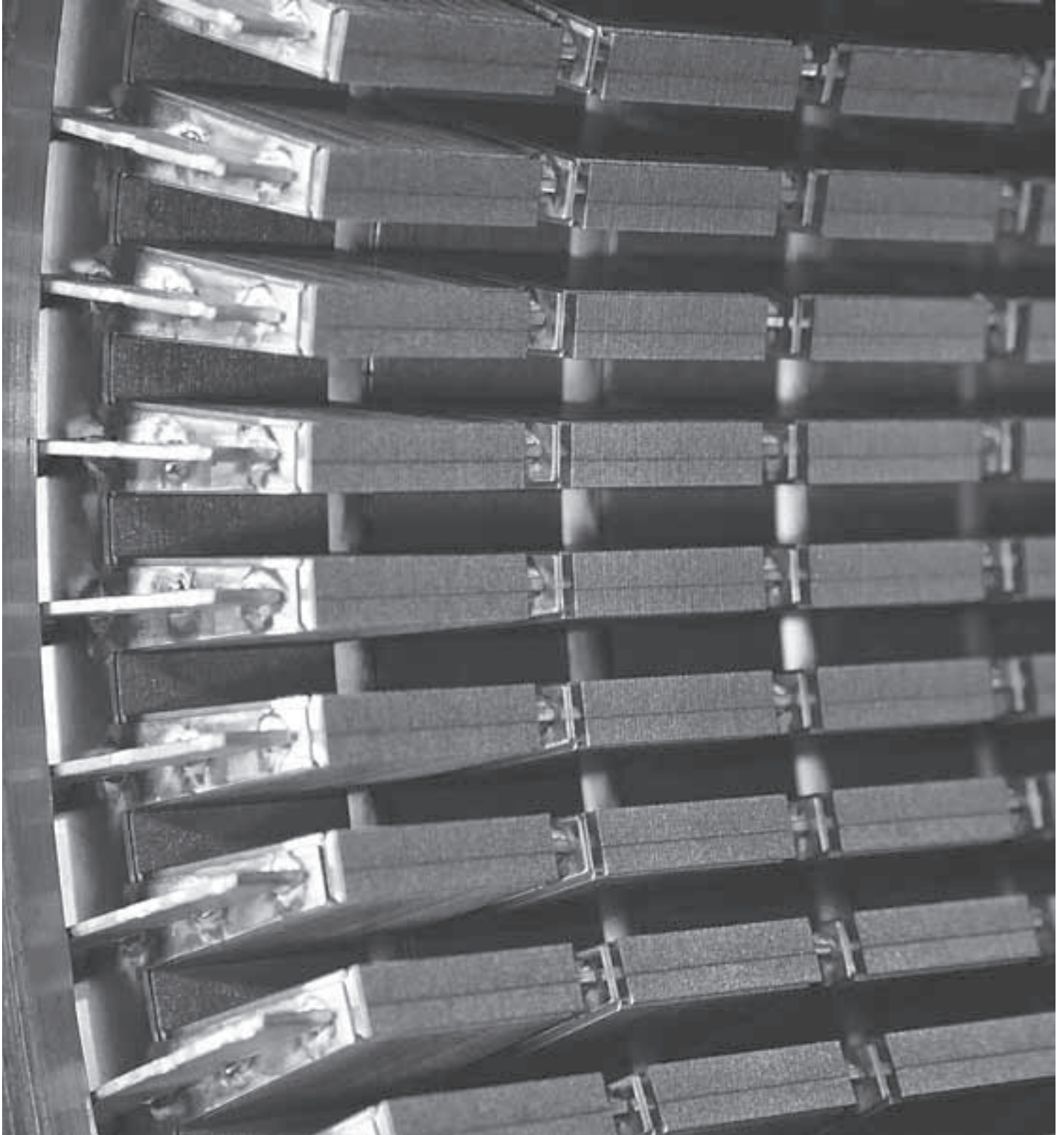
We have reviewed the Stand-alone and Consolidated financial results and the cash flow statement of Crompton Greaves Limited (the Company) for the financial year ended 31 March 2011, and certify that:

- (a) These results and statements, to the best of our knowledge and belief:
 - (i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls of which we are aware, and the steps taken and proposed to be taken to rectify these deficiencies.
- (d) We have also indicated to the Auditors and the Audit Committee :
 - (i) significant changes in the internal controls with respect to financial reporting during the year and the achievement of adequate internal controls within the Company's ERP systems;
 - (ii) significant changes in accounting policies during the year, and these have been disclosed in the notes to the financial statements.
- (e) To the best of our knowledge and belief, there are no instances of significant fraud involving either the Management or employees having a significant Role in the Company's internal control systems with respect to financial reporting.

SM TREHAN
Managing Director

M ACHARYA
Chief Financial Officer
Mumbai, 28 April 2011

CROMPTON GREAVES
STAND-ALONE
FINANCIALS



AUDITORS' REPORT TO THE SHAREHOLDERS OF CROMPTON GREAVES LIMITED

We have audited the attached Balance Sheet of **Crompton Greaves Limited** as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with provisions of Section 227 of the Companies Act 1956, we report that:

1. As required by the Companies (Auditor's Report) Order, 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - (a) we have obtained all 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 appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956; and
- (e) on the basis of the written representations received from directors of the Company as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011, from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.

In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies in Schedule 'A' and the Notes on the Balance Sheet and Profit and Loss Account in Schedule 'B', give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No.109982W

L. VAIDYANATHAN
PARTNER
Membership No.16368

Mumbai, 28th April, 2011

ANNEXURE TO THE AUDITORS' REPORT (REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE)

- (i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of all fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management, in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year, so as to affect its going concern status.
- (ii) (a) As explained to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has accepted deposits from the public and in our opinion and according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed thereunder, where applicable, have been complied with. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, in respect of electric fans, motors, power driven pumps, transformers and electric lamps and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (ix) (a) According to the information and explanations given to us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts were in arrears as at 31st March, 2011, for a period of more than six months from the date they become payable.

ANNEXURE TO THE AUDITORS' REPORT (Contd.)

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, sales tax, service tax, excise duty and cess as at 31st March, 2011, which have not been deposited on account of a dispute, are as under:

Name of the Statute	Nature of the disputed dues	Amount ₹ crore*	Period to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Tax and interest	8.47	1997-98 to 2005-06	ITAT
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act	Tax, interest and penalty	5.98	1996-97 1999-2000 2005-06 to 2008-09	High Court
			7.40	1991-92 1992-93 1994-95 1996-97 1997-98 to 2004-05
		19.92		1996-97 to 2008-09
			0.73	1998-99 2006-07
The Central Excise Act, 1944 and Service tax under the Finance Act, 1994	Duty, service tax and penalty	0.42	2001-02 2002-03 2004-05 to 2007-08	High Court
			9.45	1975-76 to 1981-82 1991-92 1999-2000 to 2001-02 2003-04 to 2008-09
		1.63		2001-02 2004-05 to 2009-10

* Net of pre-deposit paid in getting the stay / appeal admitted

- (x) The Company has no accumulated losses as at 31st March, 2011 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, in our opinion the Company has not defaulted in the repayment of dues to any financial institutions or bank as at the balance sheet date. The Company has not issued any debentures.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / society are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in securities. The Company has invested surplus fund in mutual funds. According to the information and explanations given to us, proper records have been made of the transactions and contracts and timely entries have been made therein. The investments in mutual funds have been held by the Company in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantee given by the Company for loans taken by others from banks or financial institutions are not *prima facie* prejudicial to the interests of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xix) The Company has not issued any debentures during the year. Hence, reporting on paragraph 4 (xix) of the Companies (Auditor's Report) Order, 2003 pertaining to creation of security or charge for debentures does not arise.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, paragraph 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xxi) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
 Registration No.109982W

L.VAIDYANATHAN
PARTNER

Mumbai, 28th April, 2011

Membership No.16368

BALANCE SHEET AS AT 31ST MARCH, 2011

Schedule	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS:				
Share capital	1	128.30	128.30	
Reserves and surplus	2	2175.78	1636.42	
		2304.08		1764.72
LOAN FUNDS:				
Secured loans	3	8.23	13.82	
Unsecured loans	4	5.17	12.96	
		13.40		26.78
DEFERRED TAX:				
Deferred tax liabilities		105.04	88.03	
Less: Deferred tax assets		31.52	4.61	
(Refer Note 29 of Schedule 'B')		73.52		83.42
		2391.00		1874.92
APPLICATION OF FUNDS				
FIXED ASSETS:				
	5			
Gross block		1604.18	1171.40	
Less: Depreciation, obsolescence and amortisation		728.88	637.59	
Net block		875.30	533.81	
Capital work-in-progress / Advances		47.69	33.03	
		922.99		566.84
INVESTMENTS				
	6	781.64		688.06
CURRENT ASSETS, LOANS AND ADVANCES:				
Inventories	7	405.72	303.53	
Sundry debtors	8	1510.18	1212.79	
Cash and bank balances	9	150.89	548.50	
Other current assets	10	0.86	1.00	
Loans and advances	11	317.34	154.37	
		2384.99	2220.19	
Less: CURRENT LIABILITIES AND PROVISIONS:				
Current liabilities	12	1529.34	1446.60	
Provisions	13	169.28	153.57	
		1698.62	1600.17	
Net current assets		686.37		620.02
		2391.00		1874.92
CONTINGENT LIABILITIES				
	20			
SIGNIFICANT ACCOUNTING POLICIES				
	A			
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT				
	B			

The Schedules referred to above and the Notes attached, form an integral part of the Balance Sheet

As per our report attached
For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

Madhav Acharya
CHIEF FINANCIAL OFFICER

Sudhir Trehan
MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 28th April, 2011

Wilton Henriques
COMPANY SECRETARY

Gautam Thapar
CHAIRMAN

Mumbai, 28th April, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule	2010-11		2009-10	
	₹ crore	₹ crore	₹ crore	₹ crore
INCOME:				
Sales and services	6276.52		5516.08	
Less: Excise duty	325.05		232.09	
Sales and services (net)		5951.47		5283.99
Other income	14	96.08		84.40
		6047.55		5368.39
EXPENDITURE:				
Manufacturing, construction and operating expenses	15	4173.31	3622.96	
Staff expenses	16	310.17	255.79	
Selling and administration expenses	17	535.48	547.48	
Interest expenses	18	20.69	20.00	
Depreciation, obsolescence and amortisation	19	80.89	51.90	
		5120.54		4498.13
PROFIT BEFORE TAX AND EXTRAORDINARY ITEM		927.01		870.26
Provision for:				
Current tax		243.70	273.80	
Deferred tax		(11.02)	19.50	
(Refer Note 29 of Schedule 'B')		232.68		293.30
PROFIT AFTER TAX AND BEFORE EXTRAORDINARY ITEM		694.33		576.96
Extraordinary item:				
Profit on sale of investment in a subsidiary (net of tax expense ₹ nil)				
		-		40.38
PROFIT AFTER TAX AND EXTRAORDINARY ITEM		694.33		617.34
Balance brought forward from previous year		1272.41		811.42
Amounts transferred on amalgamation of a subsidiary :				
(a) Balance of Profit and loss account as on 1st April, 2009		3.59	-	
(b) Profit after tax for the financial year 2009-10		4.25	-	
(Refer Note 23 of Schedule 'B')		7.84		-
PROFIT AVAILABLE FOR APPROPRIATION		1974.58		1428.76
Transfer to General reserve		70.00		62.00
PROFIT AVAILABLE FOR DISTRIBUTION		1904.58		1366.76
1st Interim dividend		51.32		29.33
2nd Interim dividend		51.32		51.32
3rd Interim dividend		38.49		-
Corporate dividend tax		23.29		13.70
BALANCE CARRIED TO BALANCE SHEET		1740.16		1272.41
Earnings per share before extraordinary item (basic and diluted)	₹	10.82		8.99
Earnings per share after extraordinary item (basic and diluted)	₹	10.82		9.62
(Face value of equity share of ₹ 2 each)				
(Refer Note 28 of Schedule 'B')				
SIGNIFICANT ACCOUNTING POLICIES		A		
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT		B		

The Schedules referred to above and the Notes attached, form an integral part of the Profit and Loss Account

As per our report attached
For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

Madhav Acharya
CHIEF FINANCIAL OFFICER

Sudhir Trehan
MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 28th April, 2011

Wilton Henriques
COMPANY SECRETARY
Mumbai, 28th April, 2011

Gautam Thapar
CHAIRMAN

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11	2009-10
	₹ crore	₹ crore
[A] CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxes	927.01	870.26
Adjustments for:		
Depreciation, obsolescence and amortisation	80.89	51.90
Provision for doubtful debts and advances	7.34	30.11
Interest expenses	20.69	20.00
Interest income	(16.70)	(15.65)
Income from investments (net)	(1.33)	(2.40)
Profit on sale of investments (net)	(18.86)	(6.84)
Unrealised exchange (gain) / loss (net)	(5.34)	(8.36)
Loss on sale of fixed assets (net)	0.40	0.60
Provision / (reversal) for diminution in value of investments	-	(0.17)
	67.09	69.19
Operating profit before working capital changes	994.10	939.45
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(421.12)	(243.43)
(Increase) / Decrease in inventories	(102.19)	(22.21)
Increase / (Decrease) in trade and other payables	82.61	258.92
Increase / (Decrease) in provisions	(3.41)	21.03
	(444.11)	14.31
Cash generated from operations	549.99	953.76
Direct taxes (paid) / refund (net)	(299.87)	(265.79)
Net cash (used in) / from operating activities	[A] 250.12	687.97
[B] CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of fixed assets	0.98	1.53
Divestment / amalgamation of subsidiaries	14.24	51.40
Interest received	16.84	17.50
Income received from investments	1.33	2.40
Investment in subsidiaries and associates	(5.32)	(233.40)
Purchase of fixed assets	(438.57)	(97.37)
Purchase of investments (net)	(83.64)	(193.16)
Net cash (used in) / from investing activities	[B] (494.14)	(451.10)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

	2010-11	2009-10
	₹ crore	₹ crore
[C] CASH FLOWS FROM FINANCING ACTIVITIES		
Secured loans	(5.53)	(18.92)
Unsecured loans	(7.85)	(6.23)
Interim dividend paid	(102.43)	(98.69)
Corporate dividend tax	(17.05)	(16.81)
Interest paid	(20.73)	(20.23)
Net cash (used in) / from financing activities	[C] (153.59)	(160.88)
NET CHANGES IN CASH AND CASH EQUIVALENTS(A+B+C)	(397.61)	75.99
Cash and cash equivalents at beginning of the year	548.50	472.51
Cash and cash equivalents at end of the year	150.89	548.50

Notes:

- 1 The cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 Cash Flow Statements, as specified in the Companies (Accounting Standards) Rules, 2006.
- 2 Additions to fixed assets include movements of capital work-in-progress during the year.
- 3 Cash and cash equivalents at the end of the year represent cash and bank balances and include unrealised gain of ₹ 0.01 crore (Previous year ₹ 41,002) on account of translation of foreign currency bank balances.
- 4 Figures for the previous year have been re-grouped / re-classified wherever necessary.

As per our report attached
For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

Madhav Acharya
CHIEF FINANCIAL OFFICER

Sudhir Trehan
MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 28th April, 2011

Wilton Henriques
COMPANY SECRETARY
Mumbai, 28th April, 2011

Gautam Thapar
CHAIRMAN

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE: 1	As at	
	31-03-2011	31-03-2010
	₹ crore	₹ crore
SHARE CAPITAL		
Authorised:		
1,38,00,00,000 Equity Shares of ₹ 2 each	276.00	260.00
<i>(Previous year 1,30,00,00,000 Equity Shares of ₹ 2 each)</i>		
(Refer Note 1 of Schedule 'B')		
Issued:		
64,15,33,836 Equity Shares of ₹ 2 each	128.30	128.30
Subscribed and paid-up:		
64,14,91,536 Equity Shares of ₹ 2 each	128.30	128.30
Forfeited shares:		
Amount paid-up on 42,300 Equity Shares of ₹ 2 each	0.00	0.00
<i>(Amount paid-up ₹ 32,175)</i>		
	128.30	128.30
Note:		
Of the above shares:		
(i) 19,36,000	issued pursuant to a contract without payment being received in cash.	
(ii) 8,10,00,000	issued as fully paid up bonus shares by way of capitalisation of reserves.	
(iii) 37,96,58,256	issued as fully paid up bonus shares by way of capitalisation of securities premium account including nil <i>(Previous year 27,49,24,944)</i> shares issued during the year.	
(iv) 73,82,830	issued as fully paid up pursuant to scheme of amalgamation; and	
(v) 3,30,68,750	issued as an international offering of Global Depository Receipts (GDR's) (in US Dollars).	

SCHEDULE: 2	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
RESERVES AND SURPLUS				
Capital reserve		19.12		19.12
Securities premium account:				
As per last balance sheet	151.84		206.82	
Less: Utilised for issue of bonus shares	-		(54.98)	
		151.84		151.84
Revaluation reserve:				
As per last balance sheet	14.42		14.58	
Less: Transferred to profit and loss account	(0.15)		(0.16)	
		14.27		14.42
Government subsidy:				
As per last balance sheet	0.25		0.25	
Less: Transferred to general reserve	(0.25)		-	
		-		0.25
General reserve:				
As per last balance sheet	178.38		116.38	
Add: Transferred on amalgamation of a subsidiary	1.76		-	
<i>(Refer Note 23 of Schedule 'B')</i>				
Add: Government subsidy	0.25		-	
Add: Transferred from profit and loss account	70.00		62.00	
		250.39		178.38
Profit and loss account		1740.16		1272.41
		2175.78		1636.42

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE: 3	As at 31-03-2011	As at 31-03-2010
	₹ crore	₹ crore
SECURED LOANS		
Term Loans		
From financial institution		
Foreign currency	8.23	13.82
(Refer Note 5 of Schedule 'B')		
	8.23	13.82
SCHEDULE: 4	As at 31-03-2011	As at 31-03-2010
	₹ crore	₹ crore
UNSECURED LOANS		
Interest-free sales tax deferral loans from State Governments	5.17	12.96
{Due within one year ₹ 2.48 crore; (Previous year ₹ 8.45 crore)}		
	5.17	12.96

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE: 5

₹ crore

FIXED ASSETS

ASSETS	Gross block (Cost / Valuation)			Depreciation / Obsolescence / Amortisation			Net block			
	As at 01-04-2010	Transferred on Amalgamation	Additions Deductions	As at 31-03-2011	Upto 31-03-2010	Transferred on Amalgamation	For the Year	Upto 31-03-2011	As at 31-03-2011	As at 31-03-2010
(A) Tangible Assets										
Freehold land	15.90	-	-	15.90	-	-	-	-	15.90	15.90
Buildings	239.85	4.20	16.05	260.07	72.16	1.60	6.32	80.07	180.00	167.69
Plant and equipments	660.01	22.71	52.81	731.77	443.25	15.73	33.68	489.23	242.54	216.76
Railway sidings	0.02	-	-	0.02	0.01	-	-	0.01	0.01	0.01
Furniture and fixtures	112.40	0.38	10.02	119.25	90.63	0.24	5.88	93.53	25.72	21.77
Aircrafts	98.25	-	272.55	370.80	9.21	-	25.31	34.52	336.28	89.04
Vehicles	12.53	-	2.50	13.21	7.88	-	1.47	8.08	5.13	4.65
Sub-total (A)	1138.96	27.29	353.93	1511.02	623.14	17.57	72.66	705.44	805.58	515.82
(B) Intangible Assets										
Goodwill	-	-	4.92	4.92	-	-	0.33	0.33	4.59	-
Leasehold land	17.12	0.35	-	17.31	2.51	0.04	0.19	2.74	14.57	14.61
Computer software	12.35	0.57	4.53	17.45	9.57	0.57	1.48	11.62	5.83	2.78
Technical know-how	2.97	-	16.30	19.27	2.37	-	2.77	5.14	14.13	0.60
Commercial Rights	-	-	34.21	34.21	-	-	3.61	3.61	30.60	-
Sub-total (B)	32.44	0.92	59.96	93.16	14.45	0.61	8.38	23.44	69.72	17.99
Total (A+B)	1171.40	28.21	413.89	1604.18	637.59	18.18	81.04	728.88	875.30	533.81
Previous year	1111.53	-	77.29	1171.40	600.82	-	52.06	637.59	47.69	33.03
Capital work-in-progress / Advances									922.99	566.84

Notes:

- Cost / Valuation of Buildings includes ownership accommodation:
 - in various co-operative societies and apartments: ₹ 4.74 crore; (Previous year ₹ 4.40 crore), including 5 shares of ₹ 100 each and 742 shares of ₹ 50 each.
 - in co-operative society ₹ 3.32 crore; (Previous year ₹ 3.32 crore) pending for allotment of shares.
- Cost of Land include ₹ 14.52 crore; (Previous year ₹ 14.52 crore) and Buildings include ₹ 9.85 crore; (Previous year ₹ 9.85 crore) added on revaluation on 30th June, 1985.
- Additions during the year include ₹ 26.19 crore; (Previous year ₹ 5.86 crore) relating to research and development.
- Capital work-in-progress include ₹ 12.17 crore; (Previous year ₹ 15.28 crore) relating to research and development.
- Capital advances include ₹ 6.03 crore; (Previous year ₹ 6.76 crore).
- Capital advances include ₹ nil; (Previous year ₹ 0.30 crore) advance to subsidiary.
- Depreciation on deduction of leasehold land is ₹ 46871; (Previous year ₹ nil).

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE: 6	As at 31-03-2011	As at 31-03-2010
	₹ crore	₹ crore
INVESTMENTS		
(Refer Note 6 of Schedule 'A')		
Long Term Investments		
Quoted Investments		
Government and trust securities	0.49	0.75
Unquoted Investments		
Investment in Subsidiary Companies		
Fully paid equity shares	117.89	126.81
Fully paid preference shares	32.93	32.93
Investment in Associate Companies		
Fully paid equity shares	227.60	227.69
	378.42	387.43
Current Investments		
Quoted Investments		
Fully paid equity shares	0.76	0.77
Other investments	401.86	299.00
	402.62	299.77
Unquoted Investments		
Fully paid equity shares and debentures	0.06	0.06
Other investments	0.05	0.05
	0.11	0.11
	781.64	688.06
Note:		
Quoted Investments		
Book value	403.11	300.52
Market value	405.13	302.97
Unquoted Investments		
Book value	378.53	387.54

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE: 6

	Face value per unit rupees unless otherwise specified	No. of shares / units		As at 31.03.2011	As at 31-03-2011	As at 31-03-2010
		As at 01.04.2010	Purchased / sold during the year			
INVESTMENTS (Contd.)						
Details of Investments:						
A) Long Term Investments						
Quoted Investments						
Government and trust securities						
1 Central Government Securities	100	39000	-	39000	0.49	0.49
10.18% GOI 2026 of ₹ 100 each						
2 State guaranteed bonds	100	22000	-	-	-	0.26
10.50% APSDL 2011 of ₹ 100 each (Redeemed during the year)					0.49	0.75
Unquoted Investments						
Investment in Subsidiary Companies						
Fully paid equity shares						
1 CG Capital & Investments Limited	10	10500000	-	10500000	10.50	10.50
2 CG Energy Management Limited	10	1600000	-	1600000	0.74	0.74
3 CG International B.V.	EUR 100	180000	-	180000	101.33	101.33
4 Brook Crompton Greaves Limited (Amalgamated with the Company)	10	16000000	-	-	-	14.24
5 CG ZIV Power Automation Solutions Limited (Subscribed during the year)	10	-	5319995	5319995	5.32	-
				117.89	117.89	126.81
Fully paid preference shares						
CG Capital & Investments Limited (7% Non-Convertible, Non-Cumulative Redeemable Preference Shares)	10	32928044	-	32928044	32.93	32.93
				32.93	32.93	32.93
Investment in Associate Companies						
Fully paid equity shares						
1 CG Lucy Switchgear Limited	10	599993	-	599993	0.60	0.60
2 International Components India Limited (Sold during the year)	10	85500	-	-	-	0.09
3 Power Equipment Limited (Carried at nominal value of ₹ 10)	USD 10	20600	-	20600	0.00	0.00
4 Avantha Power & Infrastructure Limited	10	206363636	-	206363636	227.00	227.00
				227.60	227.60	227.69
TOTAL (A)				378.91	378.91	388.18

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE: 6

		Face value per unit unless otherwise specified	As at 01.04.2010	No. of shares / units Purchased / subscribed during the year	Sold during the year	As at 31.03.2011	As at 31-03-2011	As at 31-03-2010
							₹ crore	₹ crore
INVESTMENTS (Contd.)								
B) Current Investments								
Quoted Investments								
Fully paid equity shares								
1	Nicco Corporation Limited (Diminution in value provided during the year ₹ 126870; (Previous year ₹ nil))	2	66078	-	-	66078	0.02	0.03
2	IDBI Bank Limited (Reversal of diminution in value of ₹ nil; (Previous year ₹ 0.16 crore))	10	127720	-	-	127720	0.74	0.74
							0.76	0.77
Other Investments								
Mutual Funds								
	LIC NOMURA MF Savings Plus Fund - Daily Dividend Plan	10	18001405	86823046	104824451	-	-	18.00
	LIC NOMURA MF Interval Fund - Series 1 - Monthly	10	-	5032789	-	5032789	5.03	-
	Religare Credit Opportunities Fund - Institutional Monthly Dividend	10	35364855	29390884	64755739	-	-	35.00
	Religare Medium Term Bond Fund - Monthly Dividend	10	-	30375687	-	30375687	30.38	-
	JPLD-JPMorgan India Liquid Fund - Super Institutional Daily Dividend Plan - Reinvestment	10	9993260	193019402	203012662	-	-	10.00
	JSWI-JPMorgan India Short Term Income Fund - Weekly Dividend - Reinvestment	10	20000000	134876825	80486651	74390174	74.57	20.00
	Baroda Pioneer Treasury Advantage Fund - Institutional Daily Dividend Plan	1000	50491208	291482180	341219479	753909	75.46	50.00
							99979	10.00
	UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Reinvestment	1000	-	1989908	1889929	2581229	3.00	6.00
	Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan	10	4793500	2329337	4541608	-	-	5.00
	Reliance Quarterly Interval Fund - Series II - Institutional Dividend Plan	10	4998900	51174	5050074	-	-	5.00
	Reliance Quarterly Interval Fund - Series III - Institutional Dividend Plan	10	4998401	61795	5060196	-	-	5.00
	Reliance Liquid Fund-Treasury Plan-Institutional Option - Daily Dividend Option	10	-	34028382	30757028	3271354	5.00	-
	Reliance Fixed Horizon Fund - XVIII - Series 6 - Dividend Plan	10	-	3000000	-	3000000	3.00	-
	L07SD SBI Premier Liquid Fund - Super Institutional - Daily Dividend	10	-	51354427	33409089	17945338	18.00	-
	Taurus Ultra Short Term Bond Fund - Super Institutional - Daily Dividend Plan	1000	502998	1405812	1908810	-	-	50.00
	1484 ICICI Prudential Ultra Short Term Plan Super Premium Daily Dividend	10	44949696	185258	45134954	-	-	45.00
	1588 ICICI Prudential Banking and PSU Debt Fund Premium Plus Daily Dividend	10	5014106	31200	5045306	-	-	5.00
	NLPSSD Canara Robeco Treasury Advantage Super Institutional Daily Dividend Reinvestment Fund	10	40326940	40547790	80874730	-	-	50.00
	C222 L&T Freedom Income STP Inst - Daily Dividend Reinvestment Plan	10	-	123081408	49479331	73602077	74.75	-
	Fidelity Short Term Income Fund - Dividend	10	-	30000000	-	30000000	30.00	-
	DWS Ultra Short Term Fund - Institutional Daily Dividend - Reinvest	10	-	174588018	107042465	67545553	67.67	-
	M55 BNP Paribas Bond Fund - Institutional-Growth	10	-	4951146	-	4951146	5.00	-
							401.86	299.00

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE: 6

	Face value per unit rupees unless otherwise specified	No. of shares / units			₹ crore	
		As at 01.04.2010	Purchased / sold during the year	As at 31.03.2011	As at 31-03-2011	As at 31-03-2010
INVESTMENTS (Contd.)						
Unquoted Investments						
Fully paid equity shares and debentures						
1	Radiant Electronics Limited (Carried at nominal value of ₹ 10)	100	190000	190000	0.00	0.00
2	Dinette Exclusive Club Private Limited (Shares of ₹ 100 each)	100	500	500	0.01	0.01
3	Dinette Exclusive Club Private Limited (0% Unsecured Irredeemable non-convertible debentures of ₹ 100 each)	100	5000	5000	0.05	0.05
Other Investments						
	UTI Unit Scheme 2002	10	88215	88215	0.05	0.05
TOTAL (B)					0.05	0.05
TOTAL (A+B)					402.73	299.88
					781.64	688.06

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE: 6

INVESTMENTS (Contd.)

Details of investments purchased and sold during the year

	Face value ₹ per unit	Nos.	Cost ₹ crore
LIC NOMURA MF Liquid Fund - Dividend Plan	10	576144786	631.70
LIC NOMURA MF Income Plus Fund - Daily Dividend Plan	10	119875450	119.70
LIC NOMURA MF Floating Rate Fund - Short Term Plan - Daily Dividend Plan	10	57025572	56.99
S230 Sundaram Money Fund Super Inst. Daily Div. Rein	10	239280243	241.50
S252 Sundaram Ultra ST Fund Super Inst. Div Rein Daily	10	222215819	221.71
S154 Sundaram Flexible Fund ST Inst. - Daily Dividend	10	14088227	14.00
B503DD Birla Sun Life Cash Plus-Instl. Prem. - Daily Dividend - Reinvestment	10	458241033	458.72
B85DD Birla Sun Life Ultra Short Term Fund -Institutional Daily Dividend	10	45201132	45.01
B47 Birla Sun Life Cash Manager - IP - Daily Dividend - Reinvestment	10	208929438	208.21
Religare Liquid Fund-Super Institutional Daily Dividend	10	46006563	46.00
Religare Ultra Short Term Fund - Institutional Daily Dividend	10	29916937	29.90
JPPDI-JPMorgan India Treasury Fund - Super Inst. Daily Div Plan - Reinvest	10	30032988	30.00
TLSD01 TATA Liquid Super High Investment Fund - Daily Dividend	1000	359197	40.00
JM High Liquidity Fund - Super Institutional Plan - Daily Dividend (92)	10	68058632	68.04
JM Money Manager Fund Super Plus Plan - Daily Dividend (171)	10	9015708	9.00
JM Money Manager Fund Regular Plan - Daily Dividend (167)	10	10033318	10.00
Baroda Pioneer Liquid Fund - Institutional Daily Dividend Plan	10	321836760	321.81
UTI Liquid Cash Plan Institutional - Daily Income Option - Re-investment	1000	4347669	443.02
Kotak Liquid (Institutional Premium) - Daily Dividend	10	43347689	53.00
Kotak Floater Short Term - Daily Dividend	10	18323905	18.50
Kotak Flexi Debt Scheme Institutional - Daily Dividend	10	22932098	23.00
Reliance Liquidity Fund-Daily Dividend Reinvestment Option	10	69101101	69.07
Reliance Money Manager Fund-Institutional Option - Daily Dividend Plan	1000	181103	18.10
Reliance Liquid Fund - Cash Plan - Daily Dividend Option	10	68824957	76.50
Reliance Monthly Interval Fund - Series II - Institutional Dividend Plan	10	5017125	5.00
Reliance Monthly Interval Fund - Series I - Institutional Dividend Plan	10	5048059	5.00
3010 / HDFC Liquid Fund Premium Plan - Dividend - Daily Reinvestment	10	38351064	47.00
L030DD SBI-Magnum Insta Cash Fund -Daily Dividend Option	10	58906652	98.50
Taurus Liquid Fund - Super Institutional Daily Dividend Reinvestment	1000	1994814	199.30
1564 ICICI Prudential Liquid Super Institutional Plan - Dividend - Daily	100	3000095	30.00

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE: 6

INVESTMENTS (Contd.)

	Face value ₹ per unit	Nos.	Cost ₹ crore
1542 ICI Prudential Floating Rate Plan D - Daily Dividend	100	9000172	89.50
NLFSD Canara Robeco Liquid Super Instt Daily Div Reinvest Fund	10	74738137	75.11
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	1000	59965	6.00
Templeton India Ultra Short Bond Fund Super Institutional Plan - Daily Dividend Reinvestment	10	6014527	6.00
C227 L&T Select Income Fund - Flexi Debt Institutional - Dividend	10	49807475	50.00
C54 L&T Liquid Inst Daily Dividend Reinvestment Plan	10	99165152	100.25
Bharti AXA Liquid Fund - Super Institutional Plan - Daily Dividend(Re-Investment)	1000	1201209	120.04
Bharti AXA Treasury Advantage Fund - Institutional Plan - Daily Dividend(Re-Investment)	1000	852995	85.01
Fidelity Cash Fund (Super Institutional) - Daily Dividend	10	92971435	95.00
Fidelity Ultra Short Term Debt Fund Super Institutional - Daily Dividend	10	95382768	95.01
Axis Liquid Fund - Institutional Daily Dividend Reinvestment	1000	2046326	204.50
Axis Treasury Advantage Fund - Institutional Daily Dividend Reinvestment	1000	741866	74.01
DWS Insta Cash Plus Fund - Super Institutional Plan Daily Dividend - Reinvest	100	810783	8.13
DWS Insta Cash Plus Fund - Super Institutional Plan Daily Dividend - Reinvest	10	221123879	221.72
DWS Cash Opportunities Fund - Institutional Daily Dividend - Reinvest	10	50186703	50.01
DWS Treasury Fund Cash - Institutional Plan - Daily Dividend - Reinvest	10	74229702	74.01
LFDD-IDBI Liquid Fund - Daily Dividend - Reinvestment	10	35004840	35.00
USDD-IDBI Ultra Short Term Fund - Daily Dividend - Reinvestment	10	36143692	36.00
Morgan Stanley Short Term Bond Fund - Institutional Plus Weekly Dividend	10	45273466	45.00
Peerless Liquid Fund - Super Institutional Daily Dividend	10	96698546	96.50
M44 BNP Paribas Overnight Fund - Institutional Daily Dividend	10	4999059	5.00
IDFC Cash Fund - Super Institutional Plan C - Daily Dividend	10	6503776	6.50

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE:7	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
INVENTORIES				
Stores, spares and packing materials		5.00		4.44
Raw materials		130.91		87.12
Work-in-progress - Manufacturing		191.80		145.93
Finished goods - Manufacturing	34.12		31.20	
Add: Excise duty on finished goods	4.21		3.44	
		38.33		34.64
Finished goods - Trading		39.68		31.40
		405.72		303.53

SCHEDULE:8	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
SUNDRY DEBTORS				
(Unsecured)				
Debts outstanding for a period exceeding six months				
Considered good	223.21		112.58	
Considered doubtful	59.40		61.03	
	282.61		173.61	
Other debts				
Considered good	1286.97		1100.21	
	1569.58		1273.82	
Less: Provision for doubtful debts	59.40	1510.18	61.03	1212.79
		1510.18		1212.79

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE:9	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
CASH AND BANK BALANCES				
Cash on hand		0.13		0.13
Balances with scheduled banks				
On current accounts	124.09		112.30	
On deposit accounts	26.67		436.07	
		150.76		548.37
		150.89		548.50

SCHEDULE:10	As at	As at
	31-03-2011	31-03-2010
	₹ crore	₹ crore
OTHER CURRENT ASSETS		
Interest accrued on investments and fixed deposits	0.86	1.00
	0.86	1.00

SCHEDULE: 11	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
LOANS AND ADVANCES (Unsecured, considered good, unless otherwise stated)				
Advances to subsidiaries		92.65		14.41
Advances recoverable in cash or in kind or for value to be received				
Considered good	156.19		95.38	
Considered doubtful	7.27		5.52	
	163.46		100.90	
Less: Provision for doubtful advances	7.27		5.52	
		156.19		95.38
Balances with excise, customs, service tax and value added tax, etc.		68.50		44.58
		317.34		154.37

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE: 12	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
CURRENT LIABILITIES				
Acceptances		71.67		54.82
Sundry creditors				
Due to micro and small enterprises	28.25		31.66	
Due to other than micro and small enterprises	980.79		872.40	
		1009.04		904.06
Due to customers				
Progress bills raised	444.12		202.22	
Less: Construction and project related work at realisable value	433.46		194.23	
		10.66		7.99
Due to subsidiaries		14.71		49.17
Advances from customers		310.89		328.55
Investor Education and Protection Fund (Refer Note 6 of Schedule 'B')				
Unclaimed dividend	1.71		1.50	
Unclaimed matured fixed deposits	0.07		0.13	
		1.78		1.63
Due to directors		18.00		10.91
Interest accrued but not due on loans		0.06		0.10
Other liabilities		92.53		89.37
		1529.34		1446.60

SCHEDULE: 13	As at	As at
	31-03-2011	31-03-2010
	₹ crore	₹ crore
PROVISIONS		
Taxes (Net of advance tax ₹ 237.83 crore; Previous year ₹ 242.33 crore)	5.87	31.47
Interim dividend	38.49	-
Corporate dividend tax	6.24	-
Employee benefits	28.42	24.75
Others provisions (Refer Note 30 of Schedule 'B')	90.26	97.35
	169.28	153.57

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE: 14	2010-11		2009-10	
	₹ crore	₹ crore	₹ crore	₹ crore
OTHER INCOME				
Income from lease of premises / business service centers (Tax deducted at source ₹ 1.14 crore; Previous year ₹ 2.94 crore)		14.83		24.29
Income from investments (net)		1.33		2.40
Interest income on				
Short-term deposits	8.50		12.11	
Loans to subsidiaries	3.66		0.79	
Others	4.54		2.75	
(Tax deducted at source ₹ 2.07 crore; Previous year ₹ 2.68 crore)		16.70		15.65
Profit on sale of investments (net)		18.86		6.84
Exchange gain (net)		40.49		21.57
Miscellaneous income		3.87		13.65
		96.08		84.40

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE: 15	2010-11		2009-10	
	₹ crore	₹ crore	₹ crore	₹ crore
MANUFACTURING, CONSTRUCTION AND OPERATING EXPENSES				
Materials consumed				
Opening stock	87.12		97.17	
Add: Transferred on amalgamation of a subsidiary	2.41		-	
	89.53		97.17	
Add: Purchases	2724.69		2401.21	
Less: Closing stock	130.91		87.12	
Total	2683.31		2411.26	
Less: Scrap sales	71.80		49.34	
	2611.51		2361.92	
Add: Construction materials	217.23		127.19	
		2828.74		2489.11
Cost of traded goods				
Opening stock	31.40		17.84	
Add: Purchases	1073.93		916.71	
Less: Closing stock	39.68		31.40	
		1065.65		903.15
(Increase) / decrease in stocks:				
Closing stock				
Work-in-progress	191.80		145.93	
Finished goods	38.33		34.64	
	230.13		180.57	
Opening stock				
Work-in-progress	145.93		111.81	
Add: Transferred on amalgamation of a subsidiary	0.74		-	
	146.67		111.81	
Finished goods	34.64		33.03	
Add: Transferred on amalgamation of a subsidiary	0.26		-	
	34.90		33.03	
	181.57	(48.56)	144.84	(35.73)
		3845.83		3356.53
Sub contracting charges		219.71		168.16
Stores and spares		38.02		29.18
Power and fuel		35.90		31.02
Repairs - Buildings		8.30		5.86
Repairs - Plant and equipments		17.39		24.24
Technical and testing fees		8.16		7.97
		4173.31		3622.96

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE: 16	2010-11	2009-10
	₹ crore	₹ crore
STAFF EXPENSES		
Salaries, wages and bonus	256.84	214.37
Contribution to provident and other funds	23.57	19.80
Post retirement medical benefits	5.67	0.63
Workmen and staff welfare	24.09	20.99
	310.17	255.79

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE: 17	2010-11		2009-10	
	₹ crore	₹ crore	₹ crore	₹ crore
SELLING AND ADMINISTRATION EXPENSES				
Rent		11.86		8.12
Repairs - others		7.22		7.62
Rates and taxes		18.29		23.11
Insurance		7.61		6.16
Travelling		31.59		26.88
Vehicle maintenance		1.97		1.62
Legal and professional charges		41.68		36.81
Auditors' remuneration (excluding service tax)				
Audit fees	0.63		0.49	
Tax audit fees	0.12		0.10	
Certification work	0.29		0.33	
Other services	0.14		0.18	
Expenses reimbursed	0.17		0.18	
		1.35		1.28
Freight and forwarding		152.94		110.84
Packing materials		70.90		50.10
Advertising		18.46		22.65
After sales services including warranties		43.97		61.65
Sales promotion		34.51		61.10
Bad debts and advances written off	10.92		34.20	
Less: Provision for doubtful debts and advances written back	7.08		23.64	
		3.84		10.56
Provision for doubtful debts and advances		7.34		30.11
Loss on sale of fixed assets (net)		0.40		0.60
Directors' fees		0.14		0.12
Miscellaneous expenses		81.41		88.15
		535.48		547.48

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNTS

SCHEDULE: 18	2010-11	2009-10
	₹ crore	₹ crore
INTEREST EXPENSES		
Fixed loans	0.74	1.52
Others	19.95	18.48
	20.69	20.00

SCHEDULE: 19	2010-11	2009-10
	₹ crore	₹ crore
DEPRECIATION, OBSOLESCENCE AND AMORTISATION		
Depreciation, obsolescence and amortisation	81.04	52.06
Recoupment from revaluation reserve	(0.15)	(0.16)
	80.89	51.90

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE:20	As at 31-03-2011	As at 31-03-2010
	₹ crore	₹ crore
CONTINGENT LIABILITIES		
(to the extent not provided for)		
(a) Claims against the Company not acknowledged as debts	1.35	12.20
(b) Sales tax liability that may arise in respect of matters in appeal	5.45	4.35
(c) Excise duty / service tax liability that may arise in respect of matters in appeal preferred by the Company	7.08	6.08
(d) Excise duty / service tax liability that may arise in respect of matters preferred by the department	3.32	1.56
(e) Income tax liability that may arise in respect of matters in appeal preferred by the department	8.47	4.31
(f) Guarantees / securities given on behalf of subsidiary companies	123.70	218.11
(g) Bills discounted	100.87	83.38

SCHEDULE: A**SIGNIFICANT ACCOUNTING POLICIES****1 Basis of Preparation of Financial Statements**

The Company maintains its accounts on accrual basis following the historical cost convention, except for the revaluation of certain fixed assets, in accordance with the Generally Accepted Accounting Principles (GAAP) and in compliance with the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and other provisions of the Companies Act, 1956. However, certain escalation and other claims are accounted for in terms of contracts with the customers / admitted by the appropriate authorities.

2 Use of Estimates

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. These estimates assume the Company to be a going concern and are made on the basis of information available at the time. Estimates may be revised, if the circumstances, on which they were based alter or if new information becomes available. Actual results may be different from these estimates. Examples of such estimates include, the useful life of tangible and intangible fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

3 Fixed Assets

- (a) Fixed assets are stated at cost net of tax / duty credit availed, if any, except for land and buildings added prior to 30th June, 1985 which are stated at revalued cost as at that date based on the report of technical expert.
- (b) Fixed assets are eliminated from financial statements, either on disposal or when retired from active use. The retired assets are disposed off immediately.
- (c) Pre-operative expenses, including interest on borrowings upto the date of commercial operations, are treated as part of the project cost and capitalised.
- (d) Internally manufactured / constructed fixed assets are capitalised at factory cost, including excise duty, where applicable.
- (e) Machinery spares which are specific to particular item of fixed assets and whose use is irregular are capitalised as part of the cost of machinery.
- (f) Capital work-in-progress includes cost of fixed assets under installation / erection as at the balance sheet date and capital advances.

4 Impairment of Assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

- (a) the provision for impairment loss, if any; and
- (b) the reversal of impairment loss recognised in previous periods, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- (a) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (b) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

5 Intangible Assets and Amortisation

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are amortised as follows:

- (a) Goodwill : Over a period of ten years;
- (b) Leasehold land : Over the period of lease;
- (c) Specialised software : Over a period of five years;
- (d) Lump sum fees for technical know-how : Over a period of five years from the date of commercial production; and
- (e) Commercial rights : Over a period of ten years.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: A

SIGNIFICANT ACCOUNTING POLICIES (Contd.)

6 Investments

Each category / item of investment is valued as follows:

- (a) Long-term investments are carried at cost after providing for any diminution in value, if such diminution is of other than temporary, in nature.
- (b) Current investment are carried at the lower of cost and fair value.

7 Inventories

Inventories are valued at the lower of cost and net realisable value, after providing for obsolescence. The cost is determined as follows:

- (a) Raw materials, packing materials stores and spares : At cost, on weighted average basis;
- (b) Work-in-progress - Manufacturing : At cost, plus appropriate production overheads;
- (c) Finished goods - Manufacturing : At cost plus appropriate production overheads, including excise duty paid / payable on such goods; and
- (d) Finished goods - Trading : At cost, on weighted average basis.

8 Foreign currency transactions

- (a) The reporting currency of the Company is Indian Rupee.
- (b) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (c) Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate, are recognised as income or expense in the period in which they arise.

9 Derivative Contracts

Derivative contracts entered into, to hedge foreign currency / price risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value as on the balance sheet date. The gain or loss arising out of fair valuation of derivative contracts are recognised in the profit and loss account or balance sheet, as the case may be, after applying the test of hedge effectiveness. The gains or losses are recognised as hedge reserve in the balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the profit and loss account. The premium or discount on forward contracts is amortised as expense or income over the period of the contract. Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the profit and loss account in the same period in which the hedged item is accounted.

10 Revenue Recognition

- (a) Revenue from sale of goods is recognised, when all significant risks and rewards of ownership are transferred to the buyer, under the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods. Sales include excise duty and price variation and exclude value added tax / sales tax, brokerage and commission.
- (b) Service income is recognised as per the terms of the contracts with the customers.
- (c) Revenue from contracts is recognised based on percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the costs incurred upto the reporting date to the total estimated cost to complete.
- (d) Interest income on deposits, securities and loan is recognised at the agreed rate on time proportion basis.
- (e) Dividend income is accounted for when the right to receive the dividend is established.

SCHEDULE: A**SIGNIFICANT ACCOUNTING POLICIES (Contd.)****11 Employee Benefits**

(a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders the related service.

(b) Defined contribution plans

Company's contributions paid / payable during the year to provident fund, officer's superannuation fund, employee state insurance scheme and labour welfare fund are recognised in the profit and loss account during the period in which the employee renders the related services.

(c) Defined benefit plans

For defined benefit schemes in the form of gratuity fund and post retirement medical benefits, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

(d) Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date

(e) Termination benefits

Termination benefits are recognised as an expense in the period in which they are incurred.

12 Depreciation

(a) Depreciation on the fixed assets is provided at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, on written down value method other than on buildings and plant and equipments, which are depreciated on a straight line method. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of useful life / remaining life.

(b) Buildings constructed on leasehold land are depreciated at normal rate as prescribed in Schedule XIV to the Companies Act, 1956, where the lease period of land is beyond the life of the building. In other cases, amortised over the lease period.

(c) In the case of revalued assets, the difference between the depreciation based on revaluation and the depreciation charged on historical cost is recouped out of revaluation reserve.

(d) In case of impaired assets, the depreciation is charged on the adjusted cost computed after impairment.

(e) Leasehold land are amortised over the period of lease.

13 Research and Development

(a) Revenue expenditure on research and development is charged under respective heads of account.

(b) Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

SCHEDULE: A

SIGNIFICANT ACCOUNTING POLICIES (Contd.)

14 Borrowing Costs

- (a) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over 12 months) to get ready for its intended use or sale.
- (b) All other borrowing costs are recognised as expense in the period in which they are incurred.

15 Taxes on Income

- (a) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.
- (b) Deferred tax is recognised on timing differences between the accounted income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.
- (c) Deferred tax assets relating to unabsorbed depreciation / business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (d) Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

16 Provisions, Contingent liabilities and Contingent assets

- (a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if
 - i) the Company has a present obligation as a result of a past event;
 - ii) a probable outflow of resources is expected to settle the obligation; and
 - iii) the amount of the obligation can be reliably estimated.
- (b) Reimbursements by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if, obligation is settled.
- (c) Contingent liability is disclosed in the case of:
 - i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
 - ii) a present obligation when no reliable estimate is possible;
 - iii) a possible obligation arising from past events, unless the probability of outflow of resources is remote.
- (d) Contingent assets are neither recognised nor disclosed.
- (e) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

- 1 The Company's authorised share capital has increased from ₹ 260 crore to ₹ 276 crore comprising of 138,00,00,000 number of equity shares of ₹ 2 each pursuant to the Scheme of Amalgamation of Brook Crompton Greaves Limited, a wholly owned subsidiary, with the Company. (Refer Note 23).
- 2 The Company has, acquired three businesses of Nelco Limited, namely, Traction Electronics, Supervisory Control and Data Acquisition (SCADA) and Industrial Drives, at an enterprise value of ₹ 83.76 crore on 29th April, 2010.
- 3 The Company, has entered into a joint venture agreement dated 10th September, 2010 with ZIV Aplicaciones y Tecnologia, S. L., Spain, for establishing a joint venture company in India, for the manufacture, sale and rendering of services in Substation Automation Systems. The Company 'CG-ZIV Power Automation Solutions Limited' is incorporated on 4th November, 2010 with total equity capital of ₹ 10 crore in which the Company is having a 70% shareholding.
- 4 The Board of Directors of the Company has approved the Scheme of Amalgamation of CG Capital & Investments Limited, a wholly owned subsidiary, with the Company, with effect from 1st April, 2010 at their meeting held on 28th January, 2011. The effect of the amalgamation will be given in the financial statements upon receipt of Order from the Honourable High Court of Judicature at Bombay.
- 5 **Secured Loans**
 - (a) Term loans from banks are secured by way of equitable mortgage of land and buildings and by way of hypothecation of specific movable properties at certain locations.
 - (b) Working capital demand loans from banks are secured by hypothecation of stocks and book debts, present and future.
- 6 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2011.
- 7 Other liabilities include ₹ 8.30 crore (*Previous year ₹ 8.30 crore*) received as advance against sale of an immovable property of the Company. As per the agreements with the buyers, the Company is entitled to forfeit the said amounts, if the buyers do not comply with the conditions of sale within the stipulated time. Since, the buyers have failed to comply with the conditions, the Company has forfeited these amounts in accordance with the terms of the agreements. The buyers have filed suits in the Courts for recovery of the advances paid by them. The Company contends that as per the force majeure clause in the agreements, these amounts are not required to be refunded. Pending disposal of the cases by the Courts, the Company, as a measure of prudence, has not recognised the said amount in the profit and loss account.
- 8 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 28.50 crore; (*Previous year ₹ 32.57 crore*).

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

	₹ crore	₹ crore
	2010-11	2009-10
9 Provision for current tax includes wealth tax payable under the Wealth Tax Act, 1957	0.20	0.20
10 Sales are net of:		
(a) Brokerage and commission	36.79	42.54
(b) Cash discount	26.07	19.72
11 Expenses capitalised during the year:		
Manufacturing, construction and operating expenses	6.20	0.04
12 Value of imports (on C.I.F. basis)		
(a) Raw materials	452.51	428.02
(b) Trading goods	70.39	42.52
(c) Spare parts	5.45	1.66
(d) Capital goods	8.39	3.84
13 Expenditure in foreign currency		
(a) Technical know-how fees	2.16	1.80
(b) Professional charges	5.87	2.27
(c) Interest	0.51	1.03
(d) Commission, travelling and others	52.93	72.83
14 Remittance in foreign currency on account of dividend:		
3rd Interim dividend for previous year		
(a) Number of non-resident shareholders	NA	405
(b) Number of shares held	NA	17299589
(c) Amount of dividend	NA	0.86
1st Interim dividend for current year		
(a) Number of non-resident shareholders	390	400
(b) Number of shares held	21752201	15417703
(c) Amount of dividend	1.74	1.23
2nd Interim dividend for current year		
(a) Number of non-resident shareholders	386	400
(b) Number of shares held	21751680	15372388
(c) Amount of dividend	1.74	2.15
15 Earnings in foreign exchange		
(a) Export of goods (on F.O.B. basis) including deemed exports ₹ 213.05 crore; (Previous year ₹ 236.01 crore)	1055.57	1226.97
(b) Service income	14.91	5.60

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

	₹ crore	₹ crore
	2010-11	2009-10
16 Expenditure on research and development		
(a) Capital expenditure		
Building	1.93	0.52
Plant and equipments	17.60	4.78
Furniture and fixtures	2.40	0.30
Vehicles	0.08	0.11
Intangible assets	4.18	0.15
Capital work-in-progress	12.17	15.28
Sub-total (a)	38.36	21.14
(b) Revenue expenditure		
Materials	0.55	0.27
Stores and spare parts	2.23	1.13
Power and fuel	0.66	0.64
Repairs - Buildings	0.31	0.07
Repairs - Plant and equipments	0.20	0.15
Repairs - Others	0.66	0.84
Staff expenses	24.83	17.08
Rent	0.27	0.20
Rates and taxes	0.54	0.19
Insurance	0.15	0.07
Vehicle expenses	0.11	0.09
Travelling	2.53	1.70
Professional charges	6.43	3.55
Postage and telephone	0.14	0.17
Printing and stationery	0.11	0.24
Upkeep and conservancy	0.19	0.26
Conveyance	0.05	0.03
Testing fees	5.19	3.37
Conference and seminar	0.08	0.10
Newspapers, books and periodicals	0.07	0.06
Meal and refreshment	0.02	0.01
Depreciation	1.52	2.61
Others	2.02	0.72
Sub-total (b)	48.86	33.55
Total (a) + (b)	87.22	54.69

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
17 Consumption of Raw materials and Spare parts:

	2010-11		2009-10	
	Percentage of total Consumption	₹ crore	Percentage of total Consumption	₹ crore
Raw materials:				
Imported	15.12	405.84	15.73	398.87
Indigenous	84.88	2277.47	84.27	2012.39
	100.00	2683.31	100.00	2411.26
Spare parts:				
Imported	5.60	2.13	5.78	1.69
Indigenous	94.40	35.89	94.22	27.49
	100.00	38.02	100.00	29.18

18 Details of licensed capacity, installed capacity and actual production

Class of goods manufactured	Unit	Licensed Capacity #		Installed Capacity*		Actual Production@	
		As at 31-03-2011	As at 31-03-2010	As at 31-03-2011	As at 31-03-2010	2010-11	2009-10
(i) Transformers Reactors and accessories thereof	MVA	49304	49304	39700	31608	35810	30002
	Nos.	38500	38500	61000	57000	24879	24353
(ii) Switchgear, Control Equipment and accessories thereof	Nos.	450600	440600	514540	514540	367695	322564
(iii) Energy Meters	Nos.	100000	1000000	100000	1000000	-	367301
(iv) Traction Electronic, Industrial Drives and SCADA	Nos.	3334	-	3334	-	329	-
(v) Electric Motors, Alternators and Drives Panels	HP	10520000	10400000	6380000	5540000	5418088	4695487
	Nos.	2089500	2089500	597862	553606	485395	432536
(vi) Power driven Pumps	Nos.	460000	460000	140000	130000	125405	127402
(vii) Electrical Steel Stampings and Laminates	MT	22000	22000	22000	22000	17080	16881
(viii) Electric Fans, Ventilation and Pollution Control Systems	Nos.	5980000	5980000	6052900	5868400	4261893	3633821
(ix) Electric Lamps	Nos.	114988000	114988000	115228000	114988000	104424858	94437058
(x) Others	Nos.	1050	1050	1050	1050	37	73

Under the liberalised Industrial Policy of Government of India, the Company obtained the capacities approved by way of acknowledgements against the IEMs submitted by it.

* Installed Capacities are as certified by the Managing Director.

@ The production figures are as per returns submitted to the Department of Industrial Development.

19 In view of the exemption granted by the Government of India, under Section 211 of the Companies Act, 1956 vide its Notification No. 301 (E) dated 8th February, 2011 and the Company having complied with the conditions laid down therein, has opted not to disclose certain quantitative details under paragraphs 3(i)(a), 3(ii)(a) and 3(ii)(b) of Part-II of Schedule VI of the said Act.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

20 The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2011. The disclosure pursuant to the said Act is as under:

Particulars	₹ crore	
	2010-11	2009-10
(a) Principal amount due to suppliers under MSMED Act, 2006	28.25	31.66
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	63.44	81.90
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	-	-

Note: The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the Company.

21 Managerial Remuneration:

Computation of net profit in accordance with the provisions of Section 349 of the Companies Act, 1956

	₹ crore	
	2010-11	2009-10
Profit before tax as per profit and loss account	927.01	870.26
<i>Add:</i> Managerial remuneration	20.86	13.35
Directors sitting fees	0.14	0.12
Loss on sale of fixed assets (net)	0.40	0.60
Provision for doubtful debts and advances	7.34	30.11
	28.74	44.18
<i>Less:</i> Profit on sale of investments (net)	18.86	6.84
Reversal of diminution in value of investments	-	0.17
Loss on sale of fixed assets (net) (as per Section 349)	0.40	0.60
Net Profit / Loss (-) in terms of Section 349	936.49	906.83
Net profit for the purpose of calculation under Section 309	936.49	906.83
Maximum remuneration to managing director under Section 309 (3) @ 5%	46.82	45.34
Maximum Commission eligible to non-executive directors under Section 309 (4) @ 1%	9.36	9.07
Remuneration to managing director / directors charged to accounts:		
(i) Remuneration to managing director		
(a) Salaries, commission and incentives	9.60	2.80
(b) Contribution to provident and other funds	0.97	0.76
(c) Other perquisites	0.93	0.72
	11.50	4.28
(ii) Commission to non-executive directors	9.36	9.07
	20.86	13.35

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

22 Disclosure as required by Accounting Standard (AS) 7 Construction Contracts:

	₹ crore	
	2010-11	2009-10
(a) Contract revenue recognised during the year	239.23	166.29
(b) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	433.46	194.23
(c) Amount of customer advances outstanding for contracts in progress as at reporting date	39.25	46.96
(d) Retention amount due from customer for contract in progress up to reporting date	64.19	26.86

23 Disclosure as required by Accounting Standard (AS) 14 Accounting for Amalgamations:

Scheme of Amalgamation of Brook Crompton Greaves Limited with the Company

- In accordance with the Scheme of Amalgamation (the 'Scheme') of the Brook Crompton Greaves Limited (the 'BCGL') with the Company, as sanctioned by the Honourable High Court of Judicature at Bombay, vide their Order dated 18th June, 2010, the undertaking of BCGL, being, all its assets and properties, both movable and immovable, industrial and other licenses, all rights and obligations under the contracts, trademarks, all other interests, rights and powers of every kind, etc., and all its debts, liabilities including contingent liabilities, duties and obligations, has been transferred to and vested in the Company retrospectively with effect from 1st April, 2009 (the Appointed Date). The Scheme has, accordingly, been given effect to in the financial statements. The effective date of amalgamation is 6th July, 2010.
- BCGL is engaged in the business of manufacturing of electric motors.
- The amalgamation has been accounted for under the 'pooling of interest method' as prescribed by Accounting Standard (AS) 14 Accounting for Amalgamations, specified by the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets, liabilities and reserves of BCGL as at 31st March, 2009 have been taken over at their book values. (As stipulated in the said Scheme, the reserves of the transferor Company have been transferred to the respective reserves.)
- BCGL, being a wholly owned subsidiary of the Company, the entire paid-up share capital has been cancelled and the company stands dissolved without winding-up.
- The amalgamation has resulted into increase in the authorised share capital of the Company by ₹ 16.00 crore comprising 80,000,000 equity shares of ₹ 2 each.

Accordingly, the amalgamation has resulted in transfer of assets, liabilities and reserves as on 1st April, 2009 in accordance with the terms of the Scheme as under:

	₹ crore
Fixed assets (net)	10.89
Current assets	21.97
Less: Current liabilities and provisions	10.32
Total Assets	22.54
Less: Loans	2.95
Net assets transferred	19.59
Less: Consideration for amalgamation	14.24
	5.35
Less: Transfer of profit and loss account	3.59
Balance transferred to General reserve	1.76

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
24 Disclosure as required by Accounting Standard (AS) 15 Employee Benefits:
(a) Defined Benefit Plans as per Actuarial Valuation are as under:

		₹ crore					
		Gratuity		Leave Encashment		Post Retirement Medical Benefits	
		2010-11 (Funded)	2009-10 (Funded)	2010-11	2009-10	2010-11	2009-10
I	Change in obligation during the year						
1	Liability at the beginning of the year	35.48	29.36	17.14	16.95	6.52	6.24
2	Interest cost	2.89	2.42	1.37	1.36	0.42	0.49
3	Current service cost	2.33	2.31	1.67	1.33	0.11	0.08
4	Past service cost	-	4.73	-	-	-	-
5	Benefits paid	(3.44)	(2.70)	(3.30)	(2.39)	(3.09)	(0.35)
6	Actuarial (gains) / losses	5.02	(0.64)	2.07	(0.11)	5.14	0.06
7	Liability at the end of the year	42.28	35.48	18.95	17.14	9.10	6.52
II	Change in assets during the year						
1	Plan assets at the beginning of the year	34.39	25.72	-	-	-	-
2	Expected return of plan assets	3.34	2.60	-	-	-	-
3	Contributions	9.09	8.14	3.30	2.39	3.09	0.35
4	Benefits paid	(3.44)	(2.70)	(3.30)	(2.39)	(3.09)	(0.35)
5	Actuarial gain / (loss)	(1.47)	0.63	-	-	-	-
6	Plan assets at the end of the year	41.91	34.39	-	-	-	-
7	Total actuarial gain / (loss) to be recognised	(6.49)	1.27	(2.07)	(0.11)	(5.14)	0.06
III	Actual return on plan assets						
1	Expected return on plan assets	3.34	2.60	-	-	-	-
2	Actuarial gain / (loss)	(1.47)	0.63	-	-	-	-
3	Actual return on plan assets	1.87	3.23	-	-	-	-
IV	Net asset / (liability) recognised in the balance sheet						
1	Liability at the end of the year	(42.28)	(35.48)	(18.95)	(17.14)	(9.10)	(6.52)
2	Plan assets at the end of the year	41.91	34.39	-	-	-	-
3	Amount recognised in the balance sheet	(0.37)	(1.09)	(18.95)	(17.14)	(9.10)	(6.52)
V	Expenses recognised in the statement of profit and loss account for the year						
1	Current service cost	2.33	2.31	1.67	1.33	0.11	0.08
2	Interest cost	2.89	2.42	1.37	1.36	0.42	0.49
3	Expected return on plan assets	(3.34)	(2.60)	-	-	-	-
4	Actuarial (gains) / losses	6.49	(1.27)	2.07	(0.11)	5.14	0.06
5	Past service cost	-	4.73	-	-	-	-
6	Total expenses as per actuarial valuation	8.37	5.59	5.11	2.58	5.67	0.63
7	Optional payment	0.41	0.53	-	-	-	-
8	Total expenses included in staff expense	8.78	6.12	5.11	2.58	5.67	0.63
VI	Balance sheet reconciliation						
1	Opening net liability	1.09	3.64	17.14	16.95	6.52	6.24
2	Expenses as above	8.37	5.59	5.11	2.58	5.67	0.63
3	Employer contribution	9.09	8.14	3.30	2.39	3.09	0.35
4	Amount recognised in the balance sheet	0.37	1.09	18.95	17.14	9.10	6.52

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
24 Disclosure as required by Accounting Standard (AS) 15 Employee Benefits: (Contd.)
(a) Defined Benefit Plans as per Actuarial Valuation are as under: (Contd.)

₹ crore						
	Gratuity		Leave Encashment		Post Retirement Medical Benefits	
	2010-11 (Funded)	2009-10 (Funded)	2010-11	2009-10	2010-11	2009-10
VII The major categories of plan assets as a percentage of total Insurer managed funds	100%	100%	-	-	-	-
VIII Effect of one percent point change in the assumed medical inflation rate						
(1) Increase/(decrease) on aggregate service and interest cost of Post Retirement Medical Benefits						
(i) One percentage point increase in Discount rate	-	-	-	-	0.05	0.06
(ii) One percentage point decrease in Discount rate	-	-	-	-	(0.04)	(0.06)
(2) Increase/(decrease) on present value of defined benefits obligation as at 31st March, 2011						
(i) One percentage point increase in Medical Inflation rate	-	-	-	-	0.86	0.62
(ii) One percentage point decrease in Medical Inflation rate	-	-	-	-	(0.70)	(0.50)
IX Actuarial assumptions						
1 Discount rate	8.25% p.a.	8.00% p.a.	8.25% p.a.	8.00% p.a.	8.25% p.a.	8.00% p.a.
2 Rate of return on plan assets	8.00% p.a.	8.00% p.a.	-	-	-	-
3 Salary escalation	3.00% p.a.	3.00% p.a.	3.00% p.a.	3.00% p.a.	-	-
4 Mortality pre retirement rate	LIC (1994-96) Ultimate Table	LIC (1994-96) Ultimate Table	LIC (1994-96) Ultimate Table	LIC (1994-96) Ultimate Table	-	-
5 Mortality post retirement rate	-	-	-	-	LIC (1996-98) Ultimate Table	LIC (1996-98) Ultimate Table
6 Medical premium inflation rate	-	-	-	-	4.00 % p.a.	4.00 % p.a.

(b) The Company makes contribution towards provident fund and superannuation fund as a defined contribution retirement benefit plan for qualifying employees. To fund the benefits, the Company is required to contribute a specified percentage of salary to the respective Trusts, which administer the retirement benefit schemes.

(c) The Guidance issued by the Accounting Standard Board (ASB) on implementing the Accounting Standard states that the provident funds set up by employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The Fund does not have any existing deficit or interest shortfall. As per the Company's Actuary, any future obligation arising due to interest shortfall cannot be measured reliably. However, having regard to the assets of the Fund and return on the investments, the Company does not expect any deficiency in the foreseeable future.

(d) The Company makes annual contributions to the Crompton Greaves Limited Gratuity Trust, which is funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.

(e) The Company provides post retirement medical benefits to qualifying employees.

(f) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2011. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

SCHEDULE: B

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

24 Disclosure as required by Accounting Standard (AS) 15 Employee Benefits: (Contd.)

- (g) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- (h) Expected rate of return on the plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.
- (i) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
25 Disclosure as required by Accounting Standard (AS) 17 Segment Reporting:
I Primary Segments (Business Segments)

Particulars						₹ crore
	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations / Unallocable Expenditure / Assets*	Total 2010-11
Revenue						
External sales (net of excise duty)	2554.06	2020.72	1359.66	17.03	-	5951.47
Inter segment sales	0.18	0.45	46.97	0.07	(47.67)	-
Total	2554.24	2021.17	1406.63	17.10	(47.67)	5951.47
Segment results	460.18	292.81	262.59	2.95		1018.53
Add: Interest income						16.70
Less: Interest expense						20.69
Less: Other unallocable expenditure net of unallocable income						87.53
Profit before tax						927.01
Provision for Income tax						243.70
Provision for Deferred tax						(11.02)
Profit after tax						694.33
Capital Employed:						
Segment assets	1525.77	409.30	597.48	10.10	1546.97	4089.62
Segment liabilities	854.14	328.74	263.89	10.95	240.90	1698.62
Net Assets	671.63	80.56	333.59	(0.85)	1306.07	2391.00
Capital expenditure	48.37	11.18	79.82	-	289.18	428.55
Depreciation, obsolescence and amortisation	21.70	19.13	6.45	0.56	33.05	80.89
Non-cash expenses other than depreciation	2.32	3.13	1.42	-	0.47	7.34

* Unallocable assets comprise assets and liabilities which cannot be allocated to the segments. Tax credit assets / liabilities are not considered in capital employed.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
25 Disclosure as required by Accounting Standard (AS) 17 Segment Reporting: (Contd.)
I Primary Segments (Business Segments) (Contd.)

Particulars						₹ crore
	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations / Unallocable Expenditure / Assets*	Total 2009-10
Revenue						
External sales (net of excise duty)	2510.20	1611.93	1136.96	24.90	-	5283.99
Inter segment sales	0.06	0.05	37.45	0.07	(37.63)	-
Total	2510.26	1611.98	1174.41	24.97	(37.63)	5283.99
Segment results	462.17	229.86	259.98	1.01		953.02
Add: Interest income						15.65
Less: Interest expense						20.00
Less: Other unallocable expenditure net of unallocable income						78.41
Profit before tax						870.26
Provision for Income tax						273.80
Provision for Deferred tax						19.50
Profit after tax and before extraordinary item						576.96
Extraordinary item (net of tax expense)						40.38
Profit after tax after extraordinary item						617.34
Capital Employed:						
Segment assets	1232.45	340.34	421.64	12.30	1468.36	3475.09
Segment liabilities	733.99	289.31	234.10	15.90	326.87	1600.17
Net Assets	498.46	51.03	187.54	(3.60)	1141.49	1874.92
Capital expenditure	23.70	9.18	6.76	0.05	57.68	97.37
Depreciation, obsolescence and amortisation	21.51	6.81	11.72	0.57	11.29	51.90
Non-cash expenses other than depreciation	21.79	4.76	3.07	1.29	-	30.91

* Unallocable assets comprise assets and liabilities which cannot be allocated to the segments. Tax credit assets / liabilities are not considered in capital employed.

II Secondary Segments (Geographical Segments)
(a) The distribution of Company's sales by geographical market is as under:

		₹ crore	
Sales and service revenue:		2010-11	2009-10
Domestic		5038.64	4240.27
Overseas:			
Asia		356.71	512.17
Africa		272.61	207.02
North America		29.70	31.64
South America		197.84	223.26
Europe		50.52	64.18
Australia		5.45	5.45
Total		5951.47	5283.99

(b) The Company's tangible fixed assets are located entirely in India.

SCHEDULE: B**NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)****25 Disclosure as required by Accounting Standard (AS) 17 Segment Reporting: (Contd.)****III Segment Identification, Reportable Segment and definition of each Reportable Segment:**

(a) Primary segment

In the opinion of the management, the business segment comprises the following:

- (i) Power Systems : Transformer, Switchgear, Turnkey Projects and Power SCADA (Supervisory control and data acquisition systems)
- (ii) Consumer Products : Fans, Appliances, Luminaires, Light Sources and Pumps
- (iii) Industrial Systems : Electric Motors, Alternators, Drives, Traction Electronics and SCADA

(b) Primary / Secondary segment reporting format:

- (i) The risk-return profile of the Company's business is determined predominantly by the nature of its products and services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information.
- (ii) In respect of secondary segment information, the management has identified its geographical segments as: (a) Domestic; and (b) Overseas. The secondary segment information has been disclosed accordingly.

(c) Segment identification:

Business segments have been identified on the basis of the nature of products / services, the risk-return profile of individual businesses, the organizational structure and the internal reporting system of the Company.

(d) Reportable segments:

Reportable segments have been identified as per the quantitative criteria specified in the Accounting Standard.

(e) Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

(f) Segment assets and liabilities:

Segment assets include all operating assets used by the business segment and mainly consist of fixed assets, debtors and inventories. Segment liabilities primarily include creditors and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

(g) Inter segment transfer:

Inter segment prices are normally negotiated amongst segments with reference to the costs, market price and business risks. Profit or loss on inter segment transfers are eliminated at the Company level.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

26 Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures:

i) List of related parties over which control exists:

Subsidiaries:

Sr. No	Name of the Related Party	Relationship
1	CG Capital & Investments Limited	Wholly owned Subsidiary (Pending Amalgamation- Refer Note No.4)
2	CG Energy Management Limited	Wholly owned Subsidiary
3	CG PPI Adhesive Products Limited	Subsidiary of CG Capital & Investments Limited
4	CG-ZIV Power Automation Solutions Limited	Subsidiary of the Company
5	CG International B.V.	Wholly owned Subsidiary
6	CG Holdings Belgium N.V.	Wholly owned subsidiary of CG International B.V.
7	CG Power Systems Belgium N.V.	Subsidiary of CG Holdings Belgium N.V.
8	Pauwels Trafo Gent N.V.	Subsidiary of CG Holdings Belgium N.V.
9	CG Power Systems Ireland Limited	Wholly owned subsidiary of CG Power Systems Belgium N.V.
10	CG Sales Networks France SA	Subsidiary of CG Power Systems Belgium N.V.
11	CG Power Systems USA Inc	Wholly owned subsidiary of CG Power Systems Belgium N.V.
12	CG Sales Networks Americas Inc	Wholly owned subsidiary of CG Holdings Belgium N.V.
13	CG Power Systems Canada Inc	Wholly owned subsidiary of CG Power Systems Belgium N.V.
14	CG Service Systems Curacao N.V.	Subsidiary of CG International B.V.
15	PT. CG Power Systems Indonesia	Subsidiary of CG Power Systems Belgium N.V.
16	CG Holdings Hungary Kft.	Subsidiary of CG Power Systems Belgium N.V.
17	CG Electric Systems Hungary Zrt.	Wholly owned subsidiary of CG Power Systems Belgium N.V.
18	CG Power Holdings Ireland Limited	Wholly owned subsidiary of CG International B.V.
19	Microsol Limited	Wholly owned subsidiary of CG Power Holdings Ireland Limited
20	CG Automation Systems UK Limited	Subsidiary of CG Power Systems Belgium N.V.
21	Viserge Limited	Subsidiary of CG Power Holdings Ireland Limited
22	CG Automation Systems USA Inc	Subsidiary of CG Power Solutions USA Inc
23	CG Service Systems France SAS	Wholly owned subsidiary of CG International B.V.
24	CG Power Solutions USA Inc (formerly M.S.E. Power Systems Inc)	Subsidiary of CG International B.V.
25	CG Holdings Germany GmbH	Wholly owned subsidiary of CG International B.V.
26	CG Power Solutions UK Limited (formerly Power Technology Solutions Limited- acquired w.e.f. 1st April, 2010)	Wholly owned subsidiary of CG Automation Systems UK Limited
27	CG Holdings USA Inc	Wholly owned subsidiary of CG Power Systems Belgium N.V.
28	CG Power County LLC	Wholly owned subsidiary of CG Holdings USA Inc
29	Power County Wind Parks LLC	Wholly owned subsidiary of CG Power County LLC
30	Power County Wind Park North LLC	Wholly owned subsidiary of Power County Wind Parks LLC
31	Power County Wind Park South LLC	Wholly owned subsidiary of Power County Wind Parks LLC
32	CG Glenmore LLC	Wholly owned subsidiary of CG Holdings USA Inc
33	CG Holdings Brazil LTDA.	Wholly owned subsidiary of CG Power Systems Belgium N.V.
34	CG Power Systems of Saudi Arabia	Subsidiary of CG Holdings Belgium N.V.
35	CG Sales Networks Singapore PTE. Ltd.	Wholly owned subsidiary of CG Holdings Belgium N.V.

Serial Nos. 4 and from 27 to 35 are formed during the year.

SCHEDULE: B**NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)****26 Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures: (Contd.)****ii) List of related parties with whom transactions were carried out during the year and description of relationship****Subsidiaries:**

- 1 CG Capital & Investments Limited
- 2 CG Energy Management Limited
- 3 CG PPI Adhesive Products Limited
- 4 CG-ZIV Power Automation Solutions Limited
- 5 CG International B.V.
- 6 CG Power Systems USA Inc.
- 7 CG Sales Networks Americas Inc.
- 8 CG Sales Networks France SA
- 9 CG Power Systems Belgium N.V.
- 10 CG Power Systems Canada Inc.
- 11 CG Holdings Belgium N.V.
- 12 CG Electric Systems Hungary Zrt.
- 13 CG Automation Systems UK Limited
- 14 PT. CG Power Systems Indonesia

Associates:

- 1 CG Lucy Switchgear Limited
- 2 Avantha Power & Infrastructure Limited
- 3 International Components India Limited (upto 4th October, 2010)
- 4 Brook Crompton Greaves Limited (upto 26th August, 2009)

Key Management Personnel:

- 1 Gautam Thapar - Chairman and Promoter Director
- 2 Sudhir Trehan - Managing Director

Other Related Parties in which a directors are interested:

- 1 Ballarpur Industries Limited
- 2 Solaris ChemTech Industries Limited
- 3 BILT Graphic Paper Products Limited
- 4 Asia Aviation Limited
- 5 Avantha Holdings Limited
- 6 Salient Business Solutions Limited
- 7 Avantha Technologies Limited
- 8 Avantha Realty Limited (formerly Janpath Investments & Holdings Limited)
- 9 Korba West Power Company Limited
- 10 Corella Investments Limited
- 11 Lustre International Limited
- 12 Solaris Holding Limited
- 13 KCT Chemicals & Electricals Limited
- 14 Sabah Forest Industries Sdn. Bhd.
- 15 International Components India Limited
- 16 Malanpur Captive Power Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

26 Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures: (Contd.)

iii) The following transactions were carried out with the related parties in the ordinary course of business:

Sr. No.	Nature of transaction / relationship	₹ crore	
		2010-11	2009-10
1	Purchase of goods and services		
	Subsidiaries		
	Brook Crompton Greaves Limited	-	24.91
	CG Holdings Belgium N.V.	0.31	-
	CG PPI Adhesive Products Limited	2.59	1.82
	CG Power Systems Belgium N.V.	-	-
	CG Electric Systems Hungary Zrt.	1.04	5.07
	CG Automation Systems UK Limited	0.05	0.03
	Associates		
	Brook Crompton Greaves Limited	-	6.94
	CG Lucy Switchgear Limited	50.89	72.60
	International Components India Limited	-	1.94
	Avantha Power & Infrastructure Limited	-	0.48
	Other Related Parties		
	BILT Graphic Paper Products Limited	0.26	0.29
	Ballarpur Industries Limited	0.60	0.54
	International Components India Limited	0.55	-
	Avantha Technologies Limited	-	0.02
	Total	56.29	114.64
2	Sales of goods and services		
	Subsidiaries		
	PT. CG Power Systems Indonesia	1.24	2.22
	CG Power Systems Canada Inc.	0.01	0.05
	CG Power Systems USA Inc.	0.04	0.35
	CG Sales Networks Americas Inc.	108.33	14.53
	CG Sales Networks France SA (₹ 39624)	0.00	-
	CG Power Systems Belgium N.V.	-	15.07
	CG Electric Systems Hungary Zrt.	0.32	1.24
	CG Automation Systems UK Limited	-	0.01
	Brook Crompton Greaves Limited	-	6.54
	CG PPI Adhesive Products Limited (₹ 2631)	0.00	-
	CG Holdings Belgium N.V.	0.40	-
	Associates		
	Brook Crompton Greaves Limited	-	2.53
	CG Lucy Switchgear Limited	3.68	5.02
	Avantha Power & Infrastructure Limited	0.05	2.86
	Other Related Parties		
	Ballarpur Industries Limited	0.34	0.32
	Solaris ChemTech Industries Limited (₹ 16500)	0.00	2.04
	BILT Graphic Paper Products Limited	0.74	0.47
	Korba West Power Company Limited	72.08	-
	Avantha Holdings Limited	0.33	-
	Sabah Forest Industries Sdn. Bhd.	2.71	-
	Total	190.27	53.25

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
26 Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures: (Contd.)
iii) The following transactions were carried out with the related parties in the ordinary course of business: (Contd.)

		₹ crore	
Sr. No.	Nature of transaction / relationship	2010-11	2009-10
3	Sale of fixed assets		
	Subsidiary		
	Brook Crompton Greaves Limited	-	0.05
	Total	-	0.05
4	Purchase of fixed assets		
	Subsidiaries		
	CG Power Systems Belgium N.V.	0.10	-
	CG Electric Systems Hungary Zrt.	1.96	8.34
	Other Related Party		
	Avantha Technologies Limited	-	0.03
	Total	2.06	8.37
5	Subscription to equity shares		
	Subsidiary		
	CG-ZIV Power Automation Solutions Limited	5.32	-
	Associate		
	Avantha Power & Infrastructure Limited	-	227.00
	Total	5.32	227.00
6	Sale of Investments		
	Associate		
	Avantha Power & Infrastructure Limited	-	51.40
	Total	-	51.40
7	Interest expenses		
	Subsidiaries		
	CG Capital & Investments Limited	0.07	0.29
	CG PPI Adhesive Products Limited	0.09	-
	CG Electric Systems Hungary Zrt.	0.34	-
	CG Energy Management Limited	-	0.03
	Brook Crompton Greaves Limited	-	0.16
	Associate		
	CG Lucy Switchgear Limited	0.10	0.19
	Total	0.60	0.67
8	Dividend received		
	Subsidiary		
	Malanpur Captive Power Limited	-	1.10
	Associate		
	CG Lucy Switchgear Limited	1.20	1.20
	Total	1.20	2.30
9	Commission received		
	Subsidiaries		
	CG Electric Systems Hungary Zrt.	2.44	-
	Brook Crompton Greaves Limited	-	1.45
	Associate		
	Brook Crompton Greaves Limited	-	0.20
	Total	2.44	1.65

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
26 Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures: (Contd.)
iii) The following transactions were carried out with the related parties in the ordinary course of business: (Contd.)

		₹ crore	
Sr. No.	Nature of transaction / relationship	2010-11	2009-10
10	Rental income		
	Other Related Parties		
	Ballarpur Industries Limited	2.13	2.26
	Solaris ChemTech Industries Limited	0.47	0.59
	Total	2.60	2.85
11	Interest income		
	Subsidiaries		
	CG International B.V.	3.66	0.04
	Malanpur Captive Power Limited	-	0.75
	Other Related Party		
	Malanpur Captive Power Limited	0.65	0.06
	Total	4.31	0.85
12	Payment of salaries, commission and perquisites		
	Key Management Personnel		
	Gautam Thapar	8.47	8.26
	Sudhir Trehan	11.50	4.28
	Total	19.97	12.54
13	Dividend paid		
	Key Management Personnel		
	Gautam Thapar	-	0.01
	Sudhir Trehan	0.04	0.03
	Other Related Parties		
	Corella Investments Limited	1.58	1.11
	Lustre International Limited	0.95	0.67
	Solaris Holdings Limited	20.08	38.73
	Avantha Holdings Limited	35.14	-
	Avantha Realty Limited	-	0.00
	(Previous year ₹ 4914)		
	KCT Chemicals & Electricals Limited	-	0.03
	Total	57.79	40.58
14	Rent paid		
	Other Related Parties		
	Avantha Realty Limited	1.87	1.53
	Asia Aviation Limited	2.63	5.87
	Total	4.50	7.40

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

26 Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures: (Contd.)

iii) The following transactions were carried out with the related parties in the ordinary course of business: (Contd.)

		₹ crore	
Sr. No.	Nature of transaction / relationship	2010-11	2009-10
15	Other Expenses		
	Subsidiaries		
	CG Electric Systems Hungary Zrt.	0.24	-
	CG Power Systems Belgium N.V.	(7.99)	7.99
	Associates		
	CG Lucy Switchgear Limited (₹ 25085)	0.00	-
	Avantha Power & Infrastructure Limited	-	0.17
	Other Related Parties		
	Asia Aviation Limited	4.37	8.35
	Avantha Holdings Limited	24.24	11.21
	Avantha Technologies Limited	0.11	0.40
	Avantha Realty Limited	1.06	0.06
	Salient Business Solutions Limited	1.62	0.82
	Total	23.65	29.00
16	Recovery of expenses		
	Subsidiary		
	CG International B.V.	9.54	4.72
	Other Related Party		
	Solaris ChemTech Industries Limited	0.09	-
	Total	9.63	4.72

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
26 Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures: (Contd.)
iv) Amounts due to / from related parties

Sr. No.	Nature of transaction / relationship	₹ crore	
		2010-11	2009-10
1	Accounts payable		
	Subsidiaries		
	Brook Crompton Greaves Limited	-	22.13
	CG PPI Adhesive Products Limited	0.56	0.35
	CG Power System USA Inc.	0.34	3.51
	CG Sales Networks Americas Inc.	5.39	-
	CG Power Systems Belgium N.V.	-	7.99
	CG Power Systems Canada Inc.	-	0.02
	PT. CG Power Systems Indonesia	0.10	-
	CG Electric Systems Hungary Zrt.	8.32	6.72
	Associate		
	CG Lucy Switchgear Limited	8.81	11.14
	Other Related Parties		
	Ballarpur Industries Limited	0.01	0.02
	BILT Graphic Paper Products Limited	0.19	-
	Avantha Holdings Limited	3.81	-
	Avantha Technologies Limited	0.01	-
	Avantha Realty Limited	0.58	-
	Salient Business Solutions Limited	0.03	-
	Total	28.15	51.88
2	Accounts receivable		
	Subsidiaries		
	Brook Crompton Greaves Limited	-	5.41
	PT. CG Power Systems Indonesia (₹ 43276)	0.00	0.10
	CG Power Systems USA Inc.	1.23	0.63
	CG Sales Networks Americas Inc.	67.64	5.99
	CG Power Systems Belgium N.V.	-	0.06
	CG Power Systems Canada Inc.	0.01	0.23
	CG Holdings Belgium N.V.	1.03	-
	CG Electric Systems Hungary Zrt.	0.28	1.04
	Associates		
	CG Lucy Switchgear Limited	1.02	1.78
	International Components India Limited	-	0.38
	Avantha Power & Infrastructure Limited	0.04	0.17
	Other Related Parties		
	BILT Graphic Paper Products Limited	-	0.06
	Ballarpur Industries Limited	0.80	0.14
	Solaris ChemTech Industries Limited	0.20	2.12
	Korba West Power Company Limited	56.81	-
	Sabah Forest Industries Sdn. Bhd.	0.89	-
	Total	129.95	18.11

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
26 Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures: (Contd.)
iv) Amounts due to / from related parties (Contd.)

Sr. No.	Nature of transaction / relationship	₹ crore	
		2010-11	2009-10
3	Loans and advances receivable		
	Subsidiaries		
	CG International B.V.	92.39	13.51
	CG Power Systems USA Inc.	-	0.20
	CG Power Systems Belgium N.V.	-	0.70
	CG Electric Systems Hungary Zrt.	0.26	0.30
	CG Energy Management Limited (₹ 10000)	0.00	-
	Associate		
	CG Lucy Switchgear Limited (₹ 10222)	0.00	0.03
	Other Related Parties		
	Malanpur Captive Power Limited	8.94	8.35
	Ballarpur Industries Limited	-	0.29
	Total	101.59	23.38
4	Loans and advances payable		
	Subsidiaries		
	Brook Crompton Greaves Limited	-	3.04
	CG Energy Management Limited	-	0.57
	CG Capital and Investments Limited	-	4.84
	Other Related Parties		
	Solaris ChemTech Industries Limited	0.10	0.10
	Ballarpur Industries Limited	-	0.40
	Avantha Holdings Limited	-	3.00
	Asia Aviation Limited	-	1.28
	Korba West Power Company Limited	4.17	2.08
	Total	4.27	15.31
5	Dividend payable		
	Key Management Personnel		
	Gautam Thapar	-	-
	Sudhir Trehan	0.01	-
	Other Related Parties		
	Corella Investments Limited	0.43	-
	Avantha Holdings Limited	15.06	-
	Lustre International Limited	0.26	-
	Total	15.76	-
6	Due to Key Management Personnel		
	Gautam Thapar	8.47	8.26
	Sudhir Trehan	8.64	1.84
	Total	17.11	10.10

Note: No amounts have been written off or written back during the year.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

- 27 (a) The Company has not entered into any finance lease as specified in Accounting Standard (AS) 19 Leases. The Company has, however, taken various residential / commercial premises and plant and equipments under cancellable operating lease. These lease agreements are normally renewed on expiry, wherever required.
- (b) There are no exceptional / restrictive covenants in the lease agreements.

28 Disclosure as required by Accounting Standard (AS) 20 Earnings Per Share:

Particulars		2010-11	2009-10
Profit after taxes and before extraordinary item	₹ crore	694.33	576.96
Profit after taxes and extraordinary item	₹ crore	694.33	617.34
Number of equity shares outstanding	Nos.	641491536	641491536
Face value of equity share	₹ / share	2.00	2.00
Earnings per share before extraordinary item (basic and diluted)	₹	10.82	8.99
Earnings per share after extraordinary item (basic and diluted)	₹	10.82	9.62

29 Disclosure as required by Accounting Standard (AS) 22 Accounting for Taxes on Income:

The major components of deferred tax assets and deferred tax liabilities are as under:

Particulars	₹ crore			
	As at 31-03-2011		As at 31-03-2010	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Difference between book depreciation and tax depreciation		105.04		88.03
Expenses allowable for tax purposes when paid/on payment of TDS	11.26		4.34	
Other items giving rise to timing differences	20.26		0.27	
	31.52	105.04	4.61	88.03
Net deferred tax liability*		73.52		83.42
Deferred tax liability / (asset) charged to profit and loss account		(11.02)		19.50

* Net deferred tax liability as at 31st March, 2011 includes ₹ 1.12 crore transferred on amalgamation of BCGL.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
30 Disclosure as required by Accounting Standard (AS) 29 Provisions, Contingent Liabilities and Contingent Assets:
(a) Movement in provisions:

Nature of Provision	₹ crore					
	Warranties		Sales tax / VAT		Excise duty / Service tax	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Carrying amount at the beginning of the year	47.08	36.74	23.16	18.85	6.79	4.79
Additional provision made during the year #	25.29	28.70	4.75	8.47	0.33	2.00
Amounts used during the year	5.93	4.52	3.71	2.34	-	-
Unused amounts reversed during the year #	15.95	13.84	2.29	1.82	0.83	-
Carrying amount at the end of the year	50.49	47.08	21.91	23.16	6.29	6.79
Nature of Provision	Liquidated damages		Other litigation claims		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	Carrying amount at the beginning of the year	16.88	11.88	3.44	1.98	97.35
Additional provision made during the year #	2.62	5.00	0.66	1.48	33.65	45.65
Amounts used during the year	-	-	-	-	9.64	6.86
Unused amounts reversed during the year #	11.88	-	0.15	0.02	31.10	15.68
Carrying amount at the end of the year	7.62	16.88	3.95	3.44	90.26	97.35

Additional provision made during the year and reversal of unused amount are included in the respective head of accounts.

(b) Nature of Provisions:

- Product Warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is expected to be within a period of two year.
- Provision for sales tax represents sales tax liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Act / Rules.
- Provision for excise duty / service tax represents the differential duty liability that is expected to materialise in respect of matters in appeal.
- Provision for liquidated damages has been made on contracts for which delivery dates are exceeded and computed in reasonable and prudent manner.
- Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

(c) Disclosure in respect of contingent liabilities. Refer Schedule 20.

31 Foreign currency transactions, Forward contracts and Derivatives:

The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2011 are as under

Sr. No.	Category of Derivative Instruments	As at 31-03-2011	As at 31-03-2010
1	For hedging foreign currency risks:		
		USD million	USD million
(a)	Forward contracts for receivables including firm commitments and highly probable forecasted transactions	49.00	72.00
(b)	Option contracts	-	3.00
		EURO million	EURO million
(c)	Forward contracts for receivables including firm commitments and highly probable forecasted transactions	5.00	4.00
2	Particulars of unhedged foreign currency exposure as at the balance sheet date:		
		₹ crore	₹ crore
(a)	Creditors	97.89	73.74
(b)	Loans received	8.23	13.82
(c)	Loans given	-	13.51
(d)	Bank balance in current accounts and term deposit accounts	0.08	0.08
(e)	Investments in overseas subsidiaries	101.33	101.33

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

32 Particulars in respect of Loans and Advances in the nature of loans as required by the Clause 32 of Listing Agreement:

Name of the Company	Balance as at		Maximum outstanding during	
	31-03-2011	31-03-2010	2010-11	2009-10
(a) Loans and advances in the nature of loans given to subsidiaries				
CG International BV	92.39	13.51	92.39	13.65
CG Holdings Belgium NV	-	-	-	0.71
CG Power Systems USA Inc	-	0.20	-	1.01
CG Power Systems Belgium NV	-	0.70	-	0.70
CG PPI Adhesive Products Limited	-	-	-	0.01
CG Electric Systems Hungary Zrt.	0.26	0.30	0.26	3.18
CG Energy Management Limited (₹ 10000)	0.00	-	0.67	-
(b) Loans and advances in the nature of loans given to associates				
Brook Crompton Greaves Limited	-	-	-	4.09
CG Lucy Switchgear Limited (₹ 10222)	0.00	0.03	0.03	0.37
(c) Loans and advances in the nature of loans where repayment schedule is not specified				
CG Holdings Belgium NV	-	-	-	0.71
CG Power Systems USA Inc	-	0.20	-	1.01
CG Power Systems Belgium NV	-	0.70	-	0.70
CG PPI Adhesive Products Limited	-	-	-	0.01
Brook Crompton Greaves Limited	-	-	-	4.09
CG Lucy Switchgear Limited	-	0.03	0.03	0.37
CG Electric Systems Hungary Zrt.	0.26	0.30	0.26	3.18
(d) Loans and advances in the nature of loans where interest is not charged				
CG Holdings Belgium NV	-	-	-	0.71
CG Power Systems USA Inc	-	0.20	-	1.01
CG Power Systems Belgium NV	-	0.70	-	0.70
CG PPI Adhesive Products Limited	-	-	-	0.01
Brook Crompton Greaves Limited	-	-	-	4.09
CG Lucy Switchgear Limited	-	0.03	0.03	0.37
CG Electric Systems Hungary Zrt.	0.26	0.30	0.26	3.18

33 Figures for the previous year have been re-grouped / re-classified wherever necessary.

Signatures to Schedules 1 to 20 and A and B

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
 Registration No. 109982W

Madhav Acharya
CHIEF FINANCIAL OFFICER

Sudhir Trehan
MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
 Membership No. 16368
 Mumbai, 28th April, 2011

Wilton Henriques
COMPANY SECRETARY
 Mumbai, 28th April, 2011

Gautam Thapar
CHAIRMAN

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.

				2	6	4	1
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 State Code

1	1
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Balance Sheet Date

3	1	0	3	2	0	1	1
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II Capital Raised during the year (Amount in ₹ Thousands)

Public issue	Rights issue																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L
					N	I	L										
					N	I	L										
Bonus issue	Private placement																
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L
					N	I	L										
					N	I	L										

III Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

	Total liabilities		Total assets																
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>3</td><td>9</td><td>1</td><td>0</td><td>0</td><td>3</td><td>0</td></tr></table>	2	3	9	1	0	0	3	0		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>3</td><td>9</td><td>1</td><td>0</td><td>0</td><td>3</td><td>0</td></tr></table>	2	3	9	1	0	0	3	0
2	3	9	1	0	0	3	0												
2	3	9	1	0	0	3	0												
Sources of Funds	Paid-up capital		Reserves & surplus																
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>1</td><td>2</td><td>8</td><td>3</td><td>0</td><td>1</td><td>5</td></tr></table>		1	2	8	3	0	1	5		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>1</td><td>7</td><td>5</td><td>7</td><td>7</td><td>6</td><td>7</td></tr></table>	2	1	7	5	7	7	6	7
	1	2	8	3	0	1	5												
2	1	7	5	7	7	6	7												
	Secured loans		Unsecured loans																
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>8</td><td>2</td><td>3</td><td>2</td><td>9</td></tr></table>				8	2	3	2	9		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>5</td><td>1</td><td>6</td><td>7</td><td>3</td></tr></table>				5	1	6	7	3
			8	2	3	2	9												
			5	1	6	7	3												
	Net deferred tax liabilities																		
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>7</td><td>3</td><td>5</td><td>2</td><td>4</td><td>6</td></tr></table>			7	3	5	2	4	6										
		7	3	5	2	4	6												
Application of Funds	Net fixed assets and intangible assets		Investments																
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>9</td><td>2</td><td>2</td><td>9</td><td>9</td><td>2</td><td>6</td></tr></table>		9	2	2	9	9	2	6		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>7</td><td>8</td><td>1</td><td>6</td><td>3</td><td>6</td><td>9</td></tr></table>		7	8	1	6	3	6	9
	9	2	2	9	9	2	6												
	7	8	1	6	3	6	9												
	Net current assets																		
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>6</td><td>8</td><td>6</td><td>3</td><td>7</td><td>3</td><td>5</td></tr></table>		6	8	6	3	7	3	5										
	6	8	6	3	7	3	5												

IV Performance of Company (Amount in ₹ Thousands)

	Turnover(including other income)		Total expenditure																				
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>6</td><td>3</td><td>7</td><td>2</td><td>5</td><td>8</td><td>3</td><td>5</td></tr></table>	6	3	7	2	5	8	3	5		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>5</td><td>4</td><td>4</td><td>5</td><td>5</td><td>7</td><td>2</td><td>6</td></tr></table>	5	4	4	5	5	7	2	6				
6	3	7	2	5	8	3	5																
5	4	4	5	5	7	2	6																
+ -	Profit/Loss before tax before extra-ordinary items	+ -	Profit/Loss before Tax after extra-ordinary items																				
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>+</td><td> </td></tr></table>	+		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>9</td><td>2</td><td>7</td><td>0</td><td>1</td><td>0</td><td>9</td></tr></table>		9	2	7	0	1	0	9	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>+</td><td> </td></tr></table>	+		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>9</td><td>2</td><td>7</td><td>0</td><td>1</td><td>0</td><td>9</td></tr></table>		9	2	7	0	1	0	9
+																							
	9	2	7	0	1	0	9																
+																							
	9	2	7	0	1	0	9																
+ -	Profit/Loss after tax		Basic earnings per share in ₹																				
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>+</td><td> </td></tr></table>	+		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>6</td><td>9</td><td>4</td><td>3</td><td>3</td><td>0</td><td>9</td></tr></table>		6	9	4	3	3	0	9		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>0</td><td>.</td><td>8</td><td>2</td></tr></table>				1	0	.	8	2		
+																							
	6	9	4	3	3	0	9																
			1	0	.	8	2																
	Dividend rate %																						
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>1</td><td>1</td><td>0</td></tr></table>		1	1	0																		
	1	1	0																				

V Generic names of the principal products, services of the Company:

Item code no. (ITC code)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>8</td><td>5</td><td>.</td><td>0</td><td>4</td></tr></table>			8	5	.	0	4
		8	5	.	0	4		
Product description	Transformers							
Item code no. (ITC code)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>8</td><td>5</td><td>.</td><td>3</td><td>5</td></tr></table>			8	5	.	3	5
		8	5	.	3	5		
Product description	Switchgears and power control equipment							
Item code no. (ITC code)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>8</td><td>4</td><td>.</td><td>1</td><td>4</td></tr></table>			8	4	.	1	4
		8	4	.	1	4		
Product description	Fan,light sources and luminaires							
Item code no. (ITC code)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>8</td><td>5</td><td>.</td><td>0</td><td>1</td></tr></table>			8	5	.	0	1
		8	5	.	0	1		
Product description	Electrical motors and alternators							
Item code no. (ITC code)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>8</td><td>5</td><td>.</td><td>1</td><td>7</td></tr></table>			8	5	.	1	7
		8	5	.	1	7		
Product description	Telecom and networking							

Madhav Acharya
CHIEF FINANCIAL OFFICER

Sudhir Trehan
MANAGING DIRECTOR

Wilton Henriques
COMPANY SECRETARY

Gautam Thapar
CHAIRMAN

Mumbai,28th April, 2011

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956

₹ crore

Sr. No.	Name of the Subsidiary Company	Financial year of the subsidiary ended on	Extent of holding by Crompton Greaves Limited in the subsidiary as on 31st March, 2011	Profit / (loss) so far as it concerns the members of Crompton Greaves Limited and not dealt with in the financial statements of and dealt with in the financial statements of	
				Crompton Greaves Limited	
				For the financial year ended 31st March, 2011	For the previous years since it became a subsidiary
1.	CG International B.V.	31st March, 2011	100.00%	7.08	19.98
2.	CG Holdings Belgium N.V.	31st March, 2011	100.00%	71.90	338.14
3.	CG Power Systems Belgium N.V.	31st March, 2011	100.00%	49.21	179.58
4.	Pauwels Trato Gent N.V.	31st March, 2011	100.00%	(1.04)	(11.63)
5.	CG Power Systems Ireland Limited	31st March, 2011	100.00%	29.82	86.84
6.	CG Sales Networks France SA	31st March, 2011	99.40%	0.07	1.80
7.	CG Power Systems USA Inc.	31st March, 2011	100.00%	3.42	137.52
8.	CG Sales Networks Americas Inc.	31st March, 2011	100.00%	4.73	1.58
9.	CG Power Systems Canada Inc.	31st March, 2011	100.00%	51.67	84.96
10.	CG Service Systems Curacao N.V.	31st March, 2011	100.00%	0.64	0.39
11.	PT. CG Power Systems Indonesia	31st March, 2011	95.00%	65.10	120.28
12.	CG Holdings Hungary Kft.	31st March, 2011	100.00%	1.13	(128.49)
13.	CG Electric Systems Hungary Zrt.	31st March, 2011	100.00%	82.91	56.99
14.	CG Power Holdings Ireland Limited	31st March, 2011	100.00%	(8.68)	(129.51)
15.	Microsol Limited	31st March, 2011	100.00%	(0.01)	119.08
16.	CG Automation Systems UK Limited	31st March, 2011	100.00%	(2.16)	0.76
17.	Viserge Limited	31st March, 2011	100.00%	1.75	2.13
18.	CG Automation Systems USA Inc.	31st March, 2011	100.00%	(1.60)	(0.90)
19.	CG Service Systems France SAS	31st March, 2011	100.00%	0.99	1.05
20.	CG Power Solutions USA Inc.	31st March, 2011	100.00%	(58.28)	(10.06)
21.	CG Holdings Germany GmbH	31st March, 2011	100.00%	(0.01)	(0.01)
22.	CG Power Solutions UK Limited	31st March, 2011	100.00%	4.87	-
23.	CG Holdings USA Inc.	31st March, 2011	100.00%	-	-
24.	CG Power County LLC #	31st March, 2011	100.00%	(0.19)	-
25.	Power County Wind Parks LLC #	31st March, 2011	100.00%	-	-
26.	Power County Wind Park North LLC #	31st March, 2011	100.00%	-	-
27.	Power County Wind Park South LLC #	31st March, 2011	100.00%	-	-
28.	CG Glenmore LLC	31st March, 2011	100.00%	(0.07)	-
29.	CG Holdings Brazil LTDA.	31st March, 2011	100.00%	-	-
30.	CG Power Systems of Saudi Arabia	31st March, 2011	51.00%	-	-
31.	CG Sales Networks Singapore PTE. LTD.*	31st March, 2011	100.00%	-	-
32.	CG Capital & Investments Limited	31st March, 2011	100.00%	(18.29)	14.86
33.	CG Energy Management Limited	31st March, 2011	100.00%	0.04	(0.84)
34.	CG PPI Adhesive Products Limited	31st March, 2011	81.42%	1.90	11.92
35.	CG-ZIV Power Automation Solutions Limited	31st March, 2011	70.00%	(0.11)	-

Only Consolidated financial statements of these companies are available as per local GAAP. Balances / transactions are non-material.

* The Company has been formed on 18th February, 2011, therefore the financial statements of the company will be prepared from 18th February, 2011 to 31st March, 2012.

Madhav Acharya
CHIEF FINANCIAL OFFICER
 Mumbai, 28th April, 2011

Wilton Henriques
COMPANY SECRETARY

Sudhir Trehan
MANAGING DIRECTOR

Gautam Thapar
CHAIRMAN

INFORMATION IN RESPECT OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH 2011

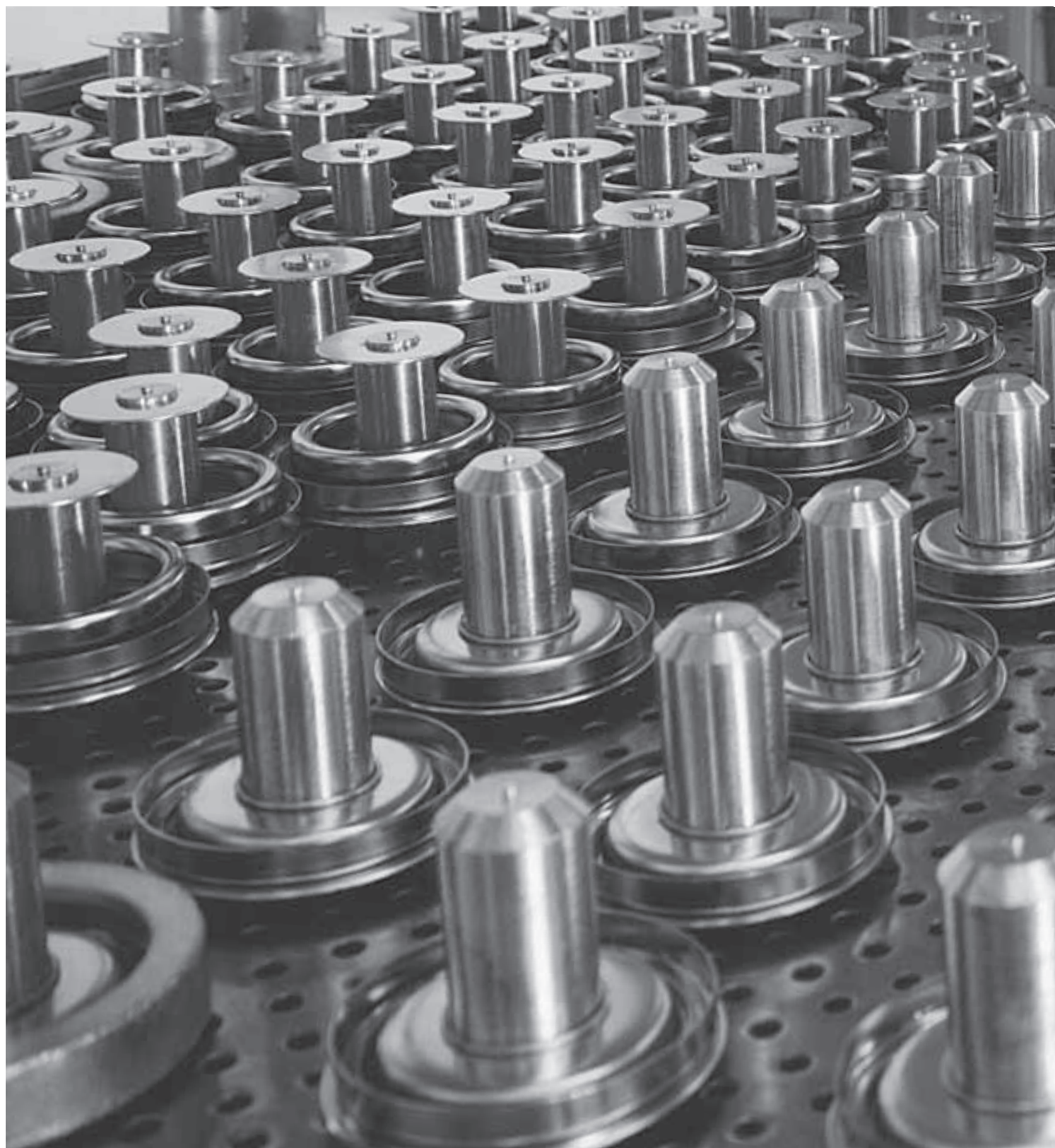
₹ crore

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital Share	Equity Share	Capital Preference Share	Reserves	Total Assets	Total Liabilities	Investment (included in total assets)	Turnover (including other income)	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	Country
1	CG International B.V.	EUR	63.3825	101.33	-	115.49	780.85	564.03	599.38	39.50	7.08	-	-	7.08	-	The Netherlands
2	CG Holdings Belgium N.V.	EUR	63.3825	693.28	-	1083.13	2442.99	666.58	291.74	482.54	78.25	6.35	71.90	-	-	Belgium
3	CG Power Systems Belgium N.V.	EUR	63.3825	183.74	-	276.69	2544.18	2083.75	1536.40	1541.36	70.05	20.84	49.21	-	-	Belgium
4	Pauwels Trafo Gent N.V.	EUR	63.3825	22.63	-	(95.26)	0.04	72.67	-	2.00	(1.04)	-	-	(1.04)	-	Belgium
5	CG Power Systems Ireland Limited	EUR	63.3825	20.31	15.50	148.07	318.25	134.37	-	455.51	30.42	0.60	29.82	-	-	Ireland
6	CG Sales Networks France SA	EUR	63.3825	0.25	-	3.61	4.83	0.97	-	41.02	0.15	0.08	0.07	-	-	France
7	CG Power Systems USA Inc.	USD	44.5950	6.68	6.68	93.46	303.89	197.07	4.39	426.18	0.49	(2.93)	3.42	-	-	USA
8	CG Sales Networks Americas Inc.	USD	44.5950	0.45	-	0.39	71.12	70.28	-	123.25	5.28	0.55	4.73	-	-	USA
9	CG Power Systems Canada Inc.	CAD	45.9900	105.11	32.55	(12.86)	294.43	169.63	-	438.44	66.18	14.51	51.67	-	-	Canada
10	CG Service Systems Curacao N.V.	EUR	63.3825	0.05	-	1.53	2.60	1.02	-	3.09	1.06	0.42	0.64	-	-	Netherlands Antilles
11	PT. CG Power Systems Indonesia	USD	44.5950	56.36	-	163.44	385.08	165.28	-	381.75	90.20	21.67	68.53	-	-	Indonesia
12	CG Holdings Hungary Kft.	HUF	0.2392	23.68	-	14.55	103.48	65.25	-	1.70	1.13	-	1.13	-	-	Hungary
13	CG Electric Systems Hungary Zrt.	HUF	0.2392	542.25	-	(356.25)	701.58	515.58	-	598.96	82.91	-	-	-	-	Hungary
14	CG Power Holdings Ireland Limited	EUR	63.3825	21.30	4.66	(59.82)	3.19	37.05	0.01	0.09	(8.66)	0.02	(8.68)	-	-	Ireland
15	Microsol Limited	EUR	63.3825	5.44	1.24	(6.66)	0.02	-	-	-	(0.01)	-	(0.01)	-	-	Ireland
16	CG Automation Systems UK Limited	EUR	63.3825	20.81	-	(10.93)	214.20	204.32	182.82	20.32	(2.16)	-	(2.16)	-	-	United Kingdom
17	Vserge Limited	EUR	63.3825	0.01	-	18.51	18.95	0.43	-	2.06	2.01	0.26	1.75	-	-	Ireland
18	CG Automation Systems USA Inc.	USD	44.5950	9.77	-	(9.25)	16.00	15.48	-	17.46	(1.59)	0.01	(1.60)	-	-	USA
19	CG Service Systems France SAS	EUR	63.3825	1.35	-	3.00	20.70	16.35	-	27.11	1.54	0.55	0.99	-	-	France
20	CG Power Solutions USA Inc.	USD	44.5950	23.13	-	(57.38)	162.03	196.28	13.02	254.75	(35.62)	22.66	(58.28)	-	-	USA
21	CG Holdings Germany GmbH	EUR	63.3825	0.17	-	(0.02)	0.15	-	-	(0.01)	-	-	(0.01)	-	-	Germany
22	CG Power Solutions UK Limited	GBP	71.7950	-	-	3.58	34.96	31.38	-	78.74	7.00	2.13	4.87	-	-	United Kingdom
23	CG Holdings USA Inc	USD	44.5950	0.00	-	-	17.49	17.49	-	-	-	-	-	-	-	USA
24	CG Power County LLC #	USD	44.5950	-	-	(0.18)	39.84	40.02	-	(0.19)	-	-	(0.19)	-	-	USA
25	Power County Wind Parks LLC #	USD	44.5950	-	-	-	-	-	-	-	-	-	-	-	-	USA
26	Power County Wind Park North LLC #	USD	44.5950	-	-	-	-	-	-	-	-	-	-	-	-	USA
27	Power County Wind Park South LLC #	USD	44.5950	-	-	-	-	-	-	-	-	-	-	-	-	USA
28	CG Glenmore LLC	USD	44.5950	-	-	(0.06)	13.83	13.89	13.83	(0.07)	-	-	(0.07)	-	-	USA
29	CG Holdings Brazil LTDA	REAL	27.5074	13.72	-	-	0.04	0.04	-	-	-	-	-	-	-	Brazil
30	CG Power Systems of Saudi Arabia	SAR	11.9872	13.72	-	(0.23)	13.49	-	-	-	-	-	-	-	-	Saudi Arabia
31	CG Sales Networks Singapore PTE. LTD.*	AED	12.2400	-	-	-	-	-	-	-	-	-	-	-	-	Singapore
32	CG Capital & Investments Limited	INR	1.00	10.50	32.93	(3.43)	40.36	0.35	11.92	3.98	(27.54)	(9.25)	(18.29)	-	-	India
33	CG Energy Management Limited	INR	1.00	1.60	-	(0.81)	11.82	11.03	11.02	0.05	0.04	0.01	0.04	-	-	India
34	CG PPI Adhesive Products Limited	INR	1.00	3.90	-	7.50	13.73	2.34	-	15.61	2.54	0.20	2.34	0.59	-	India
35	CG ZIV Power Automation Solutions Limited	INR	1.00	7.60	-	(0.16)	10.29	2.85	-	(0.16)	-	-	(0.16)	-	-	India

Only Consolidated financial statements of these companies are available as per local GAAP. Balances / transactions are non-material.

* The Company has been formed on 18th February, 2011, therefore the financial statements of the company will be prepared from 18th February, 2011 to 31st March, 2012.

CROMPTON GREAVES CONSOLIDATED FINANCIALS



AUDITORS' REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF
CROMPTON GREAVES LIMITED AND ITS SUBSIDIARIES

- We have audited the attached Consolidated Balance Sheet of **Crompton Greaves Limited** and its subsidiaries and associates ('the Crompton Greaves Group') as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
- In respect of the financial statements of certain subsidiaries and associates, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries and associates are based solely on the reports of the other auditors. The details of total assets, total revenues and net cash flows in respect of these subsidiaries and the net carrying cost of investment and current year / period share of profit or loss in respect of these associates, to the extent to which they are reflected in the consolidated financial statements are given below:
- We report that, the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 Consolidated Financial Statements and (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements specified by the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and on the basis of the separate audited / certified financial statements of the Crompton Greaves Group included in the consolidated financial statements.
- We report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the Crompton Greaves Group, we are of the opinion that the said consolidated financial statements, read together with Significant Accounting Policies in Schedule 'A' and Notes on the Balance Sheet and Profit and Loss Account in Schedule 'B' thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - in the case of the Consolidated Balance Sheet, of the state of affairs of the Crompton Greaves Group as at 31st March, 2011;
 - in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Crompton Greaves Group for the year ended on that date; and
 - in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Crompton Greaves Group for the year ended on that date.

Audited by other auditors:			
			₹ crore
	Total assets	Total revenues	Net cash flows
Subsidiaries	3429.67	4176.90	18.46

	Net carrying cost of investment	Current year / period share of profit or (loss)
Associates	238.21	8.04

We further report that in respect of certain subsidiaries and associates, we did not carry out the audit. These financial statements have been certified by management and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries and associates, is based solely on these certified financial statements.

Since, the financial statements for the financial year ended 31st March, 2011, which were compiled by management of these companies, were not audited; any adjustments to their balances could have consequential effects on the attached consolidated financial statements. However, the size of these subsidiaries in the consolidated position is not significant in relative terms. The details of total assets, total revenues and net cash flows in respect of these subsidiaries to the extent to which they are reflected in the consolidated financial statements are given below:

Certified by management:			
			₹ crore
	Total assets	Total revenues	Net cash flows
Subsidiaries	148.06	271.92	(0.65)

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

L. VAIDYANATHAN
PARTNER

Mumbai, 28th April, 2011

Membership No. 16368

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

		As at 31-03-2011		As at 31-03-2010	
		Schedule	₹ crore	₹ crore	₹ crore
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS:					
Share capital	1	128.30		128.30	
Reserves and surplus	2	3146.38		2375.98	
			3274.68		2504.28
MINORITY INTEREST	3		15.72		4.30
LOAN FUNDS:					
Secured loans	4	455.44		476.57	
Unsecured loans	5	14.87		24.38	
			470.31		500.95
DEFERRED TAX LIABILITIES			124.43		94.53
(Refer Note 18 of Schedule 'B')					
			3885.14		3104.06
APPLICATION OF FUNDS					
FIXED ASSETS:					
Gross block	6	3780.47		2985.76	
Less: Depreciation, obsolescence and amortisation		1949.03		1723.43	
Net block		1831.44		1262.33	
Capital work-in-progress / Advances		110.22		113.69	
			1941.66		1376.02
INVESTMENTS	7		674.71		553.57
DEFERRED TAX ASSETS			108.42		89.60
(Refer Note 18 of Schedule 'B')					
CURRENT ASSETS, LOANS AND ADVANCES:					
Inventories	8	1189.25		1019.37	
Sundry debtors	9	2542.72		2146.27	
Cash and bank balances	10	298.40		668.82	
Other current assets	11	51.49		22.89	
Loans and advances	12	467.73		244.49	
			4549.59		4101.84
Less: CURRENT LIABILITIES AND PROVISIONS:					
Current liabilities	13	2959.46		2656.72	
Provisions	14	429.78		360.25	
			3389.24		3016.97
Net current assets			1160.35		1084.87
			3885.14		3104.06
CONTINGENT LIABILITIES	21				
SIGNIFICANT ACCOUNTING POLICIES	A				
NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT	B				

The Schedules referred to above and the Notes attached, form an integral part of the Consolidated Balance Sheet

As per our report attached
For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

Madhav Acharya
CHIEF FINANCIAL OFFICER

Sudhir Trehan
MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 28th April, 2011

Wilton Henriques
COMPANY SECRETARY
Mumbai, 28th April, 2011

Gautam Thapar
CHAIRMAN

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Schedule	2010-11		2009-10	
	₹ crore	₹ crore	₹ crore	₹ crore
INCOME:				
Sales and services		10331.35		9375.50
Less: Excise duty		326.24		234.63
Sales and services (net)		10005.11		9140.87
Other income	15	114.19		109.98
		10119.30		9250.85
EXPENDITURE:				
Manufacturing, construction and operating expenses	16	6497.99		5796.60
Staff expenses	17	1181.14		1113.14
Selling and administration expenses	18	982.20		954.18
Interest and commitment charges	19	35.21		42.79
Depreciation, obsolescence and amortisation	20	193.63		155.09
		8890.17		8061.80
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS				
		1229.13		1189.05
Provision for:				
Current tax		293.11		313.72
Deferred tax		16.88		51.27
(Refer Note 18 of Schedule 'B')		309.99		364.99
PROFIT AFTER TAX AND BEFORE EXTRAORDINARY ITEMS				
		919.14		824.06
Minority interest in income		(0.37)		(2.55)
Share of profit / (loss) of associate companies		8.02		3.15
PROFIT AFTER TAX, MINORITY INTEREST AND SHARE OF PROFIT / (LOSS) IN ASSOCIATE COMPANIES, BEFORE EXTRAORDINARY ITEMS				
		926.79		824.66
Extraordinary items (net of tax expense ₹ nil)		(38.12)		35.21
(Refer Note 21 of Schedule 'B')				
PROFIT AVAILABLE FOR DISTRIBUTION				
		888.67		859.87
1st Interim dividend		51.32		29.33
2nd Interim dividend		51.32		51.32
3rd Interim dividend		38.49		-
Corporate dividend tax		23.37		14.08
BALANCE CARRIED TO BALANCE SHEET				
		724.17		765.14
Earnings per share before extraordinary items (basic and diluted)	₹	14.45		12.86
Earnings per share after extraordinary items (basic and diluted)	₹	13.85		13.40
(Face value of equity share of ₹ 2 each)				
(Refer Note 17 of Schedule 'B')				
SIGNIFICANT ACCOUNTING POLICIES				
	A			
NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT				
	B			

The Schedules referred to above and the Notes attached, form an integral part of the Consolidated Profit and Loss Account

As per our report attached
For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

Madhav Acharya
CHIEF FINANCIAL OFFICER

Sudhir Trehan
MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 28th April, 2011

Wilton Henriques
COMPANY SECRETARY
Mumbai, 28th April, 2011

Gautam Thapar
CHAIRMAN

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11	2009-10
	₹ crore	₹ crore
[A] CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxes	1229.13	1189.05
Adjustments for:		
Depreciation, obsolescence and amortisation	193.63	155.09
Provision for doubtful debts and advances	7.98	30.61
Interest expenses	35.21	42.79
Interest income	(14.28)	(16.30)
Income from investments (net)	(0.13)	(0.17)
Profit on sale of investments (net)	(16.91)	(6.85)
Unrealised exchange (gain) / loss (net)	(17.04)	(8.36)
Unrealised foreign exchange gain on consolidation (net)	(14.62)	(92.64)
(Profit) / Loss on sale of fixed assets (net)	(2.53)	0.18
Provision / (reversal) for dimiunition in value of Investments	-	(0.17)
	171.31	104.18
Operating profit before working capital changes	1400.44	1293.23
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(627.57)	(66.39)
(Increase) / Decrease in inventories	(169.19)	72.56
Increase / (Decrease) in trade and other payables	298.90	40.74
Increase / (Decrease) in provisions	(15.48)	7.35
	(513.34)	54.26
Cash generated from operations	887.10	1347.49
Direct taxes (paid) / refund (net)	(334.26)	(292.00)
Minority interest in income	(0.37)	(2.55)
Share of profit / (loss) of associate companies	8.02	3.15
Net cash (used in) / from operating activities	[A] 560.49	1056.09
[B] CASH FLOWS FROM INVESTING ACTIVITIES		
Add: Inflows from investing activities		
Sale of fixed assets	113.91	83.33
Consideration received on divestment of investment in subsidiary	-	51.40
Changes in minority interest	11.42	-
Changes in investment in associate companies	-	7.44
Cash and cash equivalents acquired pursuant to acquisition of subsidiary companies	1.09	2.05
Interest received	14.17	16.30
Income received from investments (net)	0.13	0.17
	140.72	160.69
Less: Outflows from investing activities		
Purchase of fixed assets	(739.82)	(290.35)
Purchase of investments (net)	(85.18)	(202.46)
Changes in minority interest	-	(9.55)
Changes in investment in associate companies	(19.04)	-
Acquisition of subsidiaries, associates and minority interest	(34.85)	(233.40)
	(878.89)	(735.76)
Net cash (used in) / from investing activities	[B] (738.17)	(575.07)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

	2010-11	2009-10
	₹ crore	₹ crore
[C] CASH FLOWS FROM FINANCING ACTIVITIES		
Outflows from financing activities		
Secured loans	(21.08)	(213.89)
Unsecured loans	(16.82)	(2.98)
Interim dividend paid	(102.43)	(98.69)
Corporate dividend tax	(17.03)	(17.19)
Interest paid	(35.38)	(45.09)
	(192.74)	(377.84)
Net cash (used in) / from financing activities	[C] (192.74)	(377.84)
NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	(370.42)	103.18
Cash and cash equivalents at beginning of the year	668.82	565.64
Cash and cash equivalents at end of the year	298.40	668.82

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 Cash Flow Statements, as specified in the Companies (Accounting Standards) Rules, 2006.
- Additions to fixed assets include movements of capital work-in-progress during the year.
- Cash and cash equivalents at the end of the year represent cash and bank balances and include unrealised gain of ₹ 0.01 crore (*Previous year ₹ 41002*) on account of translation of foreign currency bank balances.
- Figures for the previous year have been re-grouped / re-classified wherever necessary.

As per our report attached
For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

Madhav Acharya
CHIEF FINANCIAL OFFICER

Sudhir Trehan
MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 28th April, 2011

Wilton Henriques
COMPANY SECRETARY
Mumbai, 28th April, 2011

Gautam Thapar
CHAIRMAN

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE: 1	As at 31-03-2011	As at 31-03-2010
	₹ crore	₹ crore
SHARE CAPITAL		
Authorised:		
1,38,00,00,000 Equity Shares of ₹ 2 each	276.00	260.00
<i>(Previous year 1,30,00,00,000 Equity Shares of ₹ 2 each)</i>		
<i>(Refer Note 2 of Schedule 'B')</i>		
Issued:		
64,15,33,836 Equity Shares of ₹ 2 each	128.30	128.30
Subscribed and paid-up:		
64,14,91,536 Equity Shares of ₹ 2 each	128.30	128.30
Forfeited shares:		
Amount paid-up on 42,300 equity shares	0.00	0.00
<i>(Amount paid-up ₹ 32,175)</i>		
	128.30	128.30

Note:

Of the above shares:

- (i) 19,36,000 issued pursuant to a contract without payment being received in cash.
- (ii) 8,10,00,000 issued as fully paid up bonus shares by way of capitalisation of reserves.
- (iii) 37,96,58,256 issued as fully paid up bonus shares by way of capitalisation of securities premium account including nil *(Previous year 27,49,24,944)* shares issued during the year.
- (iv) 73,82,830 issued as fully paid up pursuant to scheme of amalgamation; and
- (v) 3,30,68,750 issued as an international offering of Global Depository Receipts (GDR's) (in US Dollars).

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE: 2	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
RESERVES AND SURPLUS				
Capital reserve on consolidation:				
As per last balance sheet	161.71		156.68	
Less: Transferred to retained earnings on amalgamation of wholly owned subsidiary	(3.61)		-	
Add: Acquisition of a subsidiary	-		3.61	
Add: Acquisition / subscription in an associate	-		1.42	
		158.10		161.71
Capital reserve				
As per last balance sheet		19.12		19.12
Securities premium account:				
As per last balance sheet	151.84		206.82	
Less: Utilised for issue of bonus shares	-		(54.98)	
		151.84		151.84
Capital redemption reserve				
As per last balance sheet		10.00		10.00
Revaluation reserve:				
As per last balance sheet	14.42		14.58	
Less: Transferred to profit and loss account	(0.15)		(0.16)	
		14.27		14.42
Government subsidy:				
As per last balance sheet	0.38		0.38	
Less: Transferred to retained earnings	(0.38)		-	
		-		0.38
Statutory reserve				
As per last balance sheet		57.30		57.30
(Refer Note 5 of Schedule 'B')				
Foreign currency translation reserve:				
As per last balance sheet	(48.13)		42.89	
Addition / (deduction) during the year	40.75		(91.02)	
		(7.38)		(48.13)
Hedge reserve:				
As per last balance sheet	(5.76)		-	
Addition / (deduction) during the year	5.76		(5.76)	
		-		(5.76)
Retained earnings:				
As per last balance sheet	2015.10		1249.96	
Add: Government subsidy	0.25		-	
Add: Transferred from capital reserve on amalgamation of wholly owned subsidiary	3.61		-	
Add: Profit and loss account	724.17		765.14	
		2743.13		2015.10
		3146.38		2375.98

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE: 3	As at 31-03-2011	As at 31-03-2010
	₹ crore	₹ crore
MINORITY INTEREST		
Opening balance	4.30	13.85
Adjustments on account of divestment / investment in subsidiaries	11.07	(11.25)
Share of profit for the year	0.37	2.55
Dividend to minority shareholders	(0.02)	(0.85)
Closing balance	15.72	4.30

SCHEDULE: 4	As at 31-03-2011	As at 31-03-2010
	₹ crore	₹ crore
SECURED LOANS		
Term Loans		
From banks	404.65	418.59
From financial institutions (Refer Note 4 of Schedule 'B')	50.79	57.98
	455.44	476.57

SCHEDULE: 5	As at 31-03-2011	As at 31-03-2010
	₹ crore	₹ crore
UNSECURED LOANS		
Interest-free sales tax deferral loans from State Governments {Due within one year ₹ 2.48 crore; (Previous year ₹ 8.45 crore)}	5.17	13.04
Lease finance {Due within one year ₹ 1.82 crore; (Previous year ₹ 3.11 crore)}	9.70	11.34
	14.87	24.38

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE: 7	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
INVESTMENTS				
(Refer Note 7 of Schedule 'A')				
Long Term Investments				
Government and trust securities	0.49		0.75	
Fully paid shares of associate companies (Under equity method)	267.20		248.16	
Fully paid preference / equity shares of other companies	0.10		0.10	
Bonds and debentures	4.19		4.68	
		271.98		253.69
Current Investments				
Other fully paid equity shares	0.82		0.83	
Other investments	401.91		299.05	
		402.73		299.88
		674.71		553.57

SCHEDULE: 8	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
INVENTORIES				
Stores, spares and packing materials		6.26		7.79
Raw materials		424.06		325.29
Work-in-progress - Manufacturing		607.91		510.44
Finished goods - Manufacturing	98.28		101.51	
Add: Excise duty on finished goods	4.21		3.47	
		102.49		104.98
Finished goods - Trading		40.49		31.59
Shares / Bonds held as stock-in-trade		8.04		39.28
		1189.25		1019.37

SCHEDULE: 9	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
SUNDRY DEBTORS				
(Unsecured)				
Debts outstanding for a period exceeding six months				
Considered good	296.10		184.40	
Considered doubtful	67.38		79.65	
	363.48		264.05	
Other debts				
Considered good	2246.62		1961.87	
Considered doubtful	0.41		0.52	
	2610.51		2226.44	
Less: Provision for doubtful debts	67.79		80.17	
		2542.72		2146.27
		2542.72		2146.27

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE: 10	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
CASH AND BANK BALANCES				
Cash on hand		1.21		0.36
Bank balances with scheduled banks				
On current accounts	139.57		114.81	
On deposit accounts	34.73		441.24	
		174.30		556.05
Bank balances with non-scheduled banks				
On current accounts	87.74		107.54	
On deposit accounts	35.15		4.87	
		122.89		112.41
		298.40		668.82

SCHEDULE: 11	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
OTHER CURRENT ASSETS				
Interest accrued on investments and deposits		1.15		1.05
Due from customers				
Work-in-progress - Contracts				
At cost	0.95		8.31	
At realisable sales value	200.76		37.23	
	201.71		45.54	
Less: Progress payments	151.37		23.70	
		50.34		21.84
		51.49		22.89

SCHEDULE: 12	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
LOANS AND ADVANCES				
(Unsecured)				
Advances recoverable in cash or in kind or for value to be received				
Considered good	379.19		174.14	
Considered doubtful	11.32		9.57	
	390.51		183.71	
Less: Provision for doubtful advances	11.32		9.57	
		379.19		174.14
Balances with excise, customs, service tax and value added tax etc.		88.54		70.35
		467.73		244.49

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE: 13	As at 31-03-2011		As at 31-03-2010	
	₹ crore	₹ crore	₹ crore	₹ crore
CURRENT LIABILITIES				
Acceptances		112.80		123.29
Sundry creditors		1745.67		1486.51
Due to customers				
Progress bills raised		608.20		359.32
Less: Construction and project related work at realisable value		586.86		339.61
		21.34		19.71
Advances from customers		684.93		726.28
Investor Education and Protection Fund				
Unclaimed dividend		1.74		1.54
Unclaimed matured fixed deposits		0.07		0.13
		1.81		1.67
Due to directors		18.00		10.91
Interest accrued but not due on loans		0.06		0.22
Other liabilities		245.61		255.05
Due to erstwhile shareholders of acquired subsidiaries		129.24		33.08
		2959.46		2656.72

SCHEDULE: 14	As at	As at
	31-03-2011	31-03-2010
	₹ crore	₹ crore
PROVISIONS		
Taxes (net of advance tax)	37.90	42.29
Interim dividend	38.49	-
Corporate dividend tax	6.34	-
Employee benefits	103.22	86.86
Others provisions	243.83	231.10
(Refer Note 19 of Schedule 'B')		
	429.78	360.25

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE: 15	2010-11	2009-10
	₹ crore	₹ crore
OTHER INCOME		
Income from lease of premises / business service centers	14.83	24.29
Income from investments (net)	0.13	0.17
Interest income on		
Short-term deposits	9.13	12.23
Others	5.15	4.07
Profit on sale of investments (net)	16.91	6.85
Profit on sale of fixed assets (net)	2.52	-
Exchange gain (net)	37.13	31.49
Miscellaneous income	28.39	30.88
	114.19	109.98

SCHEDULE: 16	2010-11		2009-10	
	₹ crore	₹ crore	₹ crore	₹ crore
MANUFACTURING, CONSTRUCTION AND OPERATING EXPENSES				
Materials consumed				
Opening stock	325.29		370.08	
Add: Purchases	4561.05		4202.71	
Less: Closing stock	424.06		325.29	
Total	4462.28		4247.50	
Less: Scrap sales	95.50		66.48	
	4366.78		4181.02	
Add: Construction materials	480.73		190.54	
		4847.51		4371.56
Cost of traded goods				
Opening stock	31.59		23.24	
Add: Purchases	1190.19		945.81	
Less: Closing stock	40.49		31.59	
		1181.29		937.46
(Increase) / decrease in stocks:				
Closing Stock				
Work-in-progress	607.91		518.75	
Finished goods	102.49		104.98	
	710.40		623.73	
Opening Stock				
Work-in-progress	518.75		571.02	
Finished goods	104.98		83.53	
	623.73	(86.67)	654.55	30.82
		5942.13		5339.84
Sub contracting charges	326.73		252.47	
Stores and spares	79.67		58.53	
Power and fuel	79.14		74.30	
Repairs - Buildings	19.53		16.75	
Repairs - Plant and equipments	32.95		42.87	
Technical and testing fees	17.84		11.84	
	6497.99		5796.60	

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE: 17	2010-11	2009-10
	₹ crore	₹ crore
STAFF EXPENSES		
Salaries, wages and bonus	932.67	891.51
Contribution to provident and other funds	134.06	149.06
Post retirement medical benefits	5.67	0.63
Workmen and staff welfare	108.74	71.94
	1181.14	1113.14

SCHEDULE: 18	2010-11	2010-11
	₹ crore	₹ crore
SELLING AND ADMINISTRATION EXPENSES		
Rent	46.97	32.88
Repairs - others	27.06	28.70
Rates and taxes	41.30	44.89
Insurance	27.00	23.97
Travelling	69.73	58.75
Legal and professional charges	100.79	94.97
Auditors' remuneration	6.32	6.82
Freight and forwarding	284.39	252.45
Packing materials	70.90	50.10
After sales services including warranties	43.97	74.93
Sales promotion	44.05	57.84
Bad debts and advances written off	5.80	12.83
Provision for doubtful debts and advances	7.98	30.61
Loss on sale of fixed assets (net)	-	0.18
Directors' fees	0.46	0.15
Miscellaneous expenses	205.48	184.11
	982.20	954.18

SCHEDULE: 19	2010-11	2009-10
	₹ crore	₹ crore
INTEREST AND COMMITMENT CHARGES		
Fixed loans	15.71	14.66
Others	19.50	28.13
	35.21	42.79

SCHEDULE: 20	2010-11	2009-10
	₹ crore	₹ crore
DEPRECIATION, OBSOLESCENCE AND AMORTISATION		
Depreciation, obsolescence and amortisation	193.78	155.25
Recoupment from revaluation reserve	(0.15)	(0.16)
	193.63	155.09

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE: 21	As at 31-03-2011	As at 31-03-2010
	₹ crore	₹ crore
CONTINGENT LIABILITIES		
(to the extent not provided for)		
(a) Claims against the companies not acknowledged as debts	1.35	12.20
(b) Sales tax liability that may arise in respect of matters in appeal	5.98	4.77
(c) Excise duty / service tax liability that may arise in respect of matters in appeal preferred by the companies	7.08	6.08
(d) Excise duty / service tax liability that may arise in respect of matters preferred by the department	3.32	1.57
(e) Income tax liability that may arise in respect of matters in appeal by the companies	2.69	0.09
(f) Income tax liability that may arise in respect of matters in appeal preferred by the department	11.68	7.55
(g) Bills discounted	100.87	84.11

SCHEDULE: A**SIGNIFICANT ACCOUNTING POLICIES****1 Basis of Preparation of Financial Statements**

The consolidated financial statements relate to Crompton Greaves Limited (the Parent Company), its subsidiary companies and associates. The Parent Company with its subsidiaries and associates constitute the Group.

- (a) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Parent Company, i.e. year ended 31st March, 2011.
- (b) The Group maintains its accounts on accrual basis following the historical cost convention, except for the revaluation of certain fixed assets, in accordance with the Generally Accepted Accounting Principles (GAAP) and in compliance with the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and other provisions of the Companies Act, 1956. However, certain escalation and other claims are accounted for in terms of contracts with the customers / admitted by the appropriate authorities.
- (c) The financial statements of all Indian subsidiaries and associates are prepared in compliance with the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and other provisions of the Companies Act, 1956 and those of the foreign subsidiaries and associates, have been prepared in compliance with the local laws and applicable accounting standards.

2 Use of Estimates

The preparation of financial statements in conformity with GAAP requires that the respective management of the companies makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. These estimates assume the Company to be a going concern and are made on the basis of information available at the time. Estimates may be revised, if the circumstances, on which they were based alter or if new information becomes available. Actual results may be different from these estimates. Examples of such estimates include, the useful life of tangible and intangible fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

3 Principles of Consolidation

- (a) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting therefrom and are presented to the extent possible, in the same manner as the Company's independent financial statements.
- (b) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- (c) The excess of cost to the Parent Company of its investment in each of the subsidiaries over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the consolidated financial statements as 'goodwill on consolidation' and carried in the balance sheet as an asset. Where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the company, it is recognised as 'capital reserve' and shown under the head Reserves and Surplus, in the consolidated financial statements.
- (d) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.
- (e) Investments in associate companies have been accounted under the equity method as per Accounting Standard (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements.
Under the equity method of accounting, the investment is initially recorded at cost, identifying any goodwill / capital reserve arising at the time of acquisition. The carrying amount of investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. The consolidated profit and loss account reflects the investor's share of the results of the operations of the investee.

SCHEDULE: A**SIGNIFICANT ACCOUNTING POLICIES (Contd.)****4 Fixed Assets**

- (a) Fixed assets are stated at cost net of tax / duty credit availed, if any, except for land and buildings added prior to 30th June, 1985 which are stated at revalued cost as at that date based on the report of technical expert (in case of the Parent Company).
- (b) Fixed assets are eliminated from financial statements, either on disposal or when retired from active use. The retired assets are disposed off immediately.
- (c) Pre-operative expenses, including interest on borrowings upto the date of commercial operations, are treated as part of the project cost and capitalised.
- (d) Internally manufactured / constructed fixed assets are capitalised at factory cost, including excise duty, where applicable.
- (e) Machinery spares which are specific to particular item of fixed assets and whose use is irregular are capitalised as part of the cost of machinery.
- (f) Capital work-in-progress includes cost of fixed assets under installation / erection as at the balance sheet date and capital advances.

5 Impairment of Assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

- (a) the provision for impairment loss, if any; and
- (b) the reversal of impairment loss recognised in previous periods, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (a) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (b) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

6 Intangible Assets and Amortisation

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are amortised as follows:

- (a) Goodwill : Over a period of ten years;
- (b) Leasehold land : Over the period of lease;
- (c) Specialised software : Over a period of three to five years;
- (d) Lump sum fees for technical know-how : Over a period of five years from the date of commercial production;
- (e) Commercial rights : Over a period of ten years; and
- (f) Other intangible assets : Over a period of five years.

7 Investments

Each category / item of investment is valued as follows:

- (a) Long term investments are carried at cost after providing for any diminution in value, if such diminution is of other than temporary, in nature.
- (b) Current investment are carried at the lower of cost and fair value.

8 Inventories

Inventories are valued at the lower of cost and net realisable value, after providing for obsolescence as under:

- (a) Raw materials, packing materials, stores and spares : At cost, on weighted average basis;
- (b) Work-in-progress - Manufacturing : At cost, plus appropriate production overheads;
- (c) Finished goods - Manufacturing : At cost, plus appropriate production overheads, including excise duty paid / payable on such goods; and
- (d) Finished goods - Trading : At cost, on weighted average basis.

SCHEDULE: A**SIGNIFICANT ACCOUNTING POLICIES (Contd.)****9 Foreign currency transactions**

- (a) The reporting currency is Indian Rupee.
- (b) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (c) Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the company's monetary items at the closing rate are recognised as income or expense in the period in which they arise.
- (d) The operation of foreign subsidiaries which are considered as non-integral operations, their financial statements are translated at the following exchange rates:
- | | | | |
|-----|--|---|--|
| i | Revenue and expenses | : | At the average exchange rate during the year |
| ii | Current assets and current liabilities | : | Exchange rate prevailing at the end of the year |
| iii | Fixed assets | : | Exchange rate prevailing at the end of the year |
| iv | Share capital | : | At the original rate when the capital was infused. |

The resultant exchange difference is accounted as Foreign Currency Translation Reserve until the disposal of the net investment.

10 Derivative Contracts

Derivative contracts entered into, to hedge foreign currency / price risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value as on the balance sheet date. The gain or loss arising out of fair valuation of derivative contracts are recognised in the profit and loss account or balance sheet, as the case may, be after applying the test of hedge effectiveness. The gains or losses are recognised as hedge reserve in the balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the profit and loss account. The premium or discount on forward contracts is amortised as expense or income over the period of the contract. Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the profit and loss account in the same period in which the hedged item is accounted.

11 Revenue Recognition

- (a) Revenue from sale of goods is recognised, when all significant risks and rewards of ownership are transferred to the buyer, under the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods. Sales include excise duty and price variation and exclude value added tax / sales tax, brokerage and commission.
- (b) Service income is recognised as per the terms of the contracts with the customers.
- (c) Revenue from contracts is recognised based on percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the costs incurred upto the reporting date to the total estimated cost to complete.
- (d) Interest income on deposits, securities and loan is recognised at the agreed rate on time proportion basis.
- (e) Dividend income is accounted for when the right to receive the dividend is established.

12 Employee Benefits

Employee benefits including contributions towards social security, retirement benefit schemes are accounted for based on the regulatory framework in the respective countries and employment rules / contracts applicable to the specific companies.

13 Depreciation

- (a) Depreciation on the fixed assets is provided at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, on written down value method except in the case of the Parent Company, where the depreciation on buildings and plant and equipments is provided on straight line method. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on subsequent review is shorter than that envisaged in the aforesaid Schedule, the depreciation is provided at a higher rate based on the management's estimate of useful life / remaining life.
- (b) Buildings constructed on leasehold land are depreciated at normal rate as prescribed in Schedule XIV to the Companies Act, 1956, where the lease period of land is beyond the life of the building. In other cases, amortised over the lease period.
- (c) In the case of revalued assets, the difference between the depreciation based on revaluation and the depreciation charged on historical cost is recouped out of revaluation reserve.
- (d) In case of impaired assets, the depreciation is charged on the adjusted cost computed after impairment.
- (e) In case of foreign subsidiaries, the depreciation on fixed assets has been provided at the rates required / permissible by the GAAPs of the respective countries. However, the depreciation rates are higher than the rates specified in the Schedule XIV to the Companies Act, 1956.

SCHEDULE: A**SIGNIFICANT ACCOUNTING POLICIES (Contd.)****14 Research and Development**

- (a) Revenue expenditure on research and development is charged under respective heads of account.
- (b) Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

15 Borrowing Costs

- (a) Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over 12 months) to get ready for its intended use or sale.
- (b) All other borrowing costs are recognised as expense in the period in which they are incurred.

16 Leases

- (a) Assets acquired under leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and the liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- (b) Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the profit and loss account on accrual basis.

17 Taxes on Income

- (a) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of relevant tax laws and based on the expected outcome of assessments / appeals.
- (b) Deferred tax is recognised on timing differences between the accounted income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.
- (c) Deferred tax assets relating to unabsorbed depreciation / business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (d) Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (e) The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the respective companies have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

18 Provisions, Contingent liabilities and Contingent assets

- (a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if
 - i) the Company has a present obligation as a result of a past event;
 - ii) a probable outflow of resources is expected to settle the obligation; and
 - iii) the amount of the obligation can be reliably estimated.
- (b) Reimbursements by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if, obligation is settled.
- (c) Contingent liability is disclosed in the case of:
 - i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
 - ii) a present obligation when no reliable estimate is possible;
 - iii) a possible obligation arising from past events, unless the probability of outflow of resources is remote.
- (d) Contingent assets are neither recognised nor disclosed.
- (e) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

19 Government grants / Subsidy

- (a) Capital grants in case of depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as capital grants which are recognised as income in the profit and loss account over the period and in proportion in which depreciation is charged.
- (b) Revenue grants are recognised in the profit and loss account in the same period as the related cost which they are intended to compensate are accounted for.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B

NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

- 1 (a) In terms of Accounting Standard (AS) 21 Consolidated Financial Statements and Accounting Standard (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements specified by the Companies (Accounting Standards) Rules, 2006 notified by the Central Government, the consolidated financial statements present the consolidated financial statements of Crompton Greaves Limited (the Parent Company) with its subsidiaries and associates as under:

Sr. No.	Country of Incorporation	Proportion of Ownership Interest either directly or through subsidiary		
		As at 31-03-2011	As at 31-03-2010	
Subsidiaries				
1	CG Capital & Investments Limited	India	100.00	100.00
2	CG Energy Management Limited	India	100.00	100.00
3	CG PPI Adhesive Products Limited	India	81.42	81.42
4	CG-ZIV Power Automation Solutions Limited (w.e.f. 4th November, 2010)	India	70.00	-
5	CG International B.V.	The Netherlands	100.00	100.00
6	CG Holdings Belgium N.V.	Belgium	100.00	100.00
7	CG Power Systems Belgium N.V.	Belgium	100.00	100.00
8	Pauwels Trafo Gent N.V.	Belgium	100.00	100.00
9	CG Power Systems Ireland Limited	Ireland	100.00	100.00
10	CG Sales Networks France SA	France	99.40	99.40
11	CG Power Systems USA Inc.	USA	100.00	100.00
12	CG Sales Networks Americas Inc.	USA	100.00	100.00
13	CG Power Systems Canada Inc.	Canada	100.00	100.00
14	CG Service Systems Curacao N.V.	Netherlands Antilles	100.00	100.00
15	PT. CG Power Systems Indonesia	Indonesia	95.00	95.00
16	CG Holdings Hungary Kft.	Hungary	100.00	100.00
17	CG Electric Systems Hungary Zrt.	Hungary	100.00	100.00
18	CG Power Holdings Ireland Limited	Ireland	100.00	100.00
19	Microsol Limited	Ireland	100.00	100.00
20	CG Automation Systems UK Limited	United Kingdom	100.00	100.00
21	Viserge Limited	Ireland	100.00	100.00
22	CG Automation Systems USA Inc.	USA	100.00	100.00
23	CG Service Systems France SAS	France	100.00	100.00
24	CG Power Solutions USA Inc. (formerly M.S.E. Power Systems, Inc.)	USA	100.00	100.00
25	CG Holdings Germany GmbH	Germany	100.00	100.00
26	CG Power Solutions UK Limited (w.e.f. 27th October, 2010) (formerly Power Technology Solutions Limited w.e.f. 1st April, 2010)	United Kingdom	100.00	-
27	CG Holdings USA Inc. (w.e.f. 30th March, 2011)	USA	100.00	-
28	CG Power County LLC (w.e.f. 22nd November, 2010)	USA	100.00	-
29	Power County Wind Parks LLC (w.e.f. 18th November, 2010)	USA	100.00	-
30	Power County Wind Park North LLC (w.e.f. 15th April, 2010)	USA	100.00	-
31	Power County Wind Park South LLC (w.e.f. 15th April, 2010)	USA	100.00	-
32	CG Glenmore LLC (w.e.f. 7th September, 2010)	USA	100.00	-
33	CG Holdings Brazil LTDA. (w.e.f. 26th October, 2010)	Brazil	100.00	-
34	CG Power Systems of Saudi Arabia (w.e.f. 21st December, 2010)	Saudi Arabia	51.00	-
35	CG Sales Networks Singapore PTE. LTD. (w.e.f. 18th February, 2011)	Singapore	100.00	-

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B

NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

Sr. No.		Country of Incorporation	Proportion of Ownership Interest either directly or through subsidiary	
			As at 31-03-2011	As at 31-03-2010
Associates				
1	CG Actaris Electricity Management Private Limited (sold on 1st October, 2010)	India	-	49.00
2	CG Lucy Switchgears Limited	India	50.00	50.00
3	International Components India Limited (sold on 4th October, 2010)	India	-	50.00
4	Avantha Power & Infrastructure Limited	India	28.80	31.61
5	Pauwels Middle East Trading & Contracting Pvt Co. LLC	Sharjah	49.00	49.00
6	Saudi Power Transformers Company (w.e.f. 21st December, 2010)	Saudi Arabia	49.00	-
7	CEnergy-Glenmore Wind Farm 1 LLC (w.e.f. 23rd November, 2010) <i>(formerly CEnergy-Glenmore Wind Farm, LLC w.e.f. 2nd November, 2010)</i>	USA	49.00	-

- (b) For the purposes of consolidation, the financial statements of the foreign subsidiaries and associates as at 31st March, 2011, have been restated to comply with the Generally Accepted Accounting Principles in India.
- (c) The Parent Company, through its subsidiary, CG International B.V. has acquired, CG Power Solutions UK Limited, located in the United Kingdom, on 1st April, 2010.
- (d) The Parent Company, during the year, has entered into a strategic alliance with the EIC Group, of Saudi Arabia, to form two companies, namely CG Power Systems of Saudi Arabia and Saudi Power Transformers Company. The Group holds a 51% stake in CG Power Systems of Saudi Arabia through its subsidiary, CG Holding Belgium N.V. and a 49% stake in Saudi Power Transformers Company through its subsidiary, CG Power Systems Belgium N.V.
- (e) For the purposes of consolidation in accordance with Accounting Standard (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements, other defunct associate companies which do not fulfill the criterion specified in the said standard have been excluded. Investments in such associates have been accounted for in accordance with Accounting Standard (AS) 13 Accounting for Investments. The list of associates not included in the consolidated financial statements are as under:
- (i) Power Equipment Limited
- (ii) Radiant Electronics Limited
- 2 The Parent Company's authorised share capital has increased from ₹ 260 crore to ₹ 276 crore comprising of 138,00,00,000 number of equity shares of ₹ 2 each pursuant to the Scheme of Amalgamation of Brook Crompton Greaves Limited, a wholly owned subsidiary, with the Company.
- 3 The Board of Directors of the Parent Company has approved the Scheme of Amalgamation of CG Capital & Investments Limited, a wholly owned subsidiary, with itself, with effect from 1st April, 2010 at their meeting held on 28th January, 2011. The effect of the amalgamation will be given in the financial statements upon receipt of Order from the Honourable High Court of Judicature at Bombay.
- 4 The Group has availed various loan facilities from banks and financial institutions secured by the equitable mortgage of immovable properties and hypothecation of movable assets, inventories and receivables, present and future.
- 5 Statutory reserve represents profits set aside as per the local statutory requirement and the same is not available for distribution.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

		₹ crore	₹ crore
6	The effect of acquisition / divestment of subsidiary during the year:	Effect on Group Profit After Minority Interest Increase / (Decrease)	Net Assets as at 31-03-2011 Increase / (Decrease)
	Acquisition:		
	CG Power Solutions UK Limited	4.87	17.09
		As at 31-03-2011	As at 31-03-2010
7	Goodwill on Consolidation:		
	Opening balance	259.76	331.15
	Add: Goodwill on acquisition of subsidiaries / net assets during the year	86.50	-
	Less: Reduction of goodwill during the year	28.71	-
	Less: Goodwill charged to the profit and loss account during the year	37.55	36.50
	Translation adjustment	13.38	(34.89)
	Closing balance	293.38	259.76
8	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36.88	63.84
9	Advances recoverable in cash or in kind or for value to be received include:		
	Rent deposit with director	0.02	-
		2010-11	2009-10
		₹ crore	₹ crore
10	Sales are net of:		
	(a) Brokerage and commission	77.40	79.49
	(b) Cash discount	28.23	20.50
11	Expenses capitalised during the year:		
	Manufacturing, construction and operating expenses	20.92	20.08
12	Expenditure on research and development:		
	(a) Capital expenditure	43.51	43.03
	(b) Revenue expenditure	54.21	34.66
		97.72	77.69
13	Disclosure as required by Accounting Standard (AS) 7 Construction Contracts:		
	(a) Contract revenue recognised during the year	490.85	376.84
	(b) Aggregate amount of contract cost incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date.	788.57	385.15
	(c) Amount of customer advances outstanding for contracts in progress up to the reporting date	111.18	75.27
	(d) Retention amount due from customer for contract in progress up to reporting date	69.96	30.30

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
14 Disclosure as required by Accounting Standard (AS) 17 Segment Reporting:
I Primary Segment (Business Segment)

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations/ Unallocable Expenditure / Assets*	₹ crore
						Total 2010-11
Revenue						
External sales (net of excise duty)	6502.67	2020.72	1450.12	31.60	-	10005.11
Inter segment sales	0.18	0.45	46.97	0.07	(47.67)	-
Total	6502.85	2021.17	1497.09	31.67	(47.67)	10005.11
Segment results	806.84	292.81	264.20	(25.06)		1338.79
Add: Interest income						14.28
Less: Interest expense						35.21
Less: Other unallocable expenditure net of unallocable income						88.73
Profit before tax						1229.13
Provision for Income tax						293.11
Provision for Deferred tax						16.88
Profit after tax and before extraordinary items						919.14
Extraordinary items (net of tax expense)						(38.12)
Profit after tax after extraordinary items						881.02
Capital Employed:						
Segment assets	4686.52	409.30	699.72	66.91	1303.51	7165.96
Segment liabilities	2527.83	328.74	279.37	13.26	240.04	3389.24
Net Assets	2158.69	80.56	420.35	53.65	1063.47	3776.72
Capital expenditure	196.60	11.18	79.82	0.78	289.18	577.56
Depreciation, obsolescence and amortisation	130.26	19.13	10.46	0.73	33.05	193.63
Non-cash expenses other than depreciation	2.96	3.13	1.42	-	0.47	7.98

* Unallocable assets comprise assets and liabilities which cannot be allocated to the segments. Tax credit assets / liabilities are not considered in capital employed above.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
14 Disclosure as required by Accounting Standard (AS) 17 Segment Reporting: (Contd.)
I Primary Segment (Business Segment) (Contd.)

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations/ Unallocable Expenditure / Assets*	₹ crore
						Total 2009-10
Revenue						
External sales (net of excise duty)	6204.40	1611.93	1221.20	103.34	-	9140.87
Inter segment sales	0.06	0.05	37.45	0.07	(37.63)	-
Total	6204.46	1611.98	1258.65	103.41	(37.63)	9140.87
Segment results	769.35	229.86	275.98	15.10		1290.29
Add: Interest income						16.30
Less: Interest expense						42.79
Less: Other unallocable expenditure net of unallocable income						74.75
Profit before tax						1189.05
Provision for Income tax						313.72
Provision for Deferred tax						51.27
Profit after tax and before extraordinary items						824.06
Extraordinary items (net of tax expense)						35.21
Profit after tax after extraordinary items						859.27
Capital Employed:						
Segment assets	3780.50	340.34	516.17	85.79	1308.63	6031.43
Segment liabilities	2102.30	289.31	286.24	19.33	319.79	3016.97
Net Assets	1678.20	51.03	229.93	66.46	988.84	3014.46
Capital expenditure	198.09	9.18	35.57	0.22	57.68	300.74
Depreciation, obsolescence and amortisation	113.12	6.81	18.56	5.31	11.29	155.09
Non-cash expenses other than depreciation	21.79	4.76	3.76	1.29	-	31.60

* Unallocable assets comprise assets and liabilities which cannot be allocated to the segments. Tax credit assets / liabilities are not considered in capital employed above.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B

NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

14 Disclosure as required by Accounting Standard (AS) 17 Segment Reporting: (Contd.)

II Secondary Segment (Geographical Segment)

(a) The distribution of sales:

	2010-11	₹ crore 2009-10
Sales and Service Revenue:		
Domestic	5053.21	4305.83
Overseas	4951.90	4835.04
Total	10005.11	9140.87

(b) The location of tangible / intangible fixed assets:

Particulars	As at 31-03-2011	₹ crore As at 31-03-2010
Domestic	925.87	579.33
Overseas	1015.79	796.69
Total	1941.66	1376.02

III Continent wise sales

Continents	2010-11	₹ crore 2009-10
Asia	6502.23	5670.92
Africa	426.59	457.89
North America	1162.48	981.24
South America	113.44	244.96
Europe	1686.07	1595.45
Australia	114.30	190.41
Total	10005.11	9140.87

IV Segment Identification, Reportable Segment and definition of each Reportable Segment:

(a) Primary segment

In the opinion of the management, the business segment comprises the following:

- (i) Power Systems : Transformer, Switchgear, Turnkey Projects and Power SCADA (Supervisory control and data acquisition systems)
- (ii) Consumer Products : Fans and Appliances, Luminaires, Light Sources and Pumps
- (iii) Industrial Systems : Electric Motors, Alternators, Drives, Traction Electronics and SCADA
- (iv) Others : Telecommunication, Investment activity, Generation and Distribution of electricity, etc.

(b) Primary / Secondary segment reporting format:

- (i) The risk-return profile of the Group's business is determined predominantly by the nature of its products and services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information.
- (ii) In respect of secondary segment information, the Group has identified its geographical segments as: (a) Domestic; and (b) Overseas. The secondary segment information has been disclosed accordingly.

(c) Segment identification:

Business segments have been identified on the basis of the nature of products / services, the risk-return profile of individual business, the organisational structure and the internal reporting system.

SCHEDULE: B**NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)****14 Disclosure as required by Accounting Standard (AS) 17 Segment Reporting: (Contd.)****IV Segment Identification, Reportable Segment and definition of each Reportable Segment: (Contd.)**

(d) Reportable segments:

Reportable segments have been identified as per the quantitative criteria specified in the Accounting Standard.

(e) Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

(f) Segment assets and liabilities:

Segment assets include all operating assets used by the business segment and mainly consist of fixed assets, debtors and inventories. Segment liabilities primarily include creditors and other liabilities. Common Assets and Liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

(g) Inter segment transfer:

Inter segment prices are normally negotiated amongst segments with reference to the costs, market price and business risks. Profit or loss on inter segment transfers are eliminated at the Group level.

15 Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures:**(a) List of related parties with whom transactions were carried out during the year and description of relationship:****(i) Associates:**

- 1 CG Lucy Switchgear Limited
- 2 Avantha Power & Infrastructure Limited
- 3 International Components India Limited (upto 4th October, 2010)
- 4 Brook Crompton Greaves Limited (upto 26th August, 2009)

(ii) Key Management Personnel:

- 1 Gautam Thapar - Chairman and Promoter Director
- 2 Sudhir Trehan - Managing Director

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

- 1 Ballarpur Industries Limited
- 2 Solaris ChemTech Industries Limited
- 3 BILT Graphic Paper Products Limited
- 4 Asia Aviation Limited
- 5 Avantha Holdings Limited
- 6 Salient Business Solutions Limited
- 7 Avantha Technologies Limited
- 8 Avantha Realty Limited (formerly Janpath Investments & Holdings Limited)
- 9 Korba West Power Company Limited
- 10 Corella Investments Limited
- 11 Lustre International Limited
- 12 Solaris Holding Limited
- 13 KCT Chemicals & Electricals Limited
- 14 Sabah Forest Industries Sdn. Bhd.
- 15 International Components India Limited
- 16 Malanpur Captive Power Limited

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
15 Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures: (Contd.)
(b) The following transactions were carried out with the related parties in the ordinary course of business:

Sr. No.	Nature of transaction / relationship	₹ crore	
		2010-11	2009-10
1	Purchases of goods and services		
	Associates		
	Brook Crompton Greaves Limited	-	6.94
	CG Lucy Switchgear Limited	50.89	72.60
	International Components India Limited	-	1.94
	Avantha Power & Infrastructure Limited	-	0.48
	Other Related Parties		
	BILT Graphic Paper Products Limited	0.26	0.29
	Ballarpur Industries Limited	0.60	0.54
	International Components India Limited	0.55	-
	Avantha Technologies Limited	-	0.02
	Total	52.30	82.81
2	Sales of goods and services		
	Associates		
	Brook Crompton Greaves Limited	-	2.53
	CG Lucy Switchgear Limited	3.68	5.02
	Avantha Power & Infrastructure Limited	0.05	2.86
	Other Related Parties		
	Ballarpur Industries Limited	0.34	0.32
	Solaris ChemTech Industries Limited (₹ 16500)	0.00	2.04
	BILT Graphic Paper Products Limited	0.74	0.47
	Korba West Power Company Limited	72.08	-
	Avantha Holdings Limited	0.33	-
	Sabah Forest Industries Sdn. Bhd.	2.71	-
	Total	79.93	13.24
3	Purchase of fixed assets		
	Other Related Party		
	Avantha Technologies Limited	-	0.03
	Total	-	0.03
4	Subscription to equity shares		
	Subsidiary		
	CG-ZIV Power Automation Solutions Limited	5.32	-
	Associate		
	Avantha Power & Infrastructure Limited	-	227.00
	Total	5.32	227.00
5	Sale of investments		
	Associate		
	Avantha Power & Infrastructure Limited	-	51.40
	Total	-	51.40
6	Interest expenses		
	Associate		
	CG Lucy Switchgear Limited	0.10	0.19
	Total	0.10	0.19
7	Dividend received		
	Associate		
	CG Lucy Switchgear Limited	1.20	1.20
	Total	1.20	1.20

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
15 Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures: (Contd.)
(b) The following transactions were carried out with the related parties in the ordinary course of business: (Contd.)

Sr. No.	Nature of transaction / relationship	₹ crore	
		2010-11	2009-10
8	Commission received		
	Associate		
	Brook Crompton Greaves Limited	-	0.20
	Total	-	0.20
9	Rental income		
	Other Related Parties		
	Ballarpur Industries Limited	2.13	2.26
	Solaris ChemTech Industries Limited	0.47	0.59
	Total	2.60	2.85
10	Interest income		
	Other Related Party		
	Malanpur Captive Power Limited	0.65	0.06
	Total	0.65	0.06
11	Payment of Salaries, commission and perquisites		
	Key Management Personnel		
	Gautam Thapar	8.47	8.26
	Sudhir Trehan	11.50	4.28
	Total	19.97	12.54
12	Dividend paid		
	Key Management Personnel		
	Gautam Thapar	-	0.01
	Sudhir Trehan	0.04	0.03
	Other Related Parties		
	Corella Investments Limited	1.58	1.11
	Lustre International Limited	0.95	0.67
	Solaris Holdings Limited	20.08	38.73
	Avantha Holdings Limited	35.14	-
	Avantha Realty Limited	-	0.00
	<i>(Previous year ₹ 4914)</i>		
	KCT Chemicals & Electricals Limited	-	0.03
	Total	57.79	40.58
13	Rent paid		
	Other Related Parties		
	Avantha Realty Limited	1.87	1.53
	Asia Aviation Limited	2.63	5.87
	Total	4.50	7.40
14	Other expenses		
	Associates		
	CG Lucy Switchgear Limited (₹ 25085)	0.00	-
	Avantha Power & Infrastructure Limited	-	0.17
	Other Related Parties		
	Asia Aviation Limited	4.37	8.35
	Avantha Holdings Limited	24.24	11.21
	Avantha Technologies Limited	0.11	0.40
	Avantha Realty Limited	1.06	0.06
	Salient Business Solutions Limited	1.62	0.82
	Total	31.40	21.01
15	Recovery of expenses		
	Other Related Party		
	Solaris ChemTech Industries Limited	0.09	-
	Total	0.09	-

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
15 Disclosure as required by Accounting Standard (AS) 18 Related Party Disclosures: (Contd.)
(c) Amounts due to / from related parties

Sr. No.	Nature of transaction / relationship	₹ crore	
		As at 31-03-2011	As at 31-03-2010
1	Accounts payable		
	Associate		
	CG Lucy Switchgear Limited	8.81	11.14
	Other Related Parties		
	Ballarpur Industries Limited	0.01	0.02
	BILT Graphic Paper Products Limited	0.19	-
	Avantha Holdings Limited	3.81	-
	Avantha Technologies Limited	0.01	-
	Avantha Realty Limited	0.58	-
	Salient Business Solutions Limited	0.03	-
	Total	13.44	11.16
2	Accounts receivable		
	Associates		
	CG Lucy Switchgear Limited	1.02	1.78
	International Components India Limited	-	0.38
	Avantha Power & Infrastructure Limited	0.04	0.17
	Other Related Parties		
	BILT Graphic Paper Products Limited	-	0.06
	Ballarpur Industries Limited	0.80	0.14
	Solaris ChemTech Industries Limited	0.20	2.12
	Korba West Power Company Limited	56.81	-
	Sabah Forest Industries Sdn. Bhd.	0.89	-
	Total	59.76	4.65
3	Loans and advances receivable		
	Associate		
	CG Lucy Switchgear Limited (₹ 10222)	0.00	0.03
	Other Related Parties		
	Malanpur Captive Power Limited	8.94	8.35
	Ballarpur Industries Limited	-	0.29
	Total	8.94	8.67
4	Loans and advances payable		
	Other Related Parties		
	Solaris ChemTech Industries Limited	0.10	0.10
	Ballarpur Industries Limited	-	0.40
	Avantha Holdings Limited	-	3.00
	Asia Aviation Limited	-	1.28
	Korba West Power Company Limited	4.17	2.08
	Total	4.27	6.86
5	Dividend payable		
	Key Management Personnel		
	Gautam Thapar	-	-
	Sudhir Trehan	0.01	-
	Other Related Parties		
	Corella Investments Limited	0.43	-
	Avantha Holdings Limited	15.06	-
	Lustre International Limited	0.26	-
	Total	15.76	-
6	Due to Key Management Personnel		
	Gautam Thapar	8.47	8.26
	Sudhir Trehan	8.64	1.84
	Total	17.11	10.10

Note: No amounts have been written off or written back during the year.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B

NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

16 Disclosure as required by Accounting Standard (AS) 19 Leases:

(a) Finance Lease:

The assets acquired on finance lease mainly comprise cars and equipments. The lease has a primary period, which is fixed and non-cancellable. The Group has an option to renew the lease for a secondary period.

The minimum lease rentals as at 31st March, 2011 and the present value as at 31st March, 2011 of minimum payments in respect of assets acquired under finance leases are as follows:

Particulars	₹ crore			
	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2010-11	2009-10	2010-11	2009-10
Due within one year	1.82	3.11	1.74	2.59
Due one to five years	6.91	7.49	5.75	6.63
Due beyond five years	2.59	2.12	2.21	2.12
Total	11.32	12.72	9.70	11.34

(b) The Group has taken various residential / commercial premises and plant and equipments under cancellable operating lease. These lease agreements are normally renewed on expiry, wherever required.

(c) There are no exceptional / restrictive covenants in the lease agreements.

17 Disclosure as required by Accounting Standard (AS) 20 Earnings Per Share:

Particulars		2010-11	2009-10
Profit after tax, minority interest and share of profit / (loss) of associate companies and before extraordinary items	₹ crore	926.79	824.66
Profit after taxes, minority interest and share of profit / (loss) of associate companies and after extraordinary items	₹ crore	888.67	859.87
Number of equity shares outstanding	Nos.	641491536	641491536
Face value of equity share	₹ / Share	2.00	2.00
Earnings per share before extraordinary items (basic and diluted)	₹	14.45	12.86
Earnings per share after extraordinary items (basic and diluted)	₹	13.85	13.40

18 Disclosure as required by Accounting Standard (AS) 22 Accounting for Taxes on Income:

The major components of deferred tax assets and deferred tax liabilities are as under:

Particulars	₹ crore			
	As at 31-03-2011		As at 31-03-2010	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Difference between book and tax depreciation	-	115.27	-	94.53
Expenses allowable for tax purposes when paid / on payment of TDS	25.36	-	14.30	-
Unabsorbed carried forward tax losses / depreciation	55.95	-	71.36	-
Other items giving rise to timing differences	27.11	9.16	3.94	-
	108.42	124.43	89.60	94.53
Net deferred tax (liability) / asset		(16.01)		(4.93)
Deferred tax assets on acquisition of subsidiaries	3.24	-	-	-
Deferred tax liabilities on divestment of subsidiary	-	-	2.93	-
Effect of translation gain / loss	2.56	-	-	4.80
Net liability charged to the profit and loss account	-	16.88	-	51.27
	5.80	16.88	2.93	56.07
Net incremental liability		(11.08)		(53.14)

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE: B
NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)
19 Disclosure as required by Accounting Standard (AS) 29 Provisions, Contingent Liabilities and Contingent Assets:
(a) Movement in provisions:

Nature of Provision	₹ crore					
	Warranties		Sales tax / VAT		Excise duty / Service tax	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Carrying amount at the beginning of the year	119.26	101.02	23.16	18.85	6.79	4.79
Additional provision made during the year #	79.48	60.22	4.75	8.47	0.33	2.00
Amounts used during the year	14.49	7.42	3.71	2.34	-	-
Unused amounts reversed during the year #	58.18	31.99	2.29	1.82	0.83	-
Translation adjustment	2.52	(2.57)	-	-	-	-
Carrying amount at the end of the year	128.59	119.26	21.91	23.16	6.29	6.79
Nature of Provision	Liquidated damages		Other litigation claims		Environmental obligation	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
	Carrying amount at the beginning of the year	55.94	55.82	3.44	1.98	22.51
Additional provision made during the year #	36.84	43.90	38.79	1.48	4.57	4.21
Amounts used during the year	25.31	24.38	-	-	7.62	2.85
Unused amounts reversed during the year #	44.62	18.33	0.15	0.02	0.48	0.44
Translation adjustment	0.40	(1.07)	1.81	-	0.92	(2.60)
Carrying amount at the end of the year	23.25	55.94	43.89	3.44	19.90	22.51
Nature of Provision	Total					
	2010-11		2009-10		2009-10	
	Carrying amount at the beginning of the year	231.10	206.65			
Additional provision made during the year #	164.76	120.28				
Amounts used during the year	51.13	36.99				
Unused amounts reversed during the year #	106.55	52.60				
Translation adjustment	5.65	(6.24)				
Carrying amount at the end of the year	243.83	231.10				

Additional provision made during the year and reversal of unused amount are included in the respective head of accounts.

(b) Nature of provisions:

- (i) Product Warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is expected to be within a period of two years.
- (ii) Provision for sales tax represents sales tax liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Act / Rules.
- (iii) Provision for excise duty / service tax represents the differential duty liability that is expected to materialise in respect of matters in appeal.
- (iv) Provision for liquidated damages has been made on contracts for which delivery dates are exceeded and computed in reasonable and prudent manner.
- (v) Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.
- (vi) Provision for environmental obligations represents liabilities towards the costs expected to be incurred to treat contaminated soil / effluents at its manufacturing locations, wherever required by local law.

(c) Disclosure in respect of contingent liabilities: Refer Schedule 21.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**SCHEDULE: B****NOTES ON THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)****20 Foreign currency transactions, Forward contracts and Derivatives:**

- (a) The Group has adopted the principles of hedge accounting as per the Accounting Standard (AS) 30 Financial Instruments: Recognition and Measurement, in respect of those derivative transactions which are not covered by the existing Accounting Standard (AS) 11 The Effects of Changes in Foreign Exchange Rates. This treatment has resulted in a net loss of ₹ nil (*Previous year ₹5.76 crore*) arising due to change in the fair value of derivatives has been recognised in the shareholders' fund as a cash flow hedge.
- (b) The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2011 are as under:

Sr. No.	Category of Derivative Instruments	₹ crore	
		As at 31-03-2011	As at 31-03-2010
1	For hedging foreign currency risks		
(a)	Forward contracts for receivables including firm commitments and highly probable forecasted transactions	825.85	563.92
(b)	Option contracts	-	13.47
(c)	Forward contracts for payables including firm commitments and highly probable forecasted transactions	295.96	21.47
2	For hedging commodity price risks		
	Commodity futures	102.34	26.76
3	Particulars of unhedged foreign currency exposure as at the balance sheet date:		
(a)	Debtors	91.64	77.89
(b)	Creditors	114.04	109.19
(c)	Loans received	8.23	94.86
(d)	Loan given	44.79	13.51
(e)	Bank balance in current accounts and term deposit accounts	17.83	4.01

21 Extraordinary item of ₹ 38.12 crore represents claim by a customer for supply of products, prior to the acquisition of the concerned company by Crompton Greaves Limited, which has been awarded in favour of the customer in the Arbitration. The Company has appealed against the award in the court of cessation in Bahrain and is confident of winning the same. However, as a matter of abundant precaution, the said amount has been provided for in the financial statements. (*Previous year: profit on sale of investment in subsidiary of ₹ 35.21 crore*).

22 Current year figures include the results of the subsidiaries acquired during the year. Consequently, the figures for the current year are not comparable with the figures of the previous year and figures for the previous year have been regrouped and reclassified, wherever necessary.

Signatures to Schedule 1 to 21, A and B

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
 Registration No. 109982W

Madhav Acharya
CHIEF FINANCIAL OFFICER

Sudhir Trehan
MANAGING DIRECTOR

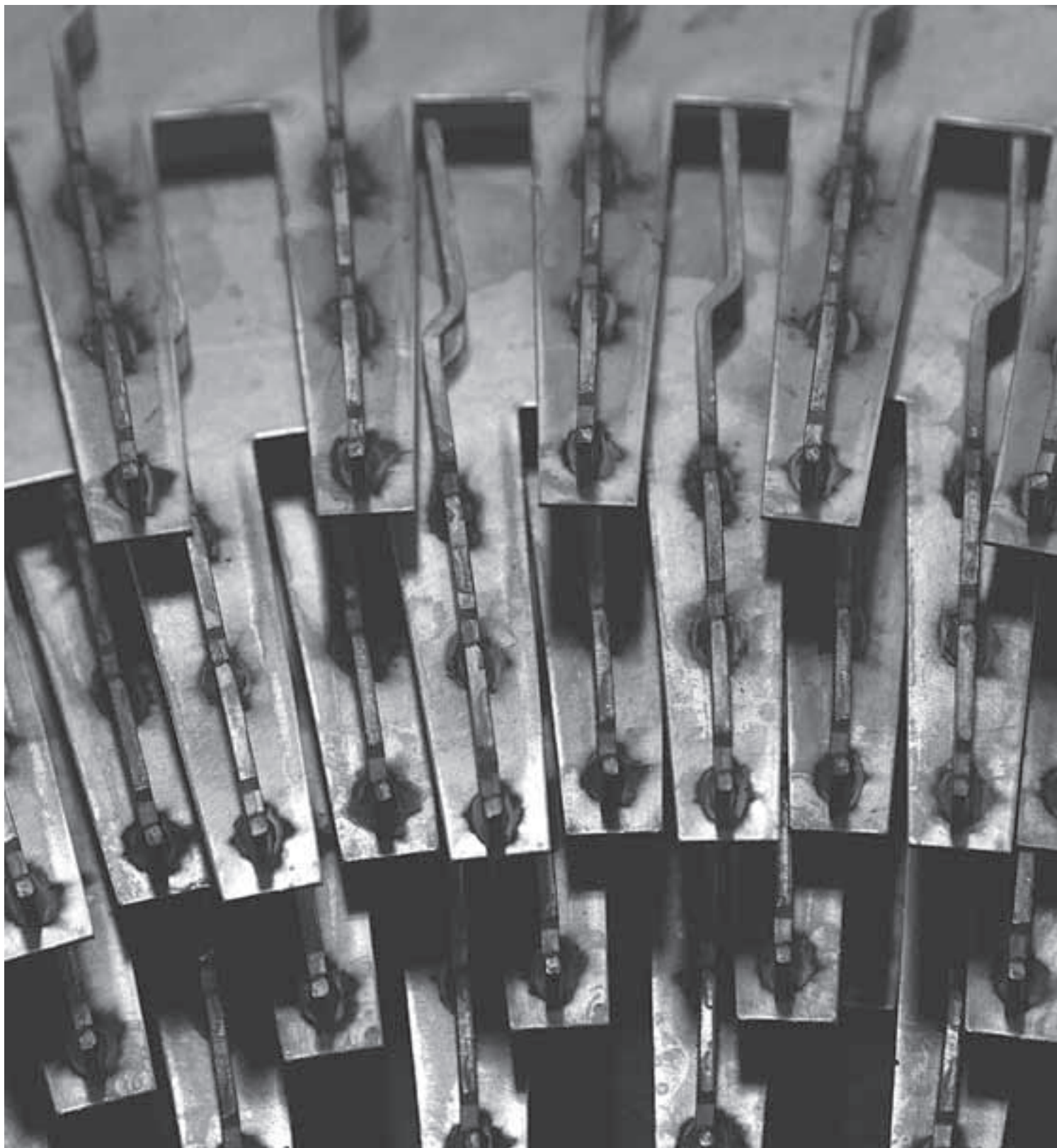
L. Vaidyanathan
PARTNER
 Membership No. 16368
 Mumbai, 28th April, 2011

Wilton Henriques
COMPANY SECRETARY
 Mumbai, 28th April, 2011

Gautam Thapar
CHAIRMAN

ACCOUNTS IN FOREIGN CURRENCY

ONLY FOR THE CONVENIENCE OF SHAREHOLDERS



STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31-03-2011		As at 31-03-2010	
	USD million	USD million	USD million	USD million
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS:				
Share capital	28.77		28.57	
Reserves and surplus	487.90		364.46	
		516.67		393.03
LOAN FUNDS:				
Secured loans	1.84		3.08	
Unsecured loans	1.16		2.89	
		3.00		5.97
DEFERRED TAX:				
Deferred tax liabilities	23.56		19.61	
Less: Deferred tax assets	7.07		1.03	
		16.49		18.58
		536.16		417.58
APPLICATION OF FUNDS				
FIXED ASSETS:				
Gross block	359.72		260.89	
Less: Depreciation, obsolescence and amortisation	163.44		142.00	
Net block	196.28		118.89	
Capital work-in-progress / Advances	10.70		7.36	
		206.98		126.25
		175.26		153.24
INVESTMENTS				
CURRENT ASSETS, LOANS AND ADVANCES:				
Inventories	90.98		67.60	
Sundry debtors	338.64		270.11	
Cash and bank balances	33.84		122.16	
Other current assets	0.20		0.22	
Loans and advances	71.16		34.38	
		534.82		494.47
Less: CURRENT LIABILITIES AND PROVISIONS:				
Current liabilities	342.94		322.18	
Provisions	37.96		34.20	
	380.90		356.38	
Net current assets		153.92		138.09
		536.16		417.58

Note: Closing exchange rate considered for 1 USD as at 31st March, 2011 is ₹ 44.5950 and as at 31st March, 2010 is ₹ 44.90.

STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11		2009-10	
	USD million	USD million	USD million	USD million
INCOME:				
Sales and services	1377.30		1155.33	
Less: Excise duty	71.33		48.61	
Sales and services (net)		1305.97		1106.72
Other income		21.08		17.68
		1327.05		1124.40
EXPENDITURE:				
Manufacturing, construction and operating expenses	915.78		758.82	
Staff expenses	68.06		53.57	
Selling and administration expenses	117.50		114.67	
Interest expenses	4.54		4.19	
Depreciation, obsolescence and amortisation	17.75		10.87	
		1123.63		942.12
PROFIT BEFORE TAX AND EXTRAORDINARY ITEM		203.42		182.28
Provision for:				
Current tax	53.48		57.35	
Deferred tax	(2.42)		4.08	
		51.06		61.43
PROFIT AFTER TAX AND BEFORE EXTRAORDINARY ITEM		152.36		120.85
Extraordinary item (net of tax expense USD nil)		-		8.46
PROFIT AFTER TAX AND EXTRAORDINARY ITEM		152.36		129.31
Balance brought forward from previous year		289.48		192.92
Amounts transferred on amalgamation of a subsidiary:				
(a) Balance of Profit and loss account as on 1st April, 2009	0.79		-	
(b) Profit after tax for the financial year 2009-10	0.93		-	
		1.72		-
PROFIT AVAILABLE FOR APPROPRIATION		443.56		322.23
Transfer to General reserve		15.36		12.99
PROFIT AVAILABLE FOR DISTRIBUTION		428.20		309.24
1st Interim dividend		11.26		6.14
2nd Interim dividend		11.26		10.75
3rd Interim dividend		8.45		-
Corporate dividend tax		5.11		2.87
BALANCE CARRIED TO BALANCE SHEET		391.12		289.48
Earnings per share before extraordinary item (basic and diluted) (In USD)		0.24		0.19
Earnings per share after extraordinary item (basic and diluted) (In USD)		0.24		0.20

Note: Average exchange rate considered for 1 USD in 2010-11 is ₹ 45.5712 and in 2009-10 is ₹ 47.7446.

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31-03-2011		As at 31-03-2010	
	Euro million	Euro million	Euro million	Euro million
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS:				
Share capital	20.24		21.22	
Reserves and surplus	343.28		270.71	
		363.52		291.93
LOAN FUNDS:				
Secured loans	1.30		2.29	
Unsecured loans	0.82		2.14	
		2.12		4.43
DEFERRED TAX:				
Deferred tax liabilities	16.57		14.56	
Less: Deferred tax assets	4.97		0.76	
		11.60		13.80
		377.24		310.16
APPLICATION OF FUNDS				
FIXED ASSETS:				
Gross block	253.10		193.78	
Less: Depreciation, obsolescence and amortisation	115.00		105.47	
Net block	138.10		88.31	
Capital work-in-progress / Advances	7.52		5.46	
		145.62		93.77
INVESTMENTS		123.32		113.82
CURRENT ASSETS, LOANS AND ADVANCES:				
Inventories	64.01		50.21	
Sundry debtors	238.27		200.63	
Cash and bank balances	23.81		90.74	
Other current assets	0.14		0.16	
Loans and advances	50.07		25.54	
		376.30		367.28
Less: CURRENT LIABILITIES AND PROVISIONS:				
Current liabilities	241.29		239.31	
Provisions	26.71		25.40	
	268.00		264.71	
Net current assets		108.30		102.57
		377.24		310.16

Note: Closing exchange rate considered for 1 Euro as at 31st March, 2011 is ₹ 63.3825 and as at 31st March, 2010 is ₹ 60.45.

STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11		2009-10	
	Euro million	Euro million	Euro million	Euro million
INCOME:				
Sales and services	1037.24		817.55	
Less: Excise duty	53.72		34.40	
Sales and services (net)		983.52		783.15
Other income		15.88		12.51
		999.40		795.66
EXPENDITURE:				
Manufacturing, construction and operating expenses	689.67		536.97	
Staff expenses	51.26		37.91	
Selling and administration expenses	88.49		81.14	
Interest expenses	3.42		2.96	
Depreciation, obsolescence and amortisation	13.37		7.69	
		846.21		666.67
PROFIT BEFORE TAX AND EXTRAORDINARY ITEM				
		153.19		128.99
Provision for:	40.27		40.58	
Current tax	(1.82)		2.89	
Deferred tax		38.45		43.47
PROFIT AFTER TAX AND BEFORE EXTRAORDINARY ITEM				
		114.74		85.52
Extraordinary item (net of tax expense Euro nil)		-		5.98
PROFIT AFTER TAX AND EXTRAORDINARY ITEM				
		114.74		91.50
Balance brought forward from previous year		203.72		135.39
Amounts transferred on amalgamation of a subsidiary:				
(a) Balance of Profit and loss account as on 1st April, 2009	0.59		-	
(b) Profit after tax for the financial year 2009-10	0.70		-	
		1.29		-
PROFIT AVAILABLE FOR APPROPRIATION				
		319.75		226.89
Transfer to General reserve		11.57		9.19
PROFIT AVAILABLE FOR DISTRIBUTION				
		308.18		217.70
1st Interim dividend		8.48		4.34
2nd Interim dividend		8.48		7.61
3rd Interim dividend		6.36		-
Corporate dividend tax		3.85		2.03
BALANCE CARRIED TO BALANCE SHEET				
		281.01		203.72
Earnings per share before extraordinary item (basic and diluted) (in Euro)		0.18		0.13
Earnings per share after extraordinary item (basic and diluted) (in Euro)		0.18		0.14

Note: Average exchange rate considered for 1 Euro in 2010-11 is ₹ 60.5116 and in 2009-10 is ₹ 67.4706.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31-03-2011		As at 31-03-2010	
	USD million	USD million	USD million	USD million
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS:				
Share capital	28.77		28.57	
Reserves and surplus	705.55		529.18	
		734.32		557.75
MINORITY INTEREST		3.53		0.96
LOAN FUNDS:				
Secured loans	102.13		106.14	
Unsecured loans	3.33		5.43	
		105.46		111.57
DEFERRED TAX LIABILITIES		27.90		21.05
		871.21		691.33
APPLICATION OF FUNDS				
FIXED ASSETS:				
Gross block	847.73		664.98	
Less: Depreciation, obsolescence and amortisation	437.05		383.84	
Net block	410.68		281.14	
Capital work-in-progress / Advances	24.72		25.32	
		435.40		306.46
INVESTMENTS		151.30		123.29
DEFERRED TAX ASSETS		24.31		19.96
CURRENT ASSETS, LOANS AND ADVANCES:				
Inventories	266.68		227.03	
Sundry debtors	570.18		478.01	
Cash and bank balances	66.91		148.96	
Other current assets	11.55		5.10	
Loans and advances	104.88		54.45	
	1020.20		913.55	
Less: CURRENT LIABILITIES AND PROVISIONS:				
Current liabilities	663.63		591.70	
Provisions	96.37		80.23	
	760.00		671.93	
Net current assets		260.20		241.62
		871.21		691.33

Note: Closing exchange rate considered for 1 USD as at 31st March, 2011 is ₹ 44.5950 and as at 31st March, 2010 is ₹ 44.90

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11		2009-10	
	USD million	USD million	USD million	USD million
INCOME:				
Sales and services	2267.08		1963.68	
Less: Excise duty	71.59		49.14	
Sales and services (net)		2195.49		1914.54
Other income		25.06		23.03
		2220.55		1937.57
EXPENDITURE:				
Manufacturing, construction and operating expenses	1425.90		1214.08	
Staff expenses	259.19		233.14	
Selling and administration expenses	215.53		199.85	
Interest and commitment charges	7.73		8.96	
Depreciation, obsolescence and amortisation	42.49		32.48	
		1950.84		1688.51
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		269.71		249.06
Provision for:				
Current tax	64.32		65.71	
Deferred tax	3.70		10.74	
		68.02		76.45
PROFIT AFTER TAX AND BEFORE EXTRA ORDINARY ITEMS		201.69		172.61
Minority interest in income		(0.08)		(0.53)
Share of profit / (loss) of associate companies		1.76		0.66
PROFIT AFTER TAX, MINORITY INTEREST AND SHARE OF PROFIT / (LOSS) IN ASSOCIATE COMPANIES, BEFORE EXTRAORDINARY ITEMS		203.37		172.74
Extraordinary items (net of tax expense USD nil)		(8.36)		7.37
NET PROFIT AVAILABLE FOR DISTRIBUTION		195.01		180.11
1st Interim dividend		11.26		6.14
2nd Interim dividend		11.26		10.75
3rd Interim dividend		8.45		-
Corporate dividend tax		5.13		2.95
BALANCE CARRIED TO BALANCE SHEET		158.91		160.27
Earnings per share before extraordinary items (basic and diluted)		0.32		0.27
Earnings per share after extraordinary items (basic and diluted)		0.30		0.28

Note: Average exchange rate considered for 1USD in 2010-11 is ₹ 45.5712 and for 2009-10 is ₹ 47.7446

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31-03-2011		As at 31-03-2010	
	Euro million	Euro million	Euro million	Euro million
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS:				
Share capital	20.24		21.22	
Reserves and surplus	496.41		393.05	
		516.65		414.27
MINORITY INTEREST				
		2.48		0.71
LOAN FUNDS:				
Secured loans	71.86		78.84	
Unsecured loans	2.35		4.03	
		74.21		82.87
DEFERRED TAX LIABILITIES				
		19.63		15.64
		612.97		513.49
APPLICATION OF FUNDS				
FIXED ASSETS:				
Gross block	596.45		493.92	
Less: Depreciation, obsolescence and amortisation	307.50		285.10	
Net block	288.95		208.82	
Capital work-in-progress / Advances	17.39		18.81	
		306.34		227.63
INVESTMENTS				
		106.45		91.58
DEFERRED TAX ASSETS				
		17.11		14.82
CURRENT ASSETS, LOANS AND ADVANCES:				
Inventories	187.63		168.63	
Sundry debtors	401.17		355.05	
Cash and bank balances	47.08		110.64	
Other current assets	8.12		3.78	
Loans and advances	73.80		40.45	
	717.80		678.55	
Less: CURRENT LIABILITIES AND PROVISIONS:				
Current liabilities	466.92		439.49	
Provisions	67.81		59.60	
	534.73		499.09	
Net current assets		183.07		179.46
		612.97		513.49

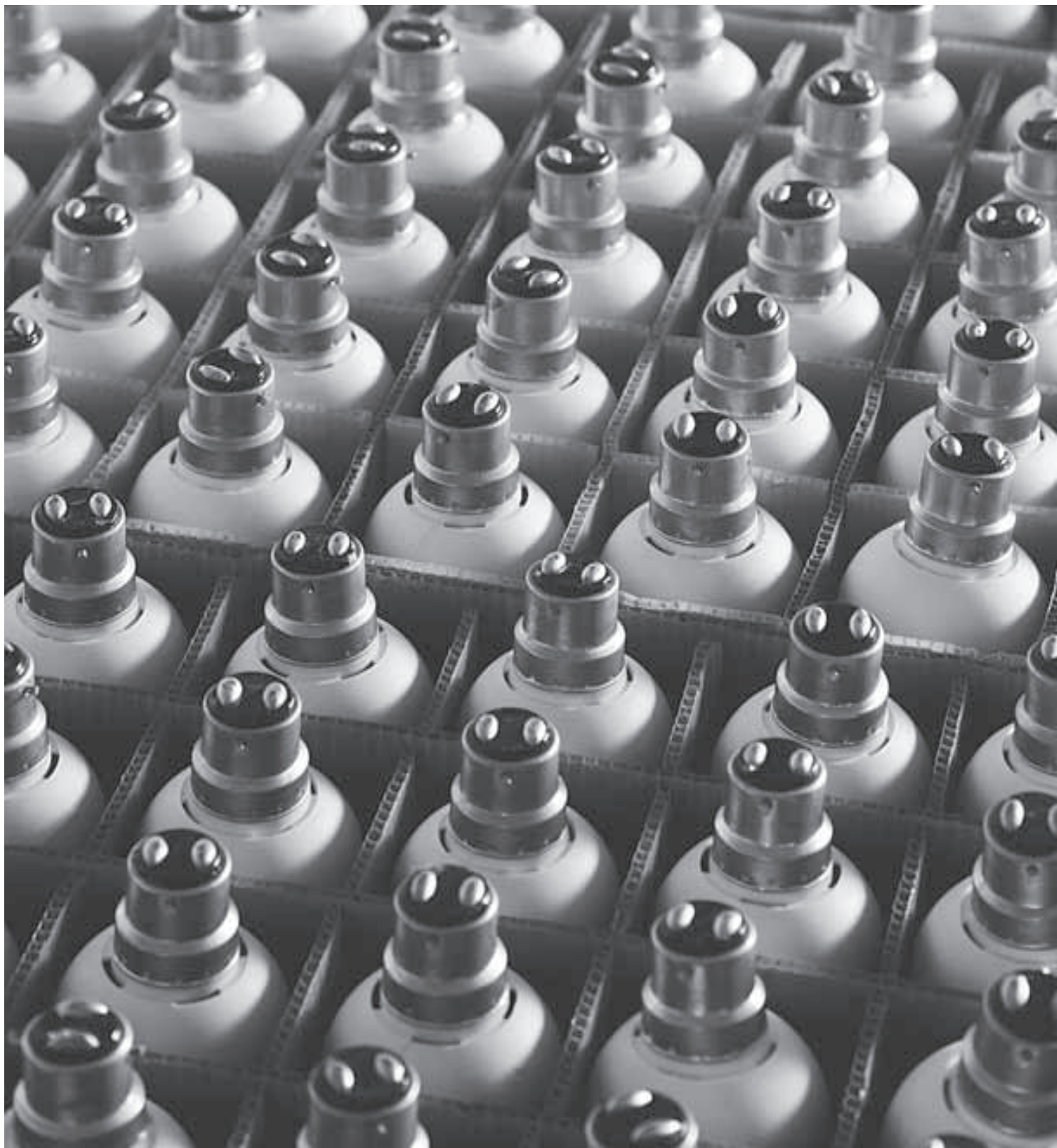
Note: Closing exchange rate considered for 1 EURO as at 31st March, 2011 is ₹ 63.3825 and as at 31st March, 2010 is ₹ 60.45

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11		2009-10	
	Euro million	Euro million	Euro million	Euro million
INCOME:				
Sales and services	1707.33		1389.57	
Less: Excise duty	53.91		34.78	
Sales and services (net)		1653.42		1354.79
Other income		18.87		16.30
		1672.29		1371.09
EXPENDITURE:				
Manufacturing, construction and operating expenses	1073.84		859.13	
Staff expenses	195.19		164.98	
Selling and administration expenses	162.32		141.42	
Interest and commitment charges	5.82		6.34	
Depreciation, obsolescence and amortisation	32.00		22.99	
		1469.17		1194.86
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		203.12		176.23
Provision for :				
Current tax	48.44		46.50	
Deferred tax	2.79		7.60	
		51.23		54.10
PROFIT AFTER TAX AND BEFORE EXTRA ORDINARY ITEMS		151.89		122.13
Minority interest in income		(0.06)		(0.38)
Share of profit / (loss) of associate companies		1.33		0.47
PROFIT AFTER TAX, MINORITY INTEREST AND SHARE OF PROFIT / (LOSS) IN ASSOCIATE COMPANIES, BEFORE EXTRAORDINARY ITEMS		153.16		122.22
Extraordinary items (net of tax expense EURO nil)		(6.30)		5.22
NET PROFIT AVAILABLE FOR DISTRIBUTION		146.86		127.44
1st Interim dividend		8.48		4.35
2nd Interim dividend		8.48		7.61
3rd Interim dividend		6.36		-
Corporate dividend tax		3.86		2.09
BALANCE CARRIED TO BALANCE SHEET		119.68		113.39
Earnings per share before extraordinary items (basic and diluted)		0.24		0.19
Earnings per share after extraordinary items (basic and diluted)		0.23		0.20

Note: Average exchange rate considered for 1 EURO in 2010-11 is ₹ 60.5116 and for 2009-10 is ₹ 67.4706

PRODUCTS
& SERVICES



POWER SYSTEMS

TRANSFORMERS: CG, INDIA

- Auto Transformers (up to 765kV)
- Distribution Transformers
- Energy Efficient Transformers
- Dry Type Transformers (Cast Resin & VPI)
- Locomotive Transformers
- Traction Transformers
- Furnace Transformers
- Rectifier Transformers
- Shunt Reactors (upto 765kV)
- Generator Transformers (up to 765kV)
- Systems Transformers
- Phase Shifting Transformers
- Mobile- Substation
- Earthing Transformers
- Isolation Transformers

SWITCHGEAR: CG, INDIA

- OIP – Instrument Transformers (CTs and IVTs) upto 550kV
- Current Transformers upto 550 kV
- Capacitive Voltage Transformer – 1200 kV
- Inductive Voltage Transformers up to 420kV
- OIP - Condenser Bushings upto 420 kV (IEC) & upto 138 kV (ANSI)
- Coupling/Grading Capacitors upto 420 kV
- Vacuum Circuit Breakers upto 36 kV
- Gas Circuit Breakers upto 800kV
- Lightning Arresters upto 1200 kV
- Disconnectors upto 420 kV
- Vacuum Interrupters upto 52 kV, 44 kA, 3150A
- LV & MV Vacuum Contactors upto 12kV, 630A
- LT STATCOM
- HT APFC – 12kV MSC
- LT APFC – LT MSC
- LT Active Harmonic Filters
- 12kV Automatic Vacuum Capacitor Switches
- Unitised Substation upto 12kV
- Numerical Relays
- SF6 Insulated Vacuum Ring Main Units upto 24kV
- Oil Ring Main Units upto 12kV
- Power Quality Products & Solutions – Reactive Power Compensators
Harmonic Filters & Automatic Vacuum Capacitor Switch upto 12kV,
Current Limiting & Damping Reactors, Transient suppressors
- Dry type outdoor Instrument Transformers upto 36 kV

ENGINEERING PROJECTS: CG, INDIA

Projects on turnkey basis from concept to commissioning:

- Turnkey Air Insulated Substation upto 765kV
- Turnkey Gas Insulated Substation upto 220kV
- Control and Automation Projects for Substations

POWER AUTOMATION SYSTEMS: CG, INDIA

- Protection Scheme for Line Distance Protection for Lines
- Protection scheme with Differential Relays for Transformer & Busbar
- Backup Protection scheme for Line and Transformer

- Control & Synchronising Scheme with Numerical Bay Control Unit
- Substation Automation Systems
- Remote Terminal Unit
- Solutions for SCADA, DMS and EMS

CG POWER SYSTEM SERVICE: CG, INDIA

- Site Services
- Repair & Refurbishment
- Condition Monitoring and Diagnostics of Power Apparatus

TRANSFORMERS: CG HOLDINGS BELGIUM NV

- Power Transformers (up to 500kV)
- Distribution Transformers (up to 34.5kV)
- Oil Filled Distribution Transformers
- Single phase transformers up to 100kVA and 36kV
- 3 phase transformers up to 5 MVA & 38 kV, filled with mineral oil, silicone oil, synthetic ester oils and vegetable oil
- Cast Resin Dry Type Transformers
- SLIM Transformers (up to 34.5kV)
- Phase Shifting Transformers
- Traction Transformers
- Mobile Transformers (up to 230kV)
- HVDC Converter Transformers
- Special Purpose Transformers
- Compact Substations
- Reactors
- Unit Substations, Micro Substations, Trafo box
Modular Distribution Transformer (up to 34.5kV)

SWITCHGEAR: CG HOLDINGS BELGIUM NV

- Porcelain housed surge arresters
- Polymeric housed surge arresters
- SF6 gas circuit breakers
- Three-phase enclosed compact GIS
- Single-phase enclosed GIS
- Disconnectors
- Current transformer
- Inductive voltage transformer
- Capacitor voltage transformer
- Station Class Surge Arresters

SERVICE DIVISION EMEA

CG HOLDINGS BELGIUM NV: Services Division

- Installation, Commissioning, Maintenance, Repair & Refurbishment of Transformers, OLTCS, GIS, AIS, Substations of own make & other brands
- Site intervention Services and Dedicated Workshop
- Oil and SF6 treatment
- Condition Based Monitoring
- Asset Assessment and Diagnostics
- Lifetime Extension Programs
- Substation Operations
- Customer training
- Dedicated Service Satellites in
 - Belgium (Mechelen, Charleroi)
 - France (Fécamp, Avignon)- CG Service Systems France SAS

- Hungary
- Kuwait
- Saudi Arabia

CG HOLDINGS BELGIUM NV: Systems Division

- High Voltage Transmission Systems Engineering
- Engineering Consultancy for transmission grid operators
- Turnkey AIS & GIS Transmission Projects up to 765 kV, including:
 - Rural Greenfield Electrification projects
 - Transmission Grid connections for On and Offshore windparks
 - Industrial HV & MV Substations Installations up to 765 kV
 - Modular HV and MV substations up to 220 KV
 - Mobile Substations and Capacitor Banks up to 220kV
 - Mobile HV Circuit Breakers up to 220 kV
 - Mobile MV Switchgear up to 220 kV
 - Transmission Line Projects up to 400 kV
 - Submarine & underground cable transmission projects up to 220 kV
- Transmission project asset leasing and renting
- Transmission MV and HV SCADA projects
- Substation refurbishment projects

CG ELECTRIC SYSTEMS HUNGARY ZRT.

Transformers Division

- High Voltage Power Transformers upto 765 kV
- Special Transformers & Reactors
- Loco Transformers
- Traction Transformers
- Mobile Transformers
- Bio-degradable filled Power Transformer
- Power Transformers (up to 500 MVA)
- Phase Shifting Transformers
- Special Purpose Transformers
- Track side Transformers

Switchgear Division

- SF6 Gas Circuit Breakers
- Gas Insulated Switchgear (GIS) up to 300 kV

Systems Division

- GIS and AIS Substations up to 750kV
- Industrial & Generation HV & MV Substations Installations up to 765 kV
- Transmission Line Projects up to 400 kV
- Submarine & underground cable transmission projects up to 220 kV
- Transmission project asset leasing and renting
- Transmission MV and HV SCADA projects
- Substation refurbishment projects.
- High Voltage Transmission Systems Engineering
- Engineering Consultancy for transmission grid operators

Service Division

Site erection and maintenance of Power transformers

AUTOMATION PRODUCTS CG AUTOMATION SYSTEMS

- Turnkey Control and Protection Systems
- Smart Grid Solutions
- Substation Control and Automation Systems
- Distribution Automation Systems

- Distribution Automation Controllers
- Self-healing Networks
- IEC61850 systems and IED integration
- Substation gateways
- SCADA Systems
- Protection & Control Design Services
- Remote Telemetry Units
- Wind SCADA
- MV Switchgear Actuator Mechanisms
- Data concentrators
- Protocol converters
- Protocol Development
- Bay Control Unit
- Power System Analysis
- IED integration units
- Turnkey Automation Systems

CG POWER SOLUTIONS USA INC:

- Engineering and EPC Projects for Transmission & Distribution Systems (5 – 765kV)
- Substations
- Flexible AC Transmission Systems (FACTS)
- Harmonic Filters
- Substation Automation
- Protective Relay Systems
- SCADA Systems
- Aerial Lines
- Underground Lines
- Renewable Energy Systems (Wind, Solar, Hydro, Geothermal)

CG POWER SOLUTIONS UK LIMITED:

- Provide Project Management, Engineering, Installation, Commissioning and SAP Operations services for Transmission, Distribution, Generation, Renewables, Panel Manufacture and LV Contracting Sectors
- Servicing of Transmission & Distribution Equipment
- Turnkey solutions, from design through to commissioning, for industrial schemes and EPC contracts

INDUSTRIAL SYSTEMS

HT MOTORS

HT & LT Induction Motor including safe area, flame proof, increased safety and non sparking industrial duty machines power range upto 12 MW, Polarity upto 20 poles, Voltage up to 13.2 KV and in frame Size 315 to 1120 in horizontal frame & 740 to 2500 frame size in vertical frame, Squirrel Cage and Slip Ring Induction motors in enclosure type TEFC, CACA, CACW, SPDP & TETV.

Synchronous machines from 1 MVA to 25 MVA in frame size 500 to 1120, upto 13.2 KV in enclosures type CACA, CACW & SPDP.

Industrial duty DC machines upto 2200 KW, in frame size from 315 to 710, Voltage upto 810 Volts, in enclosures type TEFC, CACA, CACW & SPDP

HT MOTORS: CG HUNGARY

- HT Slip Ring and Squirrel Cage Induction Motors power upto 25 MW, Polarity upto 24pole, voltage upto 13.2kV
- Synchronous Generators power from 1 MVA upto 70MVA, Voltage upto 13.2kV, Polarity upto 48pole
- A.C & D.C Traction motors
- Traction Alternators

RAIL TRANSPORTATION / TRACTION

- A.C & D.C Traction motors for AC Locos, Diesel Locos, EMUs & DEMUs
- Traction Alternators for Diesel Locos & DEMUs
- Electrical Traction Controls for Diesel Electric Tower Car and Multiple Units
- Brushless DC Carriage fans & Auxilliary motors
- Power and Auxiliary converter for electric locomotives
- Coach Inverter
- Train Control Electronics

RAILWAY SIGNALLING PRODUCTS

- Signalling Relays
- Point Machines
- Data Logger
- Digital Axle counter
- Integrated power Supply System

BATTERY POWERED VEHICLE

- Brushless DC Motors
- Controller

INDUSTRIAL DRIVES & AUTOMATION

- LV Drives Systems upto 5MW, Voltage upto 690VAC
- MV Drives upto 8MW, Voltage upto 11KV
- DC Drives System upto 5400KW, Voltage upto 1000VDC
- CG is into solution business for Sector wise application specific solutions & projects, including Inverter duty Transformer, Variable Frequency Drives, Switchgear Panels and Motors as complete package

LT MOTORS

- AC Motors Fr. 63 to 450 (0.18 kW – 470 kW)
- Squirrel cage & slipring Motors suitable for Safe Area & Hazardous Area
- DC Motors Fr. 100 to 315 (2.2 kW – 550 kW)
- Alternators Fr. 132 to 400 (5 kVA – 1010 kVA)
- Slipring Alternators from 5KVA to 82.5 KVA
- AC Drives 0.25 kW – 1.2 MW (415 & 690 Volts)

FHP/ COMMERCIAL MOTORS

- B42 , B48 Frame- 30 Watts - 370 Watts - 2 /4 /6 Pole Motors
- M50 Frame- 187 Watts - 1125 Watts - 2/4 Pole Motors
- 100S Frame- 1125 Watts - 2250 Watts - 4 Pole Motors
- 80-90-100-112-132 CI Frame-370 Watts-3750 Watts-4 Pole Motors
- Flame Proof Motors (FP50)- 370 Watts- 750 Watts- 4 Pole Motors
- 63-71-80 Aluminium Frame - 370 Watts - 750 Watts - 2/4 Pole Motors

STAMPINGS

- Stampings
- Laminations

CONSUMER PRODUCTS

LIGHTING

LAMPS

- Incandescent Lamps
- Fluorescent Tubular Lamps
- Halogen Lamps
- Mercury Sodium & Metal Halide Lamps
- Compact Fluorescent Lamps
- LEDs

LUMINAIRES & ACCESSORIES

- Domestic Luminaires
- Retail Lighting
- Office Lighting
- Street Lights
- Flood Lights
- High Masts
- Lighting Electronics & Gear
- Wiring Accessories
- Lighting Management Systems
- Integrated Security Systems & Home Automation

FANS

- Ceiling : Luxury Under light, Premium Fans, Decorative Fans & Generic Fans
- Table, Pedestal and Wall Mounting Fans in metal & plastic
- Domestic Exhaust Fans
- Cooler Kits
- Industrial Fans : Heavy Duty Exhaust Fans, Air Circulators & Air Curtains, Axial Flow Fans, Man Coolers & Centrifugal Blowers
- Special Purpose Fans : Personal Fans, Cabin Fans, Tower Fans & Ferrata

APPLIANCES

- Geysers: Instant Water Heater (Plastic/ Metal), Storage Water Heaters (Plastic/ Metal), Gas Geysers, Immersion Water Heater
- Household Appliances – Food Processors, Mixer Grinders, Juicer Mixer Grinders, Juice Extractor, Wet Grinders, Hand Blenders, Electric Kettle, Rice Cooker, Dry Irons, Steam Irons, Room Heaters, Lanterns, Toasters, Home UPS, Induction Cook Tops, Gas Stoves

PUMPS

- Electrically driven Pumps
 - Centrifugal Monoblock Pump sets-Single/Two Stage
 - Self Priming Pump sets – Monobloc/Coupled
 - Submersible Pump sets for 75, 78, 100, 150, 200 & 250 mm Borewells
 - Jet Centrifugal Pump sets – Single/ Multi Stage
 - Dewatering Pump sets
 - Vertical In Line Pump sets
 - Open well Submersible Pump sets
- Diesel Engines and Diesel Engine Pumps
- Petrol Kerosene Engine Pumps
- Compressor Pumps and Air Compressors
- Diesel Engine driven Pump sets
- Submersible Pumpsets-100MM with Oilfield Motors
- Cables suitable for submersible pumpsets 1.5 sq mm. to 10 sq mm
- 3 PH / 1 PH Control Panels for Submersible Motors
- Industrial Pumps- Horizontal Split case Pumps and End Suction Pumps

INTERNATIONAL

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