Crompton Greaves Limited
75th Annual Report

Smart solutions.
Strong relationships.

AVANTHA
GROUP COMPANY

Consolidated Financial Highlights 2011-12

NET SALES AND SERVICES

Rs. 11,249 crore

EARNINGS BEFORE INTEREST, DEPRECIATION, TAXES AND AMORTISATION

Rs. 856 crore

PROFIT BEFORE TAXES

Rs. 550 crore

PROFIT AFTER TAXES, MINORITY INTEREST & SHARE OF ASSOCIATES (NET)

Rs. 374 crore

RETURN ON CAPITAL EMPLOYED

12.9%

RETURN ON NET WORTH

10.5%

CONSOLIDATED NET SALES OF THE BUSINESS UNITS

Rs. 7,315 crore
Power Systems

Rs. 2,134 crore
Consumer Products

Rs. 1,820 crore
Industrial Systems

ONE CG. From generator to bulb, all

across the globe.

ONE CG. Smart solutions from design

SMART SOLUTIONS AND SMART SERVICES

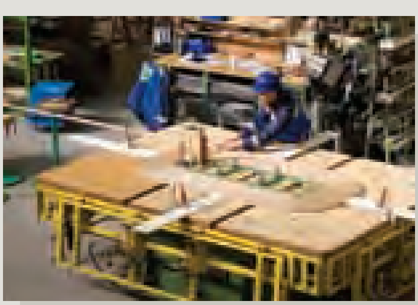
CG s Systems & Solutions business has uniquely packaged the competencies assimilated through separate acquisitions over the years to provide comprehensive turnkey solutions to its customers. CG s Service Division offers a complete suite of asset management and condition-monitoring solutions. Combined with leading-edge products, CG offers one-stop-shop solutions to utilities and industries for their power solutions needs, building trusted long-term relationships.

Power County wind farm, Idaho

CG Power Solutions USA executed CG's first end-to-end total solutions project comprising project development, engineering, procurement and construction (EPC) and site management of the Power County wind farm in Idaho, USA, with a total generating capacity of 45 MW. The project cost was USD 98 million and was totally funded by CG. Cutting-edge project management ensured timely delivery as per committed deadlines. At full capacity it will provide clean power to 45,000 homes in California and Washington States.

CG s service operations

Seen in the inset is the service of a shell transformer for Rio Tinto in Charleroi, Belgium. Eight layers of the windings were repaired in a record time of 14 weeks to the great satisfaction of the client.

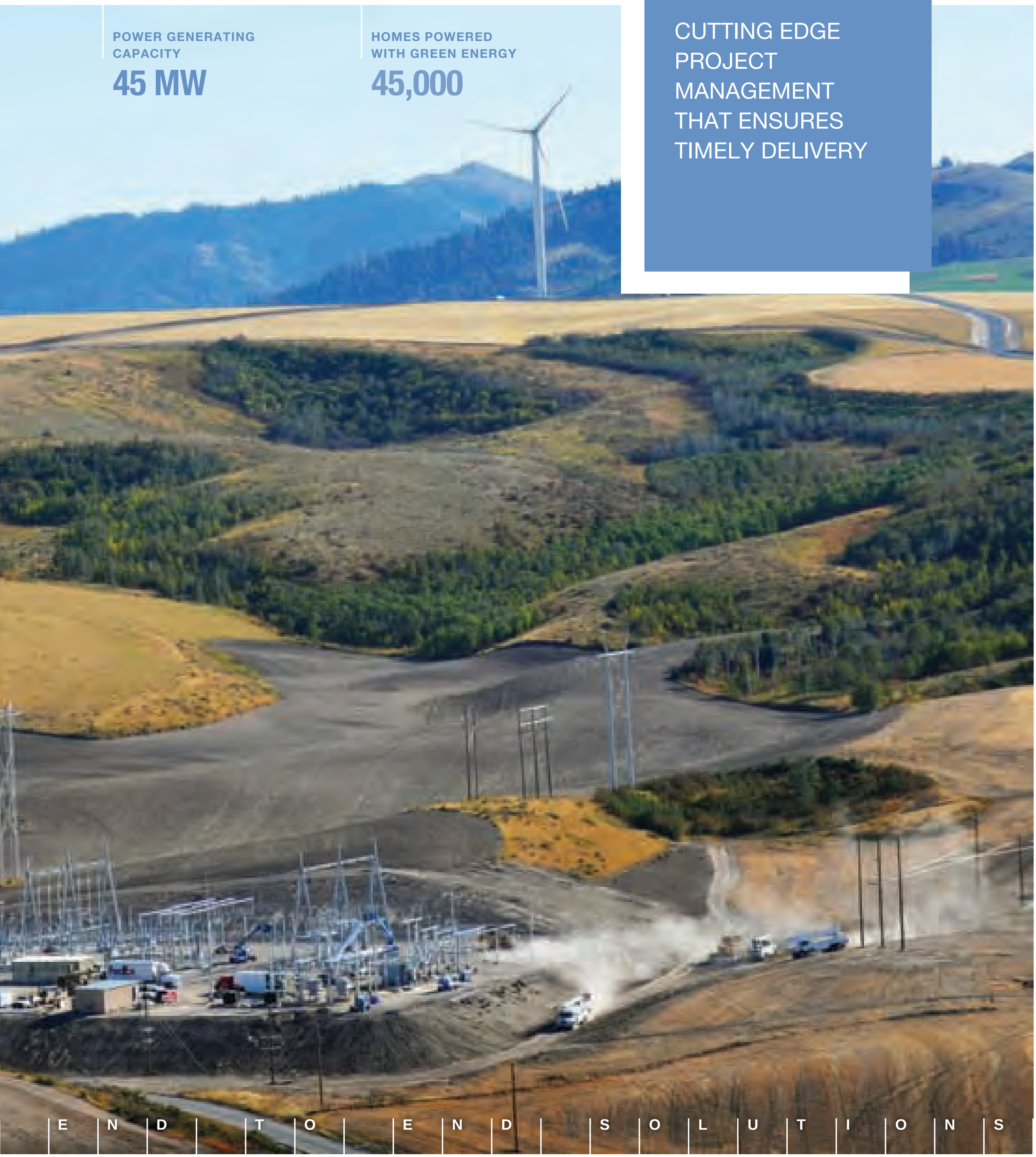


to maintenance.

POWER GENERATING CAPACITY
45 MW

HOMES POWERED WITH GREEN ENERGY
45,000

CUTTING EDGE PROJECT MANAGEMENT THAT ENSURES TIMELY DELIVERY



E N D T O E N D S O L U T I O N S

ONE CG. Smart solutions to connect

HOW WE RE BUILDING A SUSTAINABLE BUSINESS

The focus on energy generation from green sources has provided CG with another arena for the supply of our specialist design, installation and commissioning services. Our range of capabilities within the T&D networks allow us to provide a complete solution for the construction and supply of offshore sub-stations required for offshore wind parks and connections to the onshore grid, thus playing a vital role in the fight against climate change.

Belwind, Belgium

CG commissioned its first offshore sub-station in 2010 connecting a 165 MW wind-farm developed by Belwind, located 50 km offshore in the coastal waters of Belgium. With the success of this sub-station integration, CG has carved itself a niche within this market. CGs Systems divisions of Belgium & UK have come together to secure prestigious orders for a number of upcoming offshore wind-farms in Europe, including Humber Gateway (UK), Amrunbank and Butendiek (Germany).

Solar Farm, Niland USA

During the year, CG also executed engineering and commissioned supervision of its maiden 27.8 MW Solar power plant in Southern California, USA. CG has also developed and launched a new four winding transformer for the solar market.

with the green grid, on land or sea.

SEA DEPTH
AT SUB-STATION
15–37 mts

TRANSFORMER AT
MAIN SUB-STATION
151.5 tonnes

COMPLETE SOLUTIONS TO CONNECT OFFSHORE SUB-STATIONS TO THE ONSHORE GRID

ONE CG. Big is beautiful: How great

HIGH VOLTAGE. HIGH TECH.

CG has been in the forefront of technology development, with its enviable pool of talented engineers.

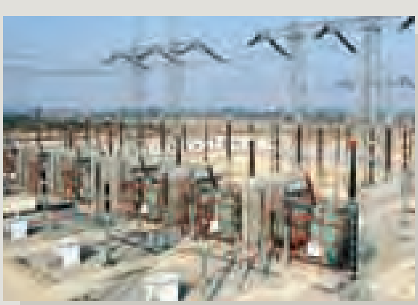
765 kV sub-station for UPPTCL, India

CG commissioned its first 765 kV sub-station (see inset image) for Uttar Pradesh Power Transmission Corporation (UPPTCL) in 2011-12. This is the highest operating voltage level presently used in India and facilitates power to be carried over longer distances at a low loss.

The 765 kV technology which was applied for the project, originally existed in the Hungarian plant of CG. It was successfully adapted to meet the requirement of the Indian markets. Engineering teams from Indian and Hungarian operations worked extensively to create efficient designs for this project.

1200 kV National Test Station for PGCIL, India

As a next step, CG has also partnered with Power Grid, India in developing its next generation of transmission voltages of 1200 kV UHVAC. The National Test Station at Bina is presently testing samples of grid hardware required for 1200 kV transmissions, from reputed manufacturers. CG has supplied three products to the Test Station a Transformer, a CVT and a Surge Arrestor. All have been successfully test charged.



power can travel great distances.

CG HAS BEEN IN THE FOREFRONT OF TECHNOLOGY DEVELOPMENT, WITH ITS ENVIABLE POOL OF TALENTED ENGINEERS

ONE CG. Emerging as a winner in the

SELLING INTO AND MANUFACTURING IN STRATEGIC MARKETS

CG s competitiveness arises from its presence in emerging markets whose rapid urbanization and industrialization fuel the demand for more efficient and innovative products. Besides being centres of global consumer demand, these serve as centres for cost efficient resources. These markets present CG with the necessary scale which gears us to provide efficient products at competitive prices.

CG already has plants in India, Indonesia and Hungary and is expanding and modernizing them. CG has established a new drives plant at Mandideep in India.

Guaiba, Rio Grande do Sul, Brazil

CG has entered the fast growing Latin American market through a Greenfield Power transformer plant of upto 100 MVA and an HT Switchgear plant at Brazil. Brazils operations commenced in 2011-12 with its first order for Switchgear delivered to CEMIG. The plant presently addresses assembly, distribution and providing technical assistance for EHV switchgear.

The inset below shows the interior of CGs new Brazil plant.

BRAZIL MARKET SIZE

USD 2.3b

INVESTMENT

USD 30m

world s emerging markets.

CG ALREADY HAS PLANTS IN INDIA, INDONESIA AND HUNGARY AND IS EXPANDING AND MODERNIZING THEM

ONE CG. Keeping pace with industrys

DRIVING PRODUCTIVITY FOR INFRASTRUCTURE

A government s need to provide world class infrastructure that keeps pace with economic growth presents a huge opportunity for CG to offer products and solutions in core infrastructure industries such as steel, cement, railways, power, oil and gas and others, thus playing a vital role in wealth creation for a country.

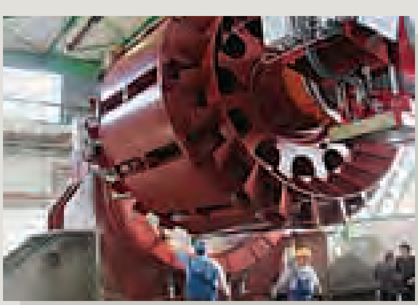
CG s motors and drives are extensively used in cement plants where, proper specification and timely supply is critical to project schedules. These motors and drives are extensively used to drive fans, rotate the kilns, transport materials, and propel the grinding of raw material.

Binani Cement Plant, India

Binanis Rajasthan plant uses CGs Slip ring motor in largest frame size BTPR900 frame, whilst CG has delivered the highest rating motor of 5.5 MW to Chettinad Cement in South India. Thus, today CG has the complete product portfolio for the cement industry in India.

Edison Power, Italy

CG Hungary manufactures large hydro generators that transform mechanical power from a hydraulic turbine into electric power. Seen in the inset is the making of a 19 MVA, 12 pole hydro generator for Edison Power, Italy.



electromotive needs.

LARGEST FRAME MOTOR SUPPLIED
BTPR900

COMPLETE RANGE FOR INDIAN MARKETS
upto 5.5MW

OFFERING PRODUCTS AND SOLUTIONS FOR CORE INFRASTRUCTURE INDUSTRIES

I N F R A S T R U C T U R E

ONE CG. Helping railway systems to

CREATING SOLUTIONS FOR A COUNTRY ON THE MOVE

Most large countries have wide spread railway transportation systems for faster and more efficient movement of people over large distances. The Indian railway network is the second largest in Asia and the fourth largest in the world.

CGs product portfolio is widely used by the Indian Railways. Power Systems supplies trackside & loco transformers and switchgear which are critical in regulating the voltage level of motors used in electric locomotives & railway electrification networks. Industrial Systems supplies traction motors, alternators, control electrics/electronics, point machines, signaling relays and coach products which are used in locomotives, driver consoles, signaling and track switching operations.

The recent entrant to the CG Group, CG Automation U.S. (formerly QEI) is an experienced supplier of SCADA systems, used by transportation utilities for maintaining traction power and managing rail traffic.

Aggregated, CG supplies a gamut of products which can start, control and stop a train.

Additionally, CGs lighting products light railway stations and fans cool the Indian commuter.

The images highlight CGs products used in the Delhi Metro network.

start, run and stop smartly.

POINT MACHINES ENSURING COMMUTER SAFETY
23

RELAY CONTROL SIGNALLING APPARATUS
1,000+

CG S PRODUCT PORTFOLIO IS WIDELY USED BY THE INDIAN RAILWAYS ACROSS VARIOUS SEGMENTS

T R A N S P O R T A T I O N

ONE CG. Technology for bright public

BRIGHT STREETS FOR AN INDIA THAT NEVER SLEEPS

Electric lighting burns up a significant part of the average home energy budget. The electricity used over the lifetime of a single incandescent bulb costs 5 to 10 times the original purchase price of the bulb itself. This increasing cost of energy, calls for energy efficient lighting, for use not only by consumers but also by industries to minimize production costs, increase profits, and stay competitive.

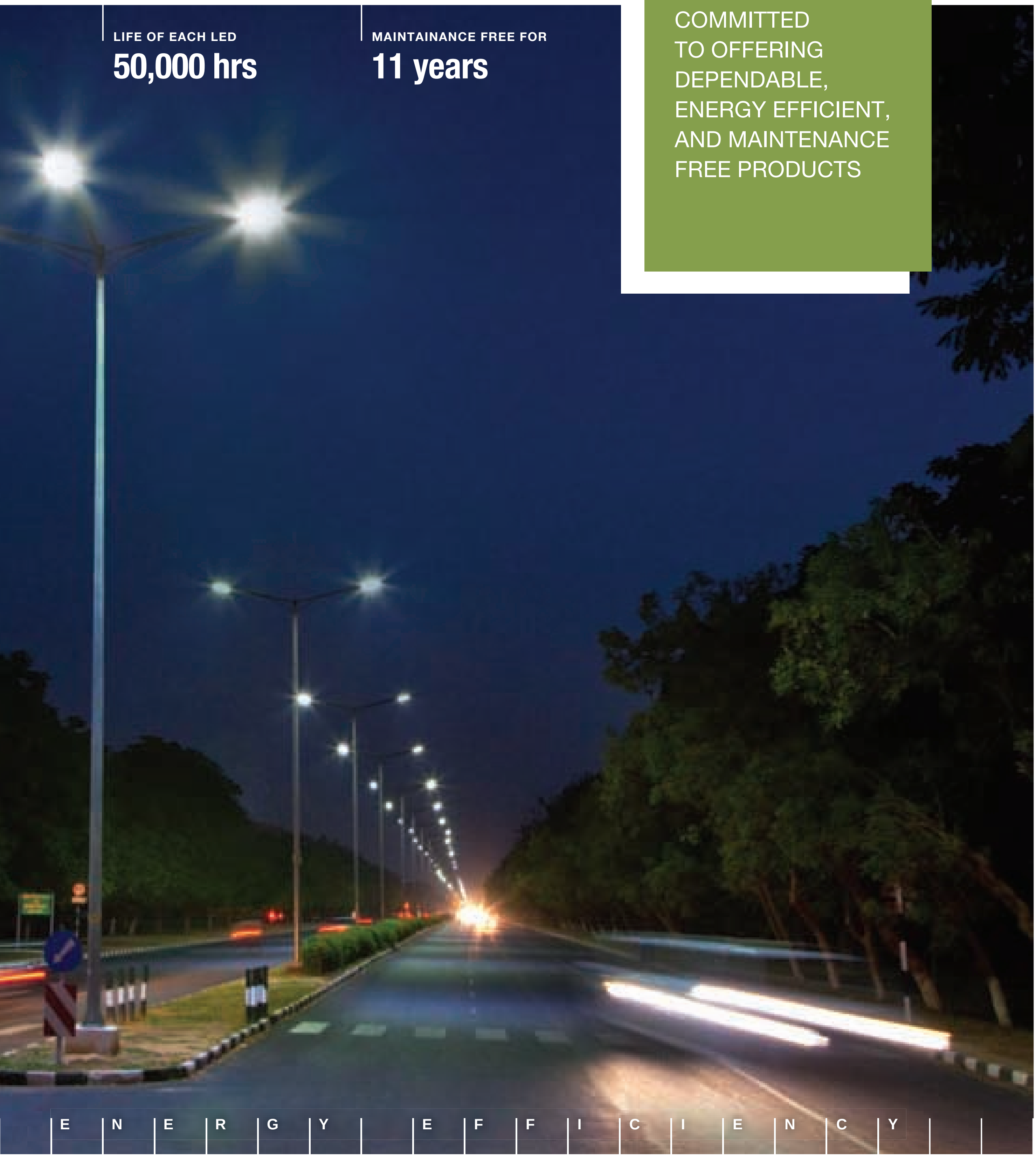
CG is committed to offering dependable, energy efficient, maintenance free products and has the largest number of 5-Star energy efficient consumer electric products in India, certified by Bureau of Energy Efficiency.

LED Street Lighting, Punjab

CG has executed a pilot LED street lighting project at Jan Marg Chandigarh (main image), by replacing high wattage Metal Halide lights (250W) with 90W low wattage LED Streetlights. This has encouraged other civic bodies to undertake large scale replacement of existing high wattage streetlights with LEDs. Following the successful implementation of this order, CG has received a major order for supply of 10,000 units of LED streetlights to various projects in Punjab, India.

LED lighting at Hyderabad Airport, India is shown in the inset image.

spaces, lower public expenditure.



LIFE OF EACH LED
50,000 hrs

MAINTAINANCE FREE FOR
11 years

COMMITTED TO OFFERING DEPENDABLE, ENERGY EFFICIENT, AND MAINTENANCE FREE PRODUCTS

E N E R G Y E F F I C I E N C Y

Corporate Information

BOARD OF DIRECTORS

CHAIRMAN
G Thapar

VICE CHAIRMAN
SM Trehan

CEO & MANAGING DIRECTOR
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

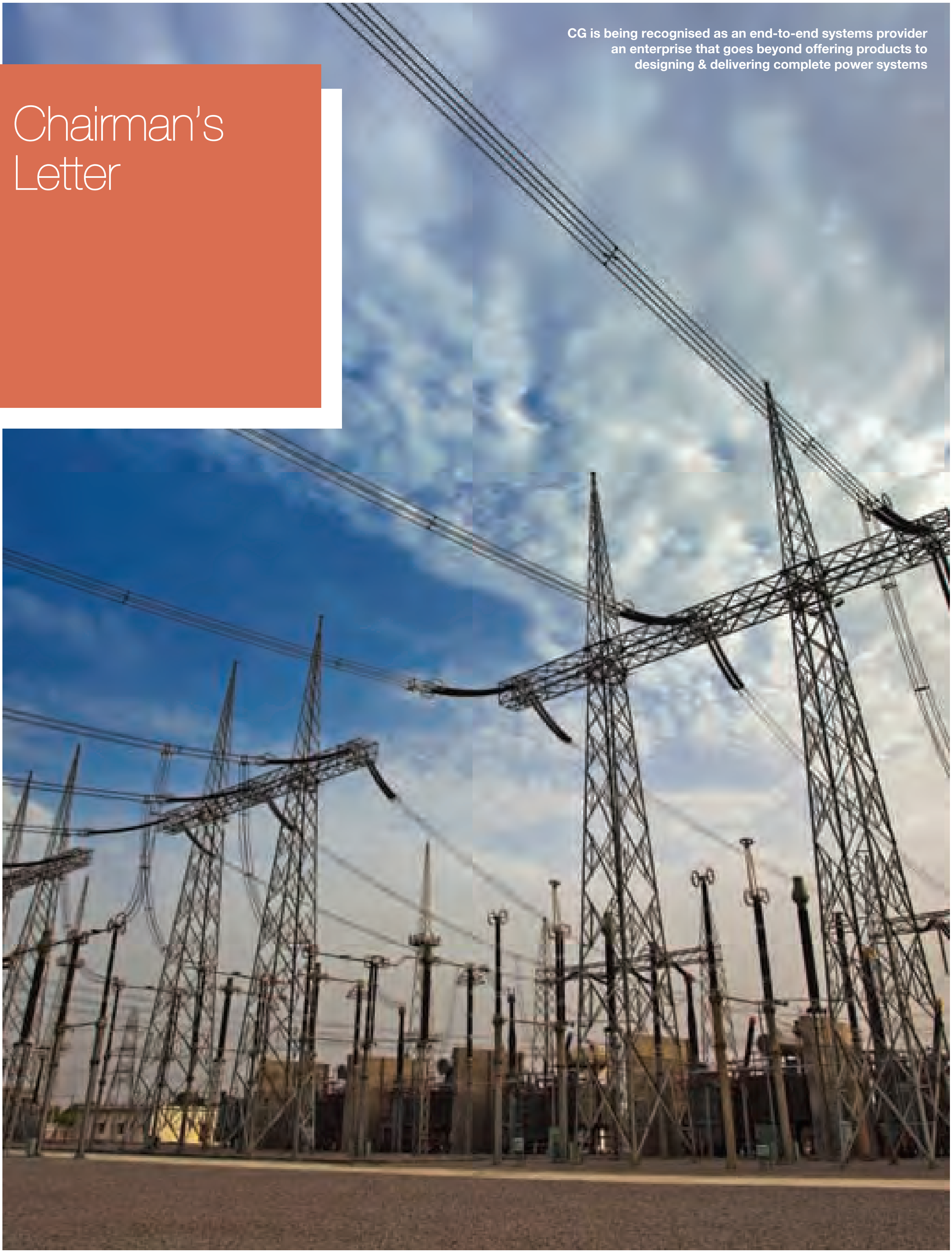
Union Bank of India
IDBI Bank Ltd
State Bank of India
ICICI Bank Ltd
Corporation Bank
The Royal Bank of Scotland NV
Canara Bank
Standard Chartered Bank
Bank of Maharashtra
Credit Agricole CIB
Yes Bank Ltd.

REGISTERED OFFICE

6th Floor, CG House,
Dr. Annie Besant Road,
Worli,
Mumbai 400 030

Mr Gautam Thapar (left)
with Mr L Demortier

Chairman's Letter



CG is being recognised as an end-to-end systems provider an enterprise that goes beyond offering products to designing & delivering complete power systems

Dear Shareholder,

The history of all growing global corporations is replete with instances when events have required a strategic change of gear. FY2012 was such a time for your Company. After a decade of rapidly growing revenues, EBIDTA, EBIT and PAT that made Crompton Greaves the cynosure of many eyes, there was a sudden break in the momentum. Why did this happen? And, more importantly, where do we go from here?

Before I answer these questions, let me share some facts. Despite the slowdown in growth and profits, your Company's consolidated net sales and income from services grew by over 12% to Rs.11,249 crore in FY2012, or over US$ 2.3 billion. The unexecuted order book as on 31 March 2012 was up by 16.7% and stood at Rs.8,368 crore. Crompton Greaves still earned EBIDTA of Rs.856 crore in FY2012; PBT of Rs.550 crore; and PAT of Rs.374 crore. Despite the return on capital employed (ROCE) being less than in the past, the fact is that your Company's ROCE remains in the top quartile among comparable players in India and the rest of the world.

So, what Crompton Greaves witnessed in FY2012 was a brake. It was not a dramatic decline to negative territory.

To return to my first question: why did it happen? The reduction in profitability was mostly on account of CG Power Systems. It occurred due to four factors.

First, intensified global competition. In the last eighteen months, power equipment prices came under severe pressure with many Chinese and South Korean manufacturers attempting to increase capacity utilisation by offering rock-bottom quotes to major global customers. The good news is that such intense competition may have passed. Buyers have understood which players can deliver quality, and those who cannot.

Equally, it is important to note that no power equipment manufacturer or solutions provider will enjoy the kind of prices and margins that were the norm for half a decade leading up to FY2010. Companies will have to be more productive and competitive; and focus on bundling equipment as a part of selling end-to-end solutions. Your Company is no exception to this reality.

Second, increasing raw material costs, which rose at rates much higher than finished goods prices, especially for copper and steel. Consequently, all companies witnessed increases in their material-to-sales ratio (MSR). As I write, it looks as if the growth in MSR has played out, and there are beginnings of a moderate decline in the ratio.

Third, many power transmission and distribution customers were not taking delivery of their transformers or sub-stations, usually on account of uncertainties and also cash problems. This was particularly true in Europe and North America. It blocked scarce factory space, did not allow for revenue recognition, and extended the working capital cycle, with its attendant costs.

Fourth, CG Power had certain internal issues regarding work flow at some of its facilities. From the last quarter of FY2011 and through the first three quarters of FY2012, these led to blocking of lines and higher costs which affected EBIDTA. The problems have been identified and will be solved in FY2013.

Despite these constraints, there were many successes. Let me highlight a few for the power business, which accounted for 65% of your Company's consolidated top line.

- In FY2012, CG Power India's plant at Mandideep, near Bhopal delivered to the Power Grid Corporation of India Limited (PGCIL) (i) three 765 kV 500 MVA transformers; (ii) 30 units of 80 MVAr 765 kV shunt reactors; and (iii) two 110 MVAr 765 kV shunt reactors. During the year, for the 765 kV category, PGCIL alone has given orders to CG Power India for 28 units of 500 MVA 765 kV power transformers, and 10 units of 80 MVAr 765 kV shunt reactors.

- The switchgear division of CG Power India successfully test charged the first 1200 kV capacitive voltage transformer (CVT) for PGCIL at Bina, Madhya Pradesh; and it successfully erected and tested the first 1200 kV surge arrester, also at Bina.

- Six 765 kV power transformers manufactured by PT-Hungary, CG's power transformer facility at Tapioszele, are now operational at different sites.

Distribution transformer business in USA won over 50% of the solar market share in the USA

- In less than a year, the distribution transformer business in the USA won over 50% of the solar market share in the country.

Similarly, notwithstanding more muted performance from your Company's two other strategic business units, Industrial Systems and Consumer Products both on account of higher competition and rise in raw material prices — each has had significant successes. For instance, Industrial Systems successfully produced several new models of large motors in its rotating machine plants at Hungary and at Mandideep for the Middle East, Russia, the UK, Egypt and India. It produced best-in-class synchronous generators for France and Italy. And its facility in Sweden developed and supplied a new series of drives for the German market. CG Global R&D and traction team developed IGBT-based auxiliary convertors, to be used in AC locomotives for Indian Railways.

I urge you to read the chapter on Management Discussion and Analysis in this Annual Report for greater details.

This brings me to my second question: Where do we go from here?

The solution is clear. Your Company has to rapidly leverage its global synergies to offer top class systems and solutions for its users. To do this, it has to be One CG. Fast CG. Lean CG'.

I believe that there are significant opportunities out of being a globally recognised and respected company catering to key emerging economies and some key developed markets. These geographies are not only witnessing rapid growth in the need for power systems, industrial systems and consumer products, but also demanding more complex solutions. Your Company has considerable competitive advantage in electro-mechanical products, which enjoy strong demand across these markets. When these are combined to create end-to-end solutions and systems, the offerings will be compelling and competitive.

In the power business, your Company is clearly getting there. Here are some examples of success.

- Eon's Humber Gateway wind-farm project. You may recall that in 2010, CG installed and commissioned its first off-shore sub-station Belwind, a 165 MW wind-farm located 50 km in the coastal waters of Belgium. In FY2012, CG Power Solutions UK and CG Systems Belgium won the order to set up the offshore and onshore sub-stations at the Humber estuary, off the coast of Yorkshire in the UK. The offshore sub-station will connect 73 wind turbines of 3 MW each, or 219 MW in total, with power of 280 MVA. The project is worth £46 million. CG products used in the project will be power transformers, reactors and distribution transformers, 132kV GIS switchgears, and automation and control systems.

- There are other offshore wind-farm projects as well, such as Amrumbank West and Butendiek, on the German North Sea, and Northwind, also in North Sea, off the Belgian coast. These projects are not only increasing CG's 'systems reputation' but also creating a pull-through for CG products.

- CG's renewables business generated global revenue of around 270 million in FY2012, 61% of which was accounted for by systems and solutions. Your Company now has a very healthy and growing renewables project pipeline, comprising both wind and solar.

- In FY2012, the Engineering Projects Division (EPD) of CG Power India showed 102% growth in order intake and 61% growth in net sales. It successfully executed several key projects, such as: (i) commissioning a 765 kV /400 kV sub-station for the Uttar Pradesh Power Transmission Corporation Limited at Unnao, in a record time of 14 months; (ii) commissioning four sub-stations for PGCIL, each well ahead of schedule; (iii) booking its first PGCIL order for a 765 kV / 400 kV sub-station valued at Rs.145 crore. The division accounted for 18% of the total order intake of CG Power India. This would have been inconceivable two years earlier, and demonstrates the power of providing end-to-end systems and solutions across all businesses and geographies.

More needs to be done. Motors need to be integrated with variable speed drives. We must rapidly expand our footprint in automation. We must leverage R&D more than ever before.

All this requires us to completely eschew notions of geographic and plant-centric silos. Your Company has to be 'One CG' — which

CG has to rapidly leverage its global synergies to offer top class systems and solutions for its users. To do this, it has to be One CG. Fast CG. Lean CG

leverages the right resources and the right skills to produce the best possible product or solution for selling anywhere. The DNA of selling must be one where the customers come first; not where the factory is.

Your Company has to be a 'Fast CG'. Businesses come from geographic regions. Therefore, your Company has been restructured according to six areas: South East Asia, India, Middle East and Africa, Europe and Russia, North America and Latin America. Businesses come from different sectors. Consequently, CG is also being organised along clearly defined business verticals such as renewables, oil and gas and mining, both within and across the SBUs. 'Fast CG' requires your Company to react very quickly to the business opportunities — be these geographic or sector-specific — and allocate the task of execution to the team or plant that can best do it, and as quickly as it can.

'Lean CG' requires global best practices in sourcing; outstanding shop-floor capabilities and processes; significant increases in manufacturing efficiency and throughput; plus substantial improvements in key capacities, whether these be through new greenfield facilities or via acquisitions.

Have we got there yet? The answer is 'No'. But I am convinced, along with your Board of Directors and your Company's senior management team, that no effort will be spared to create a well oiled customer-delighting CG one that supplies solutions, systems and products in a seamlessly unified manner across the globe. The change has already begun. It will take some time but we will get there.

Why am I so hopeful? Because I have closely seen the sea changes that have occurred within your Company even in the last decade when it transformed from being a largely India-oriented player to Indian corporation with an international business. We now need to make the full transition to being a global corporation, that is respected by its customers and peers. I have witnessed what your Company's employees are capable of delivering. I have seen how they can collaborate and innovate to produce successes. And I have seen their pride and hunger for winning. So, I have little doubt that we will be able to successfully execute One CG. Fast CG. Lean CG'.

While FY 2012 was a difficult year, the re-modelling has begun. Bear with CG, because the platform for creating a global enterprise has commenced. One that will make all of us prouder than ever before.

Thank you all for your support.

Yours,

Gautam Thapar
Chairman

Executive Committee

As at 25th May 2012

W Henriques

Executive Vice President, General Counsel, Company Secretary and Global Head - Human Resources

D Patil

Executive Vice President and President

POWER BUSINESS UNIT

M Verma

Executive Vice President and President

CONSUMER BUSINESS UNIT

L Demortier

CEO and Managing Director

A Raina
Executive Vice President
and President
INDUSTRIAL BUSINESS UNIT

J Kulkarni
Executive Vice President
and President
CG INDIA

M Acharya
Executive Vice President
and Chief Financial Officer

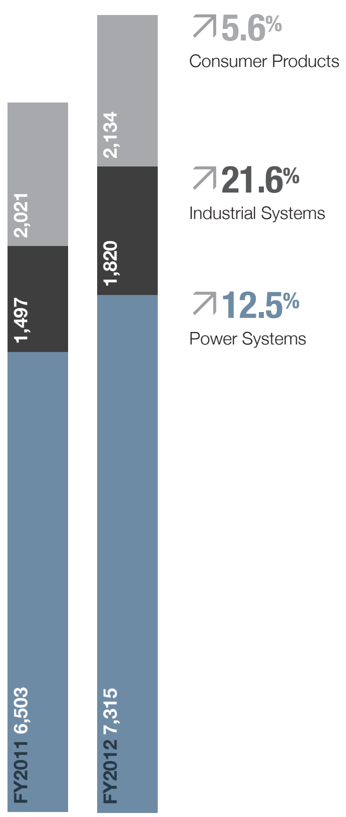
Management Discussion & Analysis

The Switchgear Division developed and type tested its 420 kV, 4500A, 50 kA spring-spring operated circuit breaker and its 800kV variant at KERI, Republic of Korea

Rs.1 crore is Rs.10 million. | FY2012 stands for fiscal year 2011-12, i.e. from 1 April 2011 to 31 March 2012. Analogously, FY2011 and other fiscal years. | All figures in US$ for FY2012 are translated at an average exchange rate of US$1 = Rs.48.1233. For FY2011, these are translated at US$1 = Rs.45.5712. | All figures in € for FY2012 are translated at an average exchange rate of €1 = Rs.66.1764. For FY2011, these are translated at €1 = Rs.60.5116.

With a global turnover in FY2012 of over US$ 2.4 billion, Crompton Greaves Limited (CG or the Company) has manufacturing, solutions and services facilities in Belgium, Brazil, Canada, Hungary, Indonesia, Ireland, France, the UK, the USA, Saudi Arabia, Sweden, in addition to over 14 manufacturing and design locations in India. Employing approximately 9,000 people from different nations across the world, CG is a multinational, multi-product, multi-solutions and multi-services company. Though diversified and differentiated, the Company is bound by the objective of 'One CG' — a unified entity offering solutions, products and services to create customer delight though best-in-class global excellence.

CHART A
NET REVENUE FROM THE KEY BUSINESSES in Rs. crore



Note There is a minor and non-material discrepancy between the total consolidated turnover that can be calculated from Chart A and the total given in the box on right as well as the financials. That is on account of a small fourth category under Others .

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

Power Systems

- At Rs.7,315 crore in FY2012, power systems accounted for 65% of CG's consolidated net revenues.
- It has overseas facilities at Mechelen and Charleroi (Belgium), Rio Grande do Sul (Brazil), St. Leonard (France), Cavan and Dublin (Ireland), Tapioszele (Hungary), Jarrow and Stockport (UK), Winnipeg (Canada), Washington (Missouri, USA), Springfield (New Jersey, USA), Albany, Arizona, Connecticut, Florida, Idaho, Maryland, Pennsylvania, Rhode Island and Texas (USA), Saudi Arabia and Bogor (Indonesia).
- Has Indian facilities at Kanjur Marg (Mumbai), Malanpur and Mandideep (Madhya Pradesh), Nashik and Aurangabad (Maharashtra), Bangalore (Karnataka) and Gurgaon (Haryana).

Industrial Systems

- Net revenue in FY2012 was Rs.1,820 crore, or 16% of CG's consolidated top-line.
- Has facilities at Tapioszele (Hungary), Helsingborg (Sweden), Mandideep and Pithampur (Madhya Pradesh), Kanjur Marg (Mumbai, Maharashtra), Ahmednagar (Maharashtra) and Colvale and Kundaim (Goa).

Consumer Products

- Earned net revenue of Rs.2,134 crore in FY2012, and accounted for 19% of CG's consolidated net revenue.
- Has facilities at Bethora and Kundaim (Goa), Baddi (Himachal Pradesh), Kanjur Marg (Mumbai), Ahmednagar (Maharashtra), and Vadodara (Gujarat).

BUSINESS PERFORMANCE FY2012

The key performance highlights of the Company for FY2012 are given to the right. Chart A tracks the net revenue growth of the three key businesses Power Systems, Industrial Systems and Consumer Products.

CG POWER SYSTEMS

CG Power Systems (or CG Power) represents the Company's global transmission, distribution, power solutions and services businesses, and is the largest SBU. It manufactures power transformers, distribution transformers, extra high voltage (EHV) and medium voltage (MV) circuit

CONSOLIDATED FINANCIAL HIGHLIGHTS

NET SALES AND SERVICES IN RS. CRORE

10,005	11,249	↗12.4
In FY2011	In FY2012	Percent

Thus, the Company s net turnover rose to over US$ 2.3 billion.

EARNINGS BEFORE INTEREST, DEPRECIATION, TAXES, AND AMORTISATION IN RS. CRORE

1,443	856	↘40.7
In FY2011	In FY2012	Percent

Because of increased pricing pressure for power sector products and rising manufacturing costs particularly in some overseas locations, earnings before interest, depreciation, taxes, and amortisation (EBIDTA) reduced by 40.7%.

PROFIT BEFORE TAXES IN RS. CRORE

1,229	550	↘55.3
In FY2011	In FY2012	Percent

Profit before taxes (PBT) fell by 55.3%, from Rs.1,229 crore in FY2011 to Rs.550 crore in FY2012.

PROFIT AFTER TAXES IN RS. CRORE

927	374	↘59.7
In FY2011	In FY2012	Percent

Profit after taxes net of minority interests and share of profit/loss of associate companies, but excluding extraordinary items (or PAT) reduced by 59.7%.

RETURN ON CAPITAL EMPLOYED IN PERCENT

33.1	12.9	↘20.2
In FY2011	In FY2012	Percent Points

Despite the fall, the Return on capital employed (ROCE) still remains in the top quartile among comparable players in India and the rest of the world.

EARNINGS PER SHARE IN RS.

14.45	5.82	↘59.7
In FY2011	In FY2012	Percent

Earnings per share (EPS) excluding extraordinary items reduced from Rs.14.45 in FY2011 to Rs.5.82 in FY2012.

UNEXECUTED ORDER BOOK IN RS. CRORE

7,169	8,368	↗16.7
In FY2011	In FY2012	Percent

The unexecuted order book as on 31 March 2012 stood at Rs.8368 crore. This was up by 16.7% over the previous year.

Note All figures in US$ for FY2012 are translated at an average exchange rate of US$1 = Rs.48.1233. For FY2011, these are translated at US$1 = Rs.45.5712. Figures for FY2011 have been regrouped wherever necessary in order to make them comparable with those of FY2012.

The M7 Large Machine plant at Mandideep, which manufactures large and traction motors, won the Frost & Sullivan s Gold Award for Manufacturing Excellence

TABLE 1
CONSOLIDATED FINANCIAL PERFORMANCE, CG POWER
Year ended 31 March

	In FY2011	In FY2012	Change
NET SALES IN RS. CRORE	6,503	7,315	↗12.5 Percent
EBIDTA IN RS. CRORE	937	401	↙57.3 Percent
EBIT IN RS. CRORE	807	239	↙70.3 Percent
CAPITAL EMPLOYED IN RS. CRORE	2,159	2,569	↗19.0 Percent
ROCE IN PERCENT	37.4%	9.3%	↙28.1 Percent points
UNEXECUTED ORDER BOOK IN RS. CRORE	6,565	7,832	↗19.3 Percent

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

breakers, switchgears, EHV instrument transformers, lightning arrestors, isolators and vacuum interrupters. It provides turnkey solutions for transmission and distribution (T&D) through custom-made sub-station projects, engineering, procurement and construction (EPC) as well as other integrated end-to-end contracts that involve solutions, design, products, procurement, construction, erection and servicing. CG Power's facilities abroad and in India have been listed earlier; a more detailed listing is found at the end of this annual report.

Consolidated Financial Performance

The key consolidated performance of CG Power is given in Table 1. As the table shows, while the SBU benefited from a healthy growth in net sales and a significant increase in the unexecuted order book (UEOB), its profitability was affected in FY2012. The reasons are given later in the chapter.

- Net sales of CG Power grew by 12.5% to Rs.7,315 crore in FY2012.
- EBIDTA fell by 57.3% to Rs.401 crore in FY2012, and EBIT by 70.3% to Rs.239 crore.
- There was a 19% increase in capital employed to Rs.2,569 crore. This was mostly due to additional investments, as well as some key customers not taking delivery of successfully tested orders on due dates, which tied up working capital.
- As on 31 March 2012, the UEOB was up by 19.3% to Rs.7,832 crore.

CG Power Overseas: Financial Performance

The financial performance of the CG Power Overseas is given in Table 2.

CG Power India: Financial Performance

Table 3 gives the key financial performance indicators for FY2011 and FY2012.

As Tables 2 and 3 indicate, despite double-digit growth in the top-line a creditable achievement given the difficult global economic scenario both the overseas and India-based CG Power businesses have been affected by lower profits. There are four reasons for this which need explaining. Three of these are external to the Company, and one is internal.

- First, the markets in FY2012 were more competitive than ever before. Prices came under pressure because of competition from some Chinese and South Korean manufacturers who were eager to increase the line-utilisations by offering rock-bottom prices to the major global buyers of T&D equipment. All T&D suppliers had to respond to the lower prices, if only to maintain their market shares. CG was no exception. The positive news is that the period of intense competition, which began in FY2011 and continued through much of FY2012, seems to be a thing of the past. Buyers have understood which global players can deliver quality on-time and without re-work. Prices have begun to gradually firm up. Having said that, it is unlikely that any supplier can get the prices and margins that were readily available up for a four to five year period upto FY2010. Every player in the space will need to be more productive; more competitive; and learn how to bundle attractive solutions instead of selling discrete equipment.

- Second, from FY2011 right up to the third quarter of FY2012, raw material costs rose at rates much higher than finished goods prices. This was especially true of copper and steel. Consequently, all companies in the power T&D business barring perhaps the Chinese, for whom no authentic cost data are available witnessed steady, often sharp, increases in the value of their material-to-sales ratio (MSR). CG Power was no exception. Thankfully, the growth in MSR has plateaued out with there being a line of sight of a slow decline in the ratio in the coming future. Thus, it is hoped that the pincer of falling product prices and higher MSR will be a thing of the past.

- Third, many T&D customers all over the world are not taking physical delivery of their transformers or sub-stations. They have had either cash problems or other operational issues. The typical method is to push back the date of testing at the bay, which blocks scarce factory space, does not allow revenue recognition, and extends the working capital cycle. Given the importance of many of the key customers, the suppliers acquiesce to the detriment of profits.

- Fourth, CG Power had certain internal issues regarding test-bed problems and re-work at some of its facilities in India and abroad, which have been identified and will be solved in FY2013. However, it is a fact that from the last quarter of FY2011 and through the first three quarters of FY2012, these led to blocking up of lines as well as higher cost of time and material in re-work and re-testing which affected EBIDTA.

CG Power: Key Developments in FY2012

Having stated the negatives up-front, it is time to dwell on the positives. There are many, of which the most significant is that CG is definitely being globally recognised as an end-to-end systems provider an enterprise that goes beyond offering products to designing and delivering complete power systems.

Creating Power Solutions

- **EON S HUMBER GATEWAY WIND-FARM PROJECT** Readers may recall that in 2010, CG installed and commissioned its first off-shore sub-station of a 165MW wind-farm called Belwind, located 50 km in the coastal waters of Belgium. Based on this success, CG Power Solutions UK and CG System Belgium together bid for and secured the order for setting up the offshore and onshore sub-stations at the Humber estuary, off the coast of Yorkshire in the UK. The offshore sub-station is 8 km off the Yorkshire coast. It will connect 73 offshore wind turbines of 3 MW each, or 219 MW in total, with power of 280 MVA. A 132 kV sub-sea cable will connect the offshore sub-station to the onshore facility, which will then hook up to the 132/275 kV National Grid connection. The project is worth £46 million £22.7 million for setting up the onshore facilities, and £23.3 million for the offshore. CG products that will be used in the project are: (i) power transformers, reactors and distribution transformers for onshore and offshore, (ii) 132kV GIS switchgears for offshore; and (iii) CG automation and control systems for both onshore and offshore.

- **OTHER OFFSHORE WIND-FARM PROJECTS** There have been other orders as well for setting up offshore sub-stations, such as from:
- Amrumbank West, 35 km off shore from Helgoland in the German part of the North Sea, valued at 10.7 million,

TABLE 2
FINANCIAL PERFORMANCE, CG POWER OVERSEAS
Year ended 31 March

	In FY2011	In FY2012	Change
NET SALES IN RS. CRORE	4,060	4,493	↗10.7 Percent
EBIDTA IN RS. CRORE	455	64	↙86.0 Percent
EBIT IN RS. CRORE	346	(69)	↙120.0 Percent
CAPITAL EMPLOYED IN RS. CRORE	1,480	1,789	↗20.9 Percent
ROCE IN PERCENT	23.5	-3.9	↙27.4 Percent points
UNEXECUTED ORDER BOOK IN RS. CRORE	3,608	4,397	↗21.9 Percent

TABLE 3
FINANCIAL PERFORMANCE, CG POWER INDIA
Year ended 31 March

	In FY2011	In FY2012	Change
NET SALES IN RS. CRORE	2,554	2,867	↗12.3 Percent
EBIDTA IN RS. CRORE	482	339	↙29.7 Percent
EBIT IN RS. CRORE	460	311	↙32.5 Percent
CAPITAL EMPLOYED IN RS. CRORE	672	853	↗27.0 Percent
ROCE IN PERCENT	68.5 (FY2011)	36.4	↙32.1 Percent points
UNEXECUTED ORDER BOOK IN RS. CRORE	2,957	3,435	↗16.2 Percent

Note Adding each element of Table 2 & 3 does not necessarily combine to the corresponding consolidated element in Table 1. That is because of some netting out that occurs of inter-company transactions when the entities are consolidated.

From a zero base three years ago, CG now accounts for 4.2% of the global offshore wind market in systems a share that is expected to increase in the future

- Butendiek, also on German North Sea, some 35 km off the coast of Schleswig-Holstein, at 10 million, and
- Northwind, in North Sea, 40 km offshore from Belgian coast at 3.4 million.

These orders and their execution are increasing the 'systems competence' within CG, not only to create a systems reputation but also to create 'pull through' for CG products. The end-to-end systems approach also de-risks the Power SBU from an over-reliance on stand-alone transformers.

- **WIND RENEWABLES** From a zero base three years ago, CG now accounts for 4.2% of the global offshore wind market in systems a share that is expected to increase in the future. CG's SLIM® and Bio-SLIM® transformers now comprise 51.2% of products in the global offshore wind markets.

REVENUE OF CG S RENEWABLES BUSINESS € million

PRODUCTS

EMEA	The Americas	Total	Share
55	50	105	39%

SYSTEMS

EMEA	The Americas	Total	Share
80	85	165	61%

TOTAL

EMEA	The Americas	Total	Share
135	135	270	100%

* EMEA is Europe, Middle East and Africa

- **SOLAR RENEWABLES** FY2012 saw CG making its entry into market for solar renewables. The Company won an order from the US-based solar energy major, First Solar for 19.5 million. First Solar is a US listed corporation. At the end of 2011, it had a cumulative global production of 5 GW of solar energy across the US, Asia (including India) and Australia providing electricity to 2.5 million homes and earning a net sales of almost US$ 2.8 billion. In addition, CG won another solar order from SMA for 5 million. These orders give CG a 5.9% share of the overall US solar market, including households; and a 23.5% share of the US solar utility market. Incidentally, FY2012 saw CG selling over 500 distribution transformers for photo-voltaic applications in solar renewables.

- **RENEWABLES** CG's renewables business constitute executing projects through its Systems and Solutions divisions as well as supplying products. This business generated global revenue of around 270 million in FY2012, divided as shown in the table shown on the left.

It is worth noting that Systems and Solutions now account for 61% of the growing renewables business. At the end of FY2012, a renewables project pipeline of 214 million was in place. Of this, wind accounted for 148 million, and solar 66 million.

FOR RENEWABLES, IN THE AMERICAS

- DT US finished FY2012 with an order intake in excess of US$ 55 million. The DT US plant is full with renewables orders till October 2012.

IN EMEA

- The order booking with Northwind for 3.4 million represents the fifth offshore sub-station contract won by CG.
- Letter of Intent has been signed with Alstom Wind, valued at 2.8 million.
- Frame contract received from Enercon, valued at 25 million.

IN ASIA

- CG in the process of creating a set up to undertake medium voltage (MV) sub-station projects in Australia.
- CG India Systems Division is now tracking solar opportunities.

- **ENGINEERING PROJECTS DIVISION (EPD) OF CG POWER INDIA** FY2012 was a stellar year for EPD, including Power Automation Systems (PAS). It had a growth of 102% of order intake and 61% of net sales. In the process, it executed several key projects, some of which are given below:
- In January 2012, it successfully commissioned a 765 kV /400 kV sub-station for the Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) at Unnao, in a record time of 14 months.
- Successfully commissioned four sub-station projects for the Power Grid Corporation of India Limited (PGCIL), each

well ahead of schedule. These were: (i) 400 kV at Bhiwadi, Rajasthan (five months before schedule); (ii) 400 kV at Neemrana, Rajasthan (six months ahead); (iii) 400 kV at Sikar, Rajasthan (six months ahead); and (iv) 400 kV at Panchkula, Haryana (five months before schedule).

- In August 2011, EPD booked its first PGCIL order for a 765 kV / 400 kV sub-station valued at Rs.145 crore. To be located at Durg (near Raipur in the district of Chhattisgarh), it involves setting up 13 bays of 765 kV and 10 bays of 400 kV. The project is to be completed by October 2013.
- With an order intake of Rs.606 crore during FY2012, EPD and PAS together accounted for 18% of the total order intake of CG Power India. This would have been inconceivable even two years ago, and demonstrates the need for, and the power of providing end-to-end systems and solutions across all CG's geographies.

Making Best-in-Class Power Transformers

FY2012 has seen CG Power producing, erecting and commissioning some outstanding power transformers (PT). Here are a few examples:

- **CG POWER INDIA S PLANT AT MANDIDEEP, NEAR BHOPAL (CALLED T3)** delivered its first 80 MVAr, 765 kV shunt reactor to PGCIL in June 2011. In January 2012, it delivered its first 500 MVA 765 kV power transformer, also to PGCIL. In March 2012, T3 manufactured, type-tested and delivered its first 110 MVAr, 765 kV shunt reactor to PGCIL.

- During FY2012, T3 delivered a large number of 765 kV power transformers and reactors to PGCIL. These were:
- three 765 kV 500 MVA transformers;
- 30 units of 80 MVAr 765 kV shunt reactors; and
- two 110 MVAr 765 kV shunt reactors.

- In FY2012, the following number of 765 kV transformers and reactors supplied from T3 were actually commissioned:
- Three 333 MVA 765 kV transformers at UPPTCL's sub-station at Unnao.
- One 765 kV generator transformer for the National Thermal Power Corporation (NTPC) at Sipat in Chhattisgarh.
- Seven 80 MVAr 765kV shunt reactors at different PGCIL sites.

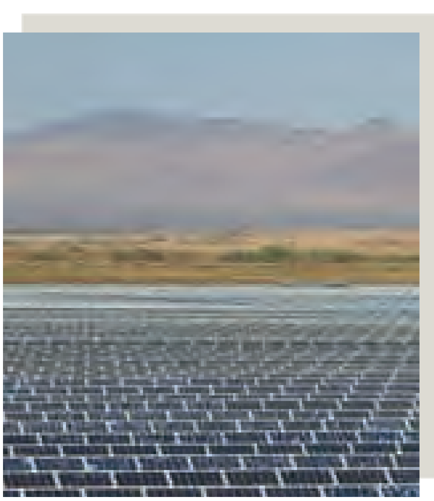
- During FY2012, for the 765 kV category, PGCIL alone has given orders to CG Power India for (i) 28 units of 500 MVA 765 kV power transformers, and (ii)10 units of 80 MVAr 765 kV shunt reactors.

- **T1, WHICH IS CG S POWER TRANSFORMER FACILITY AT KANJUR MARG, MUMBAI,** designed, produced and commissioned for Adani Power a bank of seven 270 MVA single-phase Generator Step Up (GSU) power transformers. It was the largest such order in India, and meant for the client's 2 x 660 MW super-critical thermal power plant in Rajasthan.

- **THE SWITCHGEAR DIVISION OF CG POWER INDIA** had several wins in FY2012. Some of key ones were:
- Test charged the first 1200 kV capacitive voltage transformer (CVT) for PGCIL at its National Test Station at Bina, Madhya Pradesh.
- Successfully erecting and testing the first 1200 kV surge arrester — also at PGCIL's National Test Station at Bina.
- Developed and type tested at KERI, Republic of Korea (i) 420 kV 4500A, 50 KA spring-spring operated circuit breaker, as well as (ii) its 800 kV variant. The testing was successfully concluded in February 2012.

- **CG-ZIV POWER AUTOMATION SOLUTIONS LIMITED,** a joint venture with the ZIV Group of Spain for sub-station automation solutions received its first orders from PGCIL for 132 kV and 220 kV control panels.

- **PT-HUNGARY, CG S POWER TRANSFORMER FACILITY AT TAPIOSZELE**, has begun to contribute in a significant manner. Here are a few facts:
- Six 765 kV power transformers manufactured by this facility are now operational at different sites.
- It has designed a new type of 765 kV transformer with the regular winding on auxiliary limb, which promises to have a strong market for specific applications.
- It has successfully completed a KEMA 'short-circuit proof' test for a 250 MVA, 420 kV transformer that is being built for TERNA, Italy's transmission grid major.
- It has received orders from EDF (France), Union Fenosa (Spain), Ukraine, Lithuania, Estonia, Germany and Norway.



This financial year saw CG sell over 500 distribution transformers for photo-voltaic applications in solar renewables

CG's new Brazil plant qualified for a project for supplying eight mobile substations to CEMIG — one of the largest electricity distribution utilities in Brazil

It has successfully pre-qualified for Saudi Electricity Company and the Western Power Distribution in the UK. It has also received the GOST certification from Russia, which opens the door to supply transformers for Russian power transmission projects.

- Hungary leveraged its strong engineering and product manufacturing skills to launch a servicing business for (i) refurbishment of other makes of transformers, (ii) calibration of measuring instruments for other divisions and third parties, and (iii) replacement of windings on site. The business has started picking up.

- **PT-BELGIUM AT MECHELEN** had some notable successes, such as:
- Manufacturing low noise power transformers at less than 50 dB on the A-scale. It sold three such transformers 80 MVA in the range of 150 kV to 20 kV to Alliander, a Dutch power distribution major, and ought to be an important reference for the EMEA markets.
- Building a 400 kV, 530 MVA dual voltage power transformer — a first for CG Power in EMEA for a Belgian generator company.
- Producing the first water-cooled 'oil-forced, water-forced' (OFWF) power transformer for an offshore sub-station.
- Winning major orders from (i) the Saudi Electricity Company (SEC), (ii) National Contracting Company Limited, for SEC, (iii) Sonelgaz in Algeria, (iv) Statnett in Norway, and (vi) the Ministry of Electricity, Iraq.

- **PT USA, AT WASHINGTON, MISSOURI,** has stabilised, and started production and shipment. The key performances for FY2012 were:
- Generator Step-Up (GSU) transformers were rolled out. This should enable power transformers manufactured in the USA to enter the wind, solar and geo-thermal markets which are growing faster than the typical utility market.
- Produced the first set of 161 kV rated power transformers, which were sold to the Tennessee Valley Authority.
- Secured 46 new customers as well as multi-year blanket contracts from key utilities.

- **PT CANADA AT WINNIPEG** performed creditably, given the constraints of working with a single production line. The main achievements in FY2012 were:
- New design for its HVDC convertor transformer delivered over 20% performance enhancement compared to the previous versions.
- Winnipeg is now the Centre of Excellence' for HVDC. There has been a significant order intake from Manitoba Hydro.
- There were significant orders for generator step-up (GSU) transformers from Ontario Power Corporation; and for power transformers from SNC Lavalin as well as First Solar.

- **PT INDONESIA AT BOGOR** did extremely well in FY2012. Here are some key indicators:
- Crossed US$ 100 million in sales for the first time. Has a healthy order intake US$ 133 million and an UEOB of US$ 128 million.
- FY2012 saw the maximum MVA produced in any year: 7,267 MVA comprising 148 units.
- 500 kV test bay expansion was completed.
- Big DT and 500 kV power transformers were introduced in the product portfolio.
- Received the first orders for 12 units of 167 MVA 550 kV transformers from PLN, Indonesia's government-owned corporation that controls electricity distribution throughout the archipelago. PT Indonesia secured over US$ 62 million of business from PLN during the course of the year.
- Successfully designed, manufactured and tested 220 kV delta connected transformers for copper mines in Peru.

New Business Vertical for CG Power: Oil and Gas

Given the huge growth in global investments in the oil and gas sector, it was a natural area for CG to offer power equipment as well as solutions. The business started in the second half of FY2012, and has had an encouraging beginning. In the course of four months, a tentative order pipeline of 150 million has been developed. The requisite sales infrastructure is being set up in various locations, such as at Houston, the Middle East and Asia.

The Company is working on creating structures of business cooperation between CG and other entities in medium- and low-

CG Power India s exports did well in FY2012. In the USA, it secured a seven-year global frame agreement with a power major for the supply of generator transformers ranging from 20 MVA to 320 MVA and up to 230 kV

voltage transformer space to (i) offer a larger suite of products to oil and gas majors and international EPC players, and (ii) access major oil and gas markets in the USA, Russia, the Caspian and the Middle East. At the time of writing this Management Discussion and Analysis, CG products from India and Indonesia are in the process of being pre-qualified for oil and gas end-users and global EPC contractors. The Company expects to see good results from this vertical in the years to come.

PT and Switchgears: The Brazil Project

Last year, the Board of Directors of CG had in-principle approved the establishment of a greenfield power transformer plant up to 100 MVA and an HT switchgear plant in Brazil. The Brazil operations commenced in FY2012. CG has signed a Letter of Intent with the State of Rio Grande do Sul (in south Brazil) to set up a plant to manufacture HV power transformers and switchgear. Land has been made available in an industrial complex; and fiscal incentives are expected from the state government.

In the meanwhile, CG has started operating from a leased facility to assemble, distribute and provide technical assistance for EHV switchgears. It is also setting up a team of skilled technical professionals to offer EPC solutions for sub-stations. At present, CG Brazil has qualified for a project of approximately US$ 17 million for supplying eight mobile sub-stations to CEMIG one of the largest electricity distribution utilities in Brazil.

Distribution Transformers (DT)

The headline news are as follows:

A The DT-USA business has picked up. FY2012 saw a 9% increase in DT production (in MVA terms) in the US versus the previous year. This is creditable, in two counts. First, the growth is greater than the overall increase in demand from the traditional DT users; and second, because this growth was accompanied by price increases.

B The DT-Ireland business has also grown by 12% in terms of MVA produced. However, price pressures have continued. Ireland suffered from lack of orders during the first half of the year; strong sales growth in the second half brought the unit back to break-even levels. Also, production realignment in Ireland has created flexibility on the line to shift from single phase to three phase DTs.

C DT-Belgium has contracted by 5% in volume terms.

DT-USA

Some key developments in FY2012 were:

- Entered the solar market and secured over US$ 29 million of orders from major solar developers. As mentioned earlier, total US orders from the renewable market, i.e. wind and solar, for FY2012 were US$ 55 million.
- 23% of total order revenue came from new designs that fetched higher margins.
- In less than a year, DT-USA won over 50% of the solar market share in the country.

DT-BELGIUM

The major items worth noting were:

- Produced KFWF (forced water cooling) Bio-SLIM® DTs for multi-MW wind turbines.
- Initiated work in development of arc suppression coils, which is especially targeted for the French market.
- New markets were developed, such as Hungary, Kazakhstan and Algeria.
- Worked closely with the Renewables vertical to offer solutions, and orders were received via Enercon for Canada.

CG POWER INDIA S EXPORTS

CG Power India’s exports did well in FY2012. In the USA, it secured a seven-year global frame agreement with a power major for the supply of generator transformers ranging from 20 MVA to 320 MVA and up to 230 kV. It executed another significant order in the USA for power transformers and switchgear. The business maintained its market leadership in Peru and Colombia; secured major orders in Nigeria to retain its No.1 position in the market; entered Ghana, Zambia and Zimbabwe, the latter with 100% advance payment; won orders in Bangladesh; received its first order from Sri Lanka after a gap of a decade; and sustained market leadership in Malaysia for the sixth consecutive year with 60% market share in transformers and switchgears. In FY2012, Malaysia gave orders for CG India’s largest GSU power transformer of 350 MVA / 275 kV and its largest single phase auto power transformer of 350 MVA / 500 kV.

NEW PRODUCTS

New products accounted for 24% of the sales of CG Power in FY2012.

CG INDUSTRIAL SYSTEMS

CG Industrial Systems manufactures the following types of products:

- High tension (HT) motors.
- Low tension (LT) motors.
- Fractional horse power (FHP) motors.
- Direct current (DC) motors.
- AC drives.
- AC generators.
- Variable frequency drives and solutions based on insulated gate bi-polar transistor (IGBT) technology; soft starters and shaft power monitors; and rotary heat exchangers with switch reluctance motors for saving energy.
- Railway transportation and signalling equipment.
- Stampings.

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

Industrial Systems' net sales increased by 21.6% over FY2011 to reach Rs.1,820 crore. Thanks to higher input costs and pricing pressures, EBIDTA declined by 3.1% to Rs.266 crore. There was almost a doubling of capital employed in the SBU, which grew by 95.9% to Rs.823 crore at the end of FY2012. This was on account of investments in, and further modernisation of, existing plants; as well as incorporating the capital employed in Emotron the Swedish drives business which was acquired in May 2011.

Higher depreciation on greater capital employed played a role in Industrial System's EBIT declining by 20.4% to Rs.210 crore. It also reduced the ROCE from a high of 62.9% in FY2011 to a nevertheless healthy 25.5% in FY2012.

The somewhat worrying story is the fall in UEOB, which reduced by 11% to Rs.534 crore at the end of FY2012. It should be mentioned, however, that the UEOB is still quite adequate. The concern is how it will grow in FY2013, given the sharp deterioration in GDP growth witnessed in FY2012 to 6.5% for the full year, and to 5.3% for Q4, FY2012.

Some of the key developments for FY2012 are given below:

- **CG ACQUIRED EMOTRON, LOCATED AT HELSINGBORG, SWEDEN, IN MAY 2011 FOR AN ENTERPRISE VALUE OF 57.8 MILLION.** Emotron is engaged in the design, engineering and manufacturing of drive solutions, using the latest insulated gate bi-polar transistor (IGBT) technology for variable frequency drives ranging from 200 V to 690 V, and from 0.2 kW to 3,000 kW. These are used for: (i) flow controls in pumps, fans and compressors; (ii) material handling, such as cranes, crushers, mills and conveyors; and (iii) lift controls such as elevators. Emotron also manufacturers soft starters and shaft power monitors that are used in industrial applications, as well as rotary heat exchangers with switch reluctance motors for saving energy.

- **NELCO FACILITIES SHIFTED TO MANDIDEEP.** Bought by CG in FY2011, all operations of NELCO's erstwhile Mahape plant, near Mumbai, were shifted to Mandideep by February 2012.

- **NEW PRODUCTS ACCOUNTED FOR 18% OF SALES OF CG INDUSTRIAL SYSTEMS IN FY2012.** The year saw the successful manufacture and sale of several new products, such as:
  - **LARGE MOTORS** The rotating machine division of CG Hungary produced (i) 8.3 MW, 8 Pole, 6.6 kV motors for a steel mill in the Middle East; and (ii) 4.5 MW, 20 Pole, 6 kV motors as well as 3.3 MW, 22 Pole, 6 kV water-cooled motors for the circulating water pump of the Rostov nuclear power plant in Russia. The Large Machines plant at Mandideep in India manufactured and sold: (i) 2.85 MW, 16 Pole, 11 kV motors for a thermal power plant in India; (ii) 7.5 MW, 6 Pole, 11 kV motor for a cement mill in Egypt; (ii) 4.6 MW, 6 Pole, 3.3 kV cage rotor motor for a cement mill in the UK; and (iii) large flame-proof motors for oil and gas applications.
  - **SYNCHRONOUS GENERATORS** CG produced (i) 1,680 kVA, 6 Pole, 690V synchronous generator with Bureau Veritas certification, for marine duty application in France; and (ii), 19 MVA, 12 Pole, 6.3 kV horizontal hydro-generator for a customer in Italy.
  - **LV AC DRIVES** (i) CG Sweden developed and supplied a new series of drives for the German market, ranging from 11 kW to 22 kW; (ii) launched a new frame size, called Size D, in the FDU/VFX range between 30 kW and 37 kW. CG Global R&D and traction team developed IGBT-based auxiliary convertors, to be used in AC locomotives for the Indian Railways.
  - **THREE-PHASE LV MOTORS** (i) Developed and launched the APEX series-IE2 high

18 motors were supplied for the Narmada water supply project, providing water to Bhopal, India

New products accounted for 18% of the sales of CG Industrial Systems in FY2012

LT Motors has the largest manufacturing capacity for M1 range of motors in India

efficiency motors in the range up to 100 HP for India and global markets, especially for the European market; (ii) introduced the Agnita series, which are Group IIC flame-proof motors, ranging from 0.75 kW to 300 kW, for the oil and gas industry.

- **LV ALTERNATORS** (i) Developed new USTAD series of SR Alternators, which has found a strong demand in northern India; and (ii) was the first in India to develop a variable speed integrated generator, with drive and controller, for an engine manufacturer.

- **SINGLE PHASE LV AND FRACTIONAL HORSEPOWER (FHP) MOTORS** A new range of single phase LV and FHP motors have been launched for various applications. These are: (i) the Sheetal series, for agro-industries, (ii) wet grinder motors, (iii) desert cooler motors, (iv) flange mounting motors, and (ii) the e-lite series motors with aluminium bodies, for the Middle East and European markets.

- **REPAIRS AND REFURBISHMENT** CG Industrial Systems is using a section of its rotating machine facility at Tapioszele, Hungary, for large scale repairs, refurbishing and servicing of older motors. As an example, a 44 MVA, 10.5 kV synchronous turbo-generator rotor for a power station in Hungary was repaired and serviced. More such orders are in the pipeline.

- **FACILITY DEVELOPMENT** There have been many such initiatives in the year, in addition to setting up the new plant for drives and automation at Mandideep. The Company invested in (i) improving winding facilities, layout and capacities in Hungary; (ii) plant, machinery and manpower for greater productivity, as well as in major design and process cost reduction in M7 at Mandideep; (iii) facility upgrading in the LT motors plant at Ahmednagar, with better layout and material flows, plus improvements in the supply chain and production planning systems; (iv) increasing capacities and reducing design costs in the FHP plant in India to raise throughput; and (v) creating a repairs and refurbishment facility in Hungary.

- CG Industrial Systems major sales come from railway, cement, power, water and irrigation. The business is rapidly globalising. Export from India is growing to the Middle East and European markets.

- The Large Machine plant at Mandideep won the Frost & Sullivan's Gold Award for Manufacturing Excellence.

CG CONSUMER PRODUCTS

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

The CG Consumer Products business — CG's second largest SBU in terms of revenues and its largest cash generator grew net sales by 5.6% to Rs.2,134 crore in FY2012. Because of competitive conditions

TABLE 4
CONSOLIDATED FINANCIAL PERFORMANCE, CG INDUSTRIAL
Year ended 31 March

	In FY2011	In FY2012	Change
NET SALES IN RS. CRORE	1,497	1,820	↗21.6 Percent
EBIDTA IN RS. CRORE	275	266	↙3.1 Percent
EBIT IN RS. CRORE	264	210	↙20.4 Percent
CAPITAL EMPLOYED IN RS. CRORE	420	823	↗95.9 Percent
ROCE IN PERCENT	62.9	25.5	↙37.4 Percent points
UNEXECUTED ORDER BOOK IN RS. CRORE	601	534	↙11.0 Percent

CGs Consumer Products have four BEE Star rated products; two of which have the highest 5-star rating, one 4-star and another 3-star

and higher raw material costs, the EBIDTA fell by 13.4% to Rs.270 crore; EBIT also fell by 10.2% to Rs.263 crore. The business' ROCE reduced, but was still high, at 286%.

CG is a fast growing consumer product brand in India. It is the market leader in fans with a strong brand image; occupies the second spot in lighting; is the fastest growing brand in home appliances; and the leader in the domestic pumps segment. It has developed and launched a whole range of energy efficient and green products. Its foray into the rural segment has helped the business to maintain its growth objectives despite difficult market conditions in urban India.

▪ **CG S FANS** grew at 2% by value in FY2012, in a market that shrank by 2.3%. It continued its overall leadership status and, in doing so, further increased its market share in the country. CG's fans retained their 'Superbrand' status for the sixth year in succession. In its portfolio, there are four Bureau of Energy Efficiency (BEE) Star rated products: two having the highest 5-star rating, one 4-star, and another 3-star. The business also introduced a full range of premium ceiling fans, which allow flexibility to consumers to select from a wide range of colours and styles. The portfolio that is being developed will include a range of battery back-up fans. Its foray into the segment of industrial fans has been successful. New products accounted for over 25% of total fan sales. It also developed a new 35 watts brushless DC (BLDC) ceiling fan. It has also introduced a range of energy efficient 'power-saver' fans that use a new motor which delivers the same breeze at either 50 watts or 60 watts of power. The BLDC platform is aimed at revolutionising segment offerings.

▪ **CG S LIGHTING** also retained its 'Superbrand' status for the fifth consecutive year, with an overall number two position in India. CG's lighting business grew by 17% in FY2012, compared to an overall market growth of 12% resulting in the Company increasing its overall market share. In FY2011, CG was the first in India to produce a highly energy efficient light emitting diode (LED) lamp with an average life of 50,000 burning hours, and consuming only 5 watts of power to produce the light of a 40 watt bulb. FY2012 saw the Company pushing hard to make inroads with LED lamps and street lighting. It did so successfully: (i) by selling over 40,000 LED street lighting units; and (ii) by winning an LED street lighting contract from the Government of Punjab for 9,500 units. The business won another special project that of putting up 1,500 LED-based luminaires across the River Sabarmati in Ahmedabad, Gujarat. In FY2012, CG continued to enjoy industry leadership in high intensity discharge lamps used for public lighting. This business has taken a leadership position in LED luminaires, with the introduction of full range of down lighters, office lighting tiles and industrial luminaires apart from the already introduced outdoor range. The green initiative has led to the business having achieved the lowest consumption of mercury in the manufacturing of lamps at its integrated unit at Baroda.

▪ **THE PUMPS DIVISION** de-grew by 4% in FY2012, in a market that shrank by over 8%. which was considerably faster than the market. Overall, CG retained its number two position in this business, with leadership in the domestic pumps segment. The division is focusing on industrial and agricultural pumps as well as integrated water treatment solutions to grow the business. The new manufacturing unit at Ahmednagar is being automated to deliver higher productivity per man hour. Introduction of specialised industrial application pumps has enabled successful entry into the B2B segment.

▪ **CG S APPLIANCES DIVISION** grew by 25% in value terms during FY2012 versus an estimated market growth of 21%. Now a significant player in geysers, it is perceived to be ranked number three in the market. The business is poised to make an entry with a full portfolio of small and personal care appliances.

▪ **NEW PRODUCTS** accounted for 25% of the sales of the CG Consumer business.

GLOBAL RESEARCH & DEVELOPMENT

This section outlines the key Research & Development (R&D) achievements in FY2012.

New product development

The Company has a well defined metric to determine new product (NP) development.

▪ For CG Power India, some of the new products were: (i) the 1200 kV auto transformer for PGCIL's National Test Station at Bina; (ii) the first 1200 kV surge arrester, also at Bina; (iii) an 110 MVAr, 765 kV single phase shunt reactor; (iv) an 80 MVAr, 765 kV single phase shunt reactor; (v) a 36 kV, 26.3 kA, 1250A indoor gas insulated switchgear (GIS); (vi) control switching on 800 kV generator circuit breakers (GCB) for the Uttar Pradesh Power Transmission Corporation Limited and the Rajasthan Rajya Vidyut Prasaran Limited; and (vii) the 72.5 kV, 40 kA, 3150 A vacuum interrupter, developed jointly with Vacuum Interrupters Limited, UK.

- For CG Industrial Systems, R&D has helped in creating new products such as: (i) eight-pole, 8.3 MW, 6.6 kV motors for a steel mill; (ii) a variable speed integrated generator, with drive and controller; and (iii) BLDC motor of 63 W and 900 rpm for heating, ventilation and air conditioning applications.

- For CG Consumer Products, R&D has played helped conceptualise and design 35 watt BLDC ceiling fans, other new fans, and the prototype of an integrated, console-based lighting management system.

Other significant developments in CG's Global R&D during FY2012 have been:

- 6.5 kW variable speed integrated generator for telecom applications.
- Wide voltage-band motors.
- 375 watt electronically commutated motor.
- Five new motors of different frame sizes of CG's N Series.
- 180 kVA , 415 V load balancers for any continuous process applications, such as railways and smelting furnaces.
- Thyristor switched capacitor controllers Development
- Isolators: 36 kV, 800 A, 25 kA isolator and 72.5 kV, 1250 A, 40 kA versions with significant cost reduction.
- 25 watt LED street light.

Technology Initiatives

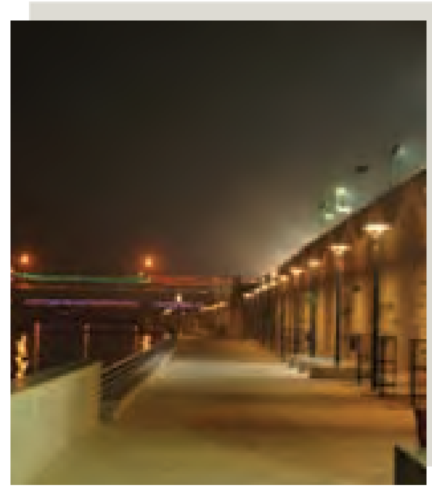
During FY2012, Global R&D was involved in various technology initiatives. Some of these were in areas such as: motors, nano technology, SMART systems, insulation systems, electronics for power quality, materials, sensors and transformer design.

IPR Achievements

At the end of FY2012, CG had a cumulative stock of 308 IPRs, comprising 138 patents and 170 designs. Three patents were granted in India. During the year FY2012, 138 patents were filed: 28 from CG Power Systems; 21 from CG Consumer Products; 30 from CG Industrial Systems; and 59 from Global R&D.

SIX SIGMA AT CG

Six Sigma is a business management strategy which seeks to improve the quality of process outputs by identifying and removing the causes of defects, and minimising variability in manufacturing and business processes. It uses a set of defined quality management methods, including statistical tools, and creates a special infrastructure of people within the organisation such as Black



CG s Lighting Products used to illuminate the Sabarmati River waterfront by the night

TABLE 5
PERFORMANCE OF CG CONSUMER PRODUCTS
Year ended 31 March

	In FY2011	In FY2012	Percent
NET SALES IN RS. CRORE	2,021	2,134	↗5.6
EBIDTA IN RS. CRORE	312	270	↙13.4
EBIT IN RS. CRORE	293	263	↙10.2
CAPITAL EMPLOYED IN RS. CRORE	81	92	↗14.2
ROCE IN PERCENT	363.5	285.7	↙77.8 (Percent points)

Going forward, the Company s businesses will be managed along product lines to create better global accountability for each major product line

Belts' and 'Green Belts' who are experts in these methods. Each Six Sigma project follows a defined sequence of steps and has quantified financial targets, i.e. cost reduction and/or profit increase.

CG, especially in India, has been following Six Sigma for several years. Given below are the key facts about Six Sigma in CG during FY2012.

- Within CG India, there were 28 Black Belts (BBs) who implemented 71 Six Sigma projects in FY2012, versus 52 in the previous year.
- Similarly, 469 Green Belts (GBs) helped to execute 612 GB projects in the year which was 33% more than the previous year.
- The estimated direct financial impact of these projects in FY2012 was Rs.7.6 crore.
- The Six Sigma drive is being internationalised. Projects have been undertaken in the USA, Indonesia and Hungary. At present, 31 GBs have been trained at these locations.
- 166 projects have been identified for CG India during FY2013. If these are all successfully executed, the estimated savings should be between Rs.28 crore and Rs.35 crore.

HUMAN RESOURCES

FY2012 saw focused organisational attention on the creation of 'One CG' — an initiative to better leverage CG's strengths from the revenue and cost perspectives. Creating a single organisation is based upon the execution of three key elements: One Offering, One Structure and One Face to the Customer.

Going forward, the Company's businesses will be managed along product lines for instance, Power Transformers, instead of a division called CG Power. This new approach should create better global accountability and visibility with respect to revenues and costs for each major product line. All support functions, such as finance, legal and Human Resources (HR), have been organised into one global team to support all product lines and, hence, the business units, across all geographies.

With the objective of 'One CG', FY 2012 saw an acceleration of CG's HR practices to all foreign locations in an effort to create an integrated HR organisation with a common direction and themes. Towards this objective, CGHR4U, the Company's HR portal which integrates employees with Company's initiatives, was launched across the world. The mission: to complete a full-fledged implementation of CGHR4U everywhere before the end of FY2013.

To further strengthen CG's performance orientation, the Performance Management Systems (PMS) was enhanced with greater data-based objectivity and measurement of performance including a uniform approach to goal setting through the creation of a Goal Directory. Introduction of behavioural evaluation to the PMS has contributed to more holistic performance evaluation outcomes.

Strengthening leadership capabilities continues as a priority area. The Company has launched its second global programme, called 'Leading a Global Organisation' (LAGO), which exposes chosen executives to international management inputs and gives them exposure across divisions and geographies. To enhance functional competencies, Functional Leadership Academies' are being conducted globally in key areas.

At CG, increasing labour productivity quotients are central to HR. During FY2012, revised time standards to further improve manpower utilisation under the Company's CGPS initiatives were conducted to recalibrate expectations from the workforce. These studies have been completed at most of the divisions in India, and have yielded increased productivity at various plants. Given the tested, proven and measured business benefits of CGPS in India, this initiative has been extended across the globe. It has been already completed in Indonesia and Hungary; and is in an advanced stage of progress in Ireland and Canada. For FY2012, Belgium and the USA will be the focal point for CGPS.

CORPORATE SOCIAL RESPONSIBILITY

FY2012 is the sixth year of CG's dedication to Corporate Social Responsibility (CSR). The Company believes that it must have a conscious objective to support, uplift and enhance the sustainability of the communities surrounding its facilities at a global level.

CSR in India

- In India, the theme of education continued with CG enlarging its efforts to improve infrastructure facilities of schools through renovation of school buildings, providing amenities and financial subsidies for better teaching staff.
- CG's theme of encouraging affirmative action helped students in this category

through training in skill development training and specialised courses to enhance employability. The priority was higher secondary students, with the objective of making them self sufficient.

- In the area of HIV/AIDS awareness, the coverage continues to expand through an increasing number of organised awareness and training programmes facilitated by the ILO.
- Health and sanitation continued to be a significant component of the Company's CSR activities. These involved providing communities around CG's facilities in various parts of India with better levels of sanitation, health camps and sponsorships to hospitals.
- CG is also a key participant in 'Udaan' — a programme initiated by the Government of India together with the CII Naoroji Godrej Centre of Excellence. It is aimed improving professional skills of students from the state of Jammu & Kashmir. CG is an important host company over the last two years, and provides internship programmes for these students.
- The three dedicated company-wide days the Blood Donation Day, the HIV/AIDS Awareness Day and Environment Day continue to receive focused attention of the Company and its employees. Consider blood donation: in one day, CG employees donated almost 1,200 bottles of blood.

CSR in the Rest of the World

Belgium

(i) CG Blood Donation Day was celebrated on 17 June 2011, with a large number of employees donating blood; (ii) World Health Day was celebrated on 7 April 2011; (iii) 243 participants joined in the Car-free Day in July 2011; (iv) 31 May 2011 was recognised and adopted as the Anti-Tobacco Day; (v) the CEO visited several technical schools in the region; and (vi) Foundation Yvens–Boons continued to be supported

for assisting children who cannot go to school due to serious illness.

UK

PSOL UK formally took up CSR activities for the first time. Here are some of the activities that it did in FY2012: (i) It started a 'Payroll Giving Scheme', where employees donate to charities, which is deducted from their salaries; (ii) sponsored the local football club, the Houston United Football Club by donating three sets of strips; (iii) several employees participated in the Manchester 10 Km Run' for MedEquip4Kids, a local charity that works to provide equipment and facilities to hospitals; and (iv) entered four teams for the SCA Million Makers Charity Golf Day' for the Prince of Wales Trust, which aims to help 45,000 young people across the UK.

USA

(i) Employees and CG Power US together donated US$ 30,000 to the United Way, with DT and PT US being among the top 10 contributing entities; (ii) sponsored the 11th Annual Golf Tournament to benefit the United Way; (iii) was a corporate sponsor for Relay for Life, and donated US$7,400 towards cancer research; (iv) adopted one mile of the Missouri highway to keep it free of debris; (v) adopted 'Habitat for Humanity', and sponsored a home near Albany; (vi) got into a strategic partnership with Junior Achievement', a K-12 partner for financial literacy and workforce readiness; (vii) gave over 200 hours of employee time and US$ 20,000 in employee and company donations.

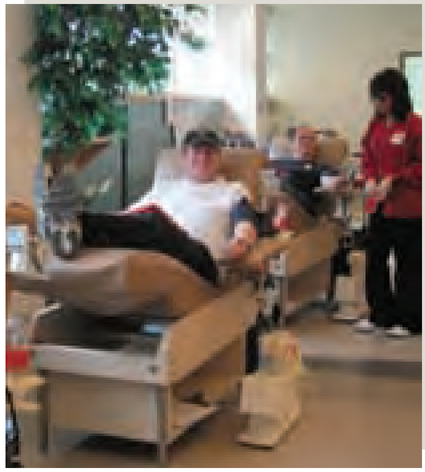
Canada

(i) Set up two scholarships with the local high school: the first two recipients were chosen in June 2011; (ii) built a house for 'Habitat for Humanity', and supplied the entire HVAC system; (iii) held a fund-raiser to support those employees' families that were affected by the Philippines earthquake; (iv) supported charitable organisations (cancer, heart disease, multiple-sclerosis, children with illness) with donations and fund-raising events; (v) was the main sponsor for Five Days for the Homeless', with the University of Manitoba; and (vi) celebrated the World Blood Donor Day, the Earth Day, and the Global Green Consumer Day.

Indonesia

(i) Received the 'Best CSR' award for 2011 from the head of the Bogor region; (ii) awarded the Platinum Award, 2011, in the Indonesian CSR Award held by the Social Ministry, Indonesia; (iii) conducted programmes such as scholarships programme with Polytechnic Manufacturing, Bandung, blood donation, cervical cancer workshop for women, renovation of the orphan's School Hall, and the children's painting competition.

CGs Corporate Social Responsibility activities revolve around its three pronged approach commitment to Community, Workplace and Environment


CGs foreign locations organised a children s painting competition, blood donation camps and participated in Habitat for Humanity projects

TABLE 6 STANDALONE PERFORMANCE OF CG in Rs. Crore

Year ended 31 March	FY 2011	FY 2012
Revenue from operations	**6,276**	**6,850**
Less: excise duty	325	365
Net sales and services	**5,951**	**6,485**
Material consumption and construction material	4,065	4,726
Employee benefits	310	363
Other expenses	643	675
Operating EBIDTA	**933**	**721**
Other income (OI)	79	50
EBIDTA Including OI	**1,012**	**771**
Finance costs	4	3
Depreciation and amortisation	81	91
Operating PBT	**848**	**627**
PBT including OI (before extraordinary items)	**927**	**677**
Less: tax expenses		
Current tax	244	193
Deferred tax	(11)	(21)
PAT	**694**	**505**

FINANCIAL PERFORMANCE

We first highlight CG's standalone results, after which we discuss the financial performance of overseas entities and, finally, the consolidated financials for the Company.

CG: Standalone Financial Performance

The standalone results of CG for the year ended 31 March 2012 and 2011 are detailed in Table 6. Table 7 gives the key ratios (profitability, assets efficiency and leverage ratios) of the standalone entity for FY2011 and FY2012.

- Gross sales, or revenue from operations grew by 9.1% to Rs.6,850 crore in FY2012. Net sales and services increased by 9% to Rs.6,485 crore.
- Thanks to the sharp rise in the cost of key inputs such as steel and copper, raw material costs as a share of net sales increased from 68.3% in FY2011 to 72.9% in FY2012. This played a major role in the 22.7% fall in operating EBIDTA from Rs.933 crore in FY2011 to Rs.721 crore in FY2012.
- Due to a rise in depreciation on account of additional commissioned investments in plant and machinery, operating PBT reduced by 26.1% to Rs.627 crore in FY2012.
- PAT decreased by 27.3% to Rs.505 crore.
- The ratio of operating EBIDTA to net sales reduced from 15.7% in FY2011 to 11.1% in FY2012. This was in line with the managements estimates as discussed with shareholders and analysts at the end of the second, third and fourth quarters of the year.
- RONW reduced by 11.4 percent points to 18.7% in FY2012. This still remains the highest RONW among the key players in the industry.
- Given the fall in EBIT and some increase in capital employed, ROCE declined by 14.2 percent points to 24.7% at the end of FY2012. It needs stating that 24.7% is the highest ROCE among all significant competitors in the sectors that CG India operate.
- As a standalone entity, CG is effectively a debt free company, with an interest coverage ratio that stood at 209.5 in FY2012.

CG: Overseas Financial Performance

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

For the CG overseas entities:

- Net sales grew by 15.5% in rupee terms to Rs.4,794 crore in FY2012. In US$ terms, it increased by 9.4% to US$ 996 million.
- Operating EBIDTA decreased by 84.3% to Rs.68 crore in FY2012; in US$, by 85.2% to US$15 million. This sharp decline in operating EBIDTA was on account of two key factors: (i) first, the increase in raw material and consumable costs, which began in FY2011 and continued right up to Q3, FY2012; and (ii) second, a sudden spike in the percentage of test bay problems as well as major re-work of power transformers, especially in Belgium and Canada, which led to higher costs.

CG Indonesia received the Best CSR award for 2011 from the head of the Bogor region. It was also awarded the Platinum Award, 2011, in the Indonesian CSR Award held by the Social Ministry, Indonesia

- Thankfully, critical raw material prices are now gradually softening. This, along with more optimised design, should bring down the material-to-sales ratio in FY2013. Moreover, the production line problems in Belgium and Canada are being attended to. These should be also under control by the middle of FY2013. Therefore, the Company expects operating EBIDTA for CG's overseas entities to increase quite substantially in FY2013, and the near future.
- Because of the fall in operating EBIDTA and a rise in depreciation on account of modernisation of plants and equipment as well as the acquisition of Emotron in Sweden, operating PBT went to the negative territory: from a profit of Rs.309 crore (US$ 67 million) in FY2011 to a loss of Rs.143 crore (US$ 29 million) in FY2012.
- PAT (before extraordinary items) decreased from Rs.245 crore (US$ 53 million) in FY2011 to a loss of Rs.136 crore (loss of US$ 28 million) in FY2012.

CG: Consolidated Financial Performance

Table 9 gives the consolidated performance of CG. Table 10 sets out the key ratios.

- Net sales and services: In rupees, grew by 12.4% to Rs.11,249 crore in FY2012. In US$, it increased by 6.5% to over US$ 2.3 billion the second successive year of exceeding the US$ 2 billion mark.
- For reasons mentioned earlier in this section, operating EBIDTA reduced by 40.2% in FY2012 to Rs.804 crore. In US$, it fell by 43.4% to US$ 167 million.

TABLE 7 STANDALONE PERFORMANCE OF CG Key Ratios

Year ended 31 March	FY 2011	FY 2012
PROFITABILITY RATIOS		
Operating EBIDTA / Net Sales	15.7%	11.1%
EBIDTA with OI / Net Sales	17.0%	11.9%
PBT / Net Sales	15.6%	10.4%
RONW	30.1%	18.7%
ROCE (at year-end capital employed)	38.9%	24.7%
Cash ROCE	42.3%	28.0%
EPS (Rs. per share)	10.82	7.87
Cash EPS (Rs. per share)	11.91	8.96
LEVERAGE RATIOS		
Total Debt To Equity	0	0
Interest Coverage Ratio	249.3	209.5
ASSET EFFICIENCY		
Net Sales To Gross WC (times)	2.1	2.0
Net Sales To Net WC (times)	5.2	4.3

- Operating PBT also reduced: to Rs.498 crore, or US$ 103 million in FY2012.
- PAT (after accounting for minority interests and share of associated companies, and before extraordinary items) in FY2012 was Rs.374 crore, or US$ 77 million. It was the same after extraordinary items.

Risk Management

Crompton Greaves has a robust and well-defined risk management policy. CG's Enterprise Risk Management (ERM) approach is based on the globally accepted Enterprise Risk Management – Integrated Framework' developed by the Committee of Sponsoring Organizations of the Treadway Commission (or COSO). The process is institutionalised across all divisions and branches, both in India and abroad. It aims for early identification and evaluation of, and response to, those risks and opportunities that could materially impact the Company's performance and achievement of its business objectives. Accountability and timeframes are assigned for all relevant risks, along with the appropriate risk-owners across the Company's managerial hierarchy.

The Risk and Audit Committee of the Board of Directors conducts quarterly reviews regarding adequacy of risk management. Two independent Directors, along with the Managing Director, also examine risks at CG's overseas establishments during each quarter.

By creating a One CG across all its locations, markets and businesses and by leveraging capacities, engineering skills, R&D and cost as well as quality synergies, CG is well placed to be a power and industrial systems major across much of fast growing emerging markets

TABLE 8 CONSOLIDATED PERFORMANCE OF THE OVERSEAS ENTITIES

Year ended 31 March	FY 2011		FY 2012	
	Rs. crore	US$ million	Rs. crore	US$ million
Revenue from operations	**4,151**	**911**	**4,794**	**996**
Operating EBIDTA	**438**	**96**	**68**	**15**
Other income (OI)	22	5	16	3
EBIDTA including OI	**460**	**101**	**84**	**18**
Finance costs	16	4	42	9
Depreciation and amortisation expenses	113	25	169	35
Operating PBT	**309**	**67**	**(143)**	**(29)**
PBT including OI (before extraordinary items)	**331**	**72**	**(127)**	**(26)**
Less: tax expenses				
Current tax	49	11	23	5
Deferred tax	38	8	(14)	(3)
PAT (before extraordinary items)	**244**	**53**	**(136)**	**(28)**
Minority interest	0	0	0	0
Share of profit / (loss) of associates	1	0	0	0
PAT (before extraordinary items)	**245**	**53**	**(136)**	**(28)**
Extraordinary item	(38)	(8)	-	-
PAT(after extraordinary items), carried forward to the Balance Sheet	**207**	**45**	**(136)**	**(28)**
Exchange rate for US$ 1		45.5712		48.1233

Internal Controls and their Adequacy

CG believes that a strong internal controls framework is an essential pre-requisite of growing businesses. To that end, 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, which was extended across the Company in FY2012. The 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.

Outlook

The global economic scenario for FY2013 remains depressed. There are serious concerns about the fate of Greece and what that may bring to some other nations within the Euro zone, such as Spain and Portugal. Though better than Europe, the US economy has still a long way to go before getting back to a steady-state GDP growth of around 3% per year; and it is unlikely that there will be significant action on the economic front before the new President assumes office in January 2013.

In this difficult situation, the emerging economies are still performing creditably. By all accounts, China should post a GDP growth of around 8% in 2012. And while India's growth has fallen to a new low of 6.1% in FY2012, there is a possibility of an uptick in the coming year, bringing growth up to the range of 6.5% to 6.8%. Though lower than 9%, it will still be a healthy rate of growth.

One pattern is becoming clear: the demand for end-to-end power solutions and industrial solutions is growing rapidly throughout emerging economies. CG is positioning itself as a significant global player in this space. By creating a 'One CG' across all its locations, markets and businesses, and by leveraging capacities, engineering skills, R&D cost as well as quality synergies, CG is soundly placed to be a power and industrial systems major across much of the relatively fast growing emerging markets. To this, one needs to add the Company's core skills and success in selling consumer products across India.

Therefore, despite overall economic constraints and concerns, CG looks well placed to achieve double-digit top-line growth in FY2013. And to deliver higher profits than FY2012. All efforts within the Company are geared to meet precisely these targets.

Laurent Demortier
CEO and Managing Director
Mumbai, 25 May 2012

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.

TABLE 9 CONSOLIDATED FINANCIAL PERFORMANCE

Year ended 31 March	FY2011		FY2012	
	Rs. crore	US$ million	Rs. crore	US$ million
Sales and services	**10,331**	**2,267**	**11,615**	**2,414**
Less: excise duty	326	72	366	76
Revenue from operations	**10,005**	**2,195**	**11,249**	**2,338**
Material consumption and construction material	6,269	1,376	7,685	1,597
Employee benefits	1,181	259	1,466	305
Other expenses	1,211	265	1,294	269
Operating EBIDTA	**1,344**	**295**	**804**	**167**
Other income (OI)	99	21	52	11
EBIDTA including OI	**1,443**	**316**	**856**	**178**
Finance costs	20	4	46	10
Depreciation and amortisation	194	42	260	54
Operating PBT	**1,130**	**249**	**498**	**103**
PBT including OI (before extraordinary items)	**1,229**	**270**	**550**	**114**
Less: tax expenses				
Current tax	293	64	217	45
Deferred tax	17	4	(35)	(7)
PAT (before extraordinary items)	**919**	**202**	**368**	**76**
Minority interest in income	0	0	1	0
Share of profit /(loss) of associate companies	8	1	5	1
PAT after minority interest and share of associate companies	**927**	**203**	**374**	**77**
Extraordinary items	(38)	(8)	-	-
PAT (after extraordinary items)	**889**	**195**	**374**	**77**
Exchange rate for US$ 1		45.5712		48.1233

TABLE 10 CONSOLIDATED FINANCIAL PERFORMANCE Key Ratios

	FY 2011	FY 2012
PROFITABILITY RATIOS		
EBITDA w/o other income (OI) / Net sales	13.4%	7.1%
EBITDA with OI / Net sales	14.4%	7.6%
PBT / Net sales	12.3%	4.9%
RONW (with extraordinary item)	27.1%	10.5%
ROCE (terminal)	33.1%	12.9%
Cash ROCE (terminal)	38.2%	18.5%
PER SHARE RATIOS		
EPS (without extraordinary items)	14.5	5.8
EPS (with extraordinary items)	13.9	5.8
Cash EPS (without extraordinary items)	17.7	9.3
Cash EPS (with extraordinary items)	17.1	9.3
LEVERAGE RATIOS		
Total debt to equity	0.1	0.2
Interest coverage ratio	71.9	18.5
ASSETS EFFICIENCY RATIOS		
Net sales to gross working capital (times)	2.0	1.9
Net sales to net working capital (times)	6.2	6.1

Ten Years' Financial Highlights

STAND-ALONE | CONSOLIDATED

EARNINGS

Year Ended 31 March / Rs. Crore

	2003	2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011	2012	2012
Total Income	1740	1888	2180	2200	2771	4412	3695	6039	4290	7247	4940	9090	5585	9469	6356	10430	6901	11668
Gross Sales and Service	1726	1861	2153	2172	2739	4346	3660	5934	4223	7181	4904	9031	5516	9376	6277	10331	6850	11615
Net Sales and Service	1587	1711	1973	1989	2521	4127	3368	5640	3876	6832	4611	8737	5284	9141	5951	10005	6485	11249
EBIDTA*	170	185	190	194	265	390	377	588	553	811	674	1054	927	1371	1012	1443	771	856
Profit Before Tax (PBT)	37	90	125	128	195	277	307	436	486	615	614	867	870	1189	927	1229	677	550
Profit After Tax (PAT) **#	28	71	115	120	163	233	192	282	314	407	397	560	617	860	694	889	505	374
Dividend Pay-out	-	37	37	37	37	37	47	47	59	59	73	73	81	81	141	141	90	90

WHAT THE COMPANY OWNED

Year Ended 31 March / Rs. Crore

	2003	2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011	2012	2012
Gross Block (Incl.of WIP)	792	801	819	825	861	1733	959	2335	1078	2733	1124	3083	1204	3099	1651	3890	1424	4558
Net Block (Incl.of WIP)	394	368	351	354	364	541	433	1087	515	1245	523	1379	567	1376	923	1941	675	2258
Investments	74	70	77	83	102	65	135	65	195	93	266	167	688	553	782	675	1053	786
Net Current Assets	282	246	295	297	331	571	414	708	361	759	570	969	620	1085	1139	1603	1515	1850
Net Assets Employed	750	684	723	734	797	1177	982	1860	1071	2097	1359	2515	1875	3014	2458	3875	2766	4427

* 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

WHAT THE COMPANY OWED

Year Ended 31 March / Rs. Crore

	2003	2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011	2012	2012
Borrowings	459	334	315	315	250	422	270	904	88	842	54	718	27	501	13	470	7.5	1044
Total Liabilities	1033	982	912	915	1052	1970	1317	3139	1383	3484	1570	3919	1627	3518	1712	3874	1826	5003

NET WORTH OF THE COMPANY

Year Ended 31 March / Rs. Crore

	2003	2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011	2012	2012
Share Capital	52	52	52	52	52	52	73	73	73	73	73	73	128	128	128	128	128	128
Reserves and Surplus	403	288	356	367	484	733	601	896	858	1229	1169	1758	1637	2376	2176	3146	2573	3483
Shareholders' Funds	442	340	408	419	536	785	674	969	931	1302	1242	1831	1765	2504	2304	3275	2701	3611
Tangible Net Worth***	291	340	408	419	536	742	674	927	931	1243	1242	1783	1765	2504	2304	3275	2701	3560

RATIOS

Year Ended 31 March

	2003	2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011	2012	2012
Book Value Per Share (In Rs.)	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	42.1	55.5
Earnings Per Share (In Rs.) #	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	7.87	5.82
Cash Earnings Per Share (In Rs.) #	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	8.96	9.34
Current Ratio	1.49	1.38	1.49	1.5	1.41	1.37	1.39	1.32	1.28	1.29	1.38	1.3	1.39	1.36	1.70	1.48	1.84	1.45
Debt Equity Ratio	1.58	0.98	0.77	0.75	0.47	0.57	0.4	0.98	0.09	0.68	0.04	0.4	0.02	0.2	0.00	0.09	0.00	0.17
EBIDTA/Net Sales %	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	17.0	14.4	11.9	7.6
Return on Tangible Net Worth %	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	30.1	27.1	18.7	10.5
Fixed Assets Turnover Ratio (times)	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	6.5	5.2	9.6	5.0
No. of Permanent Employees	5707	5470	5256	8174	4916	7801	4912	7972	5002	8307	5094	8564	5116	8647	5214	8702	5365	8966

***Tangible Net Worth = Shareholders' Funds – Miscellaneous Exps. (unamortised) – Deferred Tax Asset (net). # After extraordinary item for the Financial Year 2010-11. Basis for Net Current Assets, Net Assets employed, Current ratio and Debt Equity ratio, for the year 2011 & 2012 are as per the revised Schedule VI of the Companies Act, 1956, as notified by Ministry of Corporate Affairs.

Directors' Report


Installation of 245 kV GIS in Triege, Denmark

To,
The Members,

Your Directors are pleased to present their Seventy Fifth Annual Report on the business and operations of the Company and the accounts for the financial year ended 31 March 2012.

The Year in Retrospect

The consolidated net revenue of the Company during 2011-2012 grew by 12.4% at Rs.11,249 crore, as compared with Rs.10,005 crore last year. The Company has achieved a stand-alone net turnover of Rs.6,485 crore, during the year under review, as compared with Rs.5951 crore during the previous year, a rise of 9%.

Consolidated profit before tax decreased to Rs.550 crore, as compared with Rs.1,229 crore in the previous year, a decrease of 55.3% over last year. Stand-alone profit before tax decreased from Rs.927 crore to Rs.677 crore, a decrease of 27% over last year.

Consolidated profit after tax decreased to Rs.374 crore as compared with Rs.889 crore in the previous year, a decrease of 58% over last year. The Company recorded a stand-alone profit after tax of Rs.505 crore, a decrease of 27.3% as compared with last year.

The Sales and Profit Before Interest and Tax (PBIT) of the respective Business Groups, compared with last year is given in Table 1.

A detailed review of the operations and performance of the Company and 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.

TABLE 1 SALES AND PROFIT BEFORE INTEREST AND TAX In Rs. Crore

SBU	Sales		PBIT	
	2011-2012	2010-2011	2011-2012	2010-2011
Power Systems (CG stand-alone)	**2,867**	2,554	**311**	460
Industrial Systems (CG stand-alone)	**1,520**	1,407	**225**	263
Consumer Products	**2,134**	2,021	**263**	293
Power Systems (including International operations)	**7,315**	6,503	**239**	807
Industrial Systems (including International operations)	**1,820**	1,497	**210**	264

Amalgamation

On 20 September 2011, the Company completed the amalgamation of its wholly-owned subsidiary, CG Capital & Investments Limited with itself, as reported in the previous year's Directors' Report.

Acquisition of Emotron Group and QEI Inc

On 19 May 2011, the Company acquired Emotron of Sweden for an enterprise value equivalent to 57.8 million. Emotron has an excellent track record in West European markets especially Germany and the Benelux countries. This company manufactures Low Voltage AC Drives and Soft Starters with latest technology. With this acquisition, the Company has taken a big step in expanding its offering of energy saving solutions to the global market with state-of-the-art power electronics technology.

On 27 May 2011, the Company acquired QEI Inc of USA for an enterprise value equivalent to US$30 million. With this acquisition, CG has further strengthened its position in SCADA and automation. The acquisition of QEI will further strengthen the Company's penetration in the North American automation market, and creating potential capabilities for distribution automation in India and Europe.

Change in Accounting Policy for Goodwill on Acquisitions

During the year, the Company has decided to change its accounting policy for accounting of goodwill arising on acquisitions, commencing 1 April 2012, to testing for impairment methodology, as compared with the earlier methodology of amortization over 10 years followed up to 31 March 2012. Management believes, this change in accounting policy better aligns with leading international practices and reflects the longer term net present value derived from goodwill, post acquisitions.

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 19 October 2011; the Record Date for this purpose was 25 October 2011 and the Interim Dividend was paid on 4 November 2011.
- Rs.0.20 per equity share (10%) aggregating to a total dividend payout of Rs.15 crore (including dividend tax) declared on 31 January 2012; the Record Date for this purpose was 6 February 2012 and the Interim Dividend was paid on 14 February 2012.
- Rs.0.40 per equity share (20%) aggregating to a total dividend payout of Rs.30 crore (including dividend tax) declared on 23 March 2012; the Record Date for this purpose was 31 March 2012 and the Interim Dividend was paid on 12 April 2012.

The abovementioned dividend payout as a percentage of the share capital works out to 70%.

Reserves

The Reserves, on stand-alone basis, at the beginning of the year were Rs.2,176 crore. The Reserves at the end of the year are Rs.2,573 crore.

Directorate

At the Board Meeting held on 2 June 2011, Mr Laurent Demortier was appointed as the CEO and Managing Director of the Company for an initial period of 5 years. Mr Demortier's appointment as CEO and Managing Director was approved by the shareholders at the Annual General Meeting held on 19 July 2011; and by the Central Government subsequently.

CG's former Managing Director, Mr SM Trehan continues on the Board as a Non-Executive Director and Vice-Chairman of the Board.

Mr S Labroo, Mr SP Talwar and Dr V von Massow 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 re-appointment are contained in the accompanying Notice of the forthcoming Annual General Meeting.

Promoter Group

The Company is a part of the USD 4 Billion Avantha Group, an Industrial conglomerate

CG was amongst the first companies to take up the challenge of indigenously developing UHV products for Power Grid Corporation of India Limited s 1200 kV research station

TABLE 2 FINANCIAL HIGHLIGHTS Rs. Crore, for the year ended 31 March 2012 and 31 March 2011

	Particulars	CG Stand-alone		CGIBV Consolidated *#		CG-Consolidated**	
		2012	2011	2012	2011	2012	2011
A	**Gross Sales**	**6,850**	**6,276**	**4,794**	**4,151**	**11,615**	**10,331**
B	Less: Excise Duty	365	325	0	0	366	326
C	**Net Sales**	**6,485**	**5,951**	**4,794**	**4,151**	**11,249**	**10,005**
D	Less: Operating Expenses	5,764	5,019	4,726	3,713	10,445	8,661
E	**Operating Profit**	**721**	**933**	**68**	**438**	**804**	**1,344**
F	Add: Dividend and Other Income	50	79	16	22	52	99
G	**Profit before Interest, Depreciation, Amortisation and Taxes**	**771**	**1,012**	**84**	**460**	**856**	**1,443**
H	Less: Finance costs	3	4	42	16	46	20
I	**Profit before Depreciation, Amortisation and Taxes**	**768**	**1,008**	**42**	**444**	**810**	**1,423**
J	Less: Depreciation and Amortisation	91	81	169	113	260	194
K	**Profit Before Tax**	**677**	**927**	**(127)**	**331**	**550**	**1,229**
L	Less: Provision for Current Year Tax	193	244	23	49	217	293
M	Less: Provision for Deferred Tax	(21)	(11)	(14)	38	(35)	17
N	**Profit After Tax**	**505**	**694**	**(136)**	**244**	**368**	**919**
O	Minority Interest	0	0	0	0	1	0
P	Share of Profit of Associate Companies (net)	0	0	0	1	5	8
Q	**Profit after tax, minority interest and share of profit of Associate Companies (net)**	**0**	**0**	**(136)**	**245**	**374**	**927**
R	Extraordinary Item	0	0	0	(38)	0	(38)
S	**Profit available for distribution**	**505**	**694**	**(136)**	**207**	**374**	**889**

* Consolidated Accounts of CG International BV (CGIBV), the holding company for CGs international operations.
** Includes results of CG Stand-alone and Indian subsidiaries, Crompton Greaves Holdings Mauritius Limited, CG International Holdings Singapore PTE Limited and CGIBV consolidated.
# Figures have been regrouped for the purposes of consolidation.

led by Mr Gautam Thapar. The Avantha Group has a worldwide presence in 10 countries with more than 20,000 employees. As required by Listing Agreement with Stock Exchanges, CG periodically discloses its promoter group and persons acting in concert in the shareholding pattern and other filings with the Stock Exchanges.

Research and Development

CG continues its commitment and increased focus on R&D, since these efforts are important drivers for global competitiveness and growth.

CG continues to build on the foundation of its existing technologies by adding new applications and technologies required to meet its future challenges. During the year, the turnover from new products (less than 3 years) as compared with last year was further enhanced.

CG's R&D efforts are also prioritized to provide more energy efficient products at competitive prices with greater safety and reliability. The BLDC technology based motors and fans, LED based lighting management systems and the Apex series energy efficient

CG's smart & energy efficient Consumer Products — a smart mixer with pre-set menus & BLDC bus fans used in Delhi public transport

motors meeting IE2/IE3 standards are some examples. CG's new global "N series" large industrial motors meeting IEC norms are designed to offer higher power in more compact frames, for customers in cement, power plants and other industries.

CG's R&D actively partners with the product technology groups from each business, and closely collaborates with customers to translate their expectations of new products into reality. The critical need of the telecom industry customers to reduce energy consumption has been fulfilled by developing a new patented variable speed generator with the potential to reduce energy consumption significantly. Another project with an air-conditioner manufacturer has resulted in replacing a higher energy consuming motor with a new state-of-art permanent magnet based motor, thus substantially reducing energy consumption.

CG is continuously developing intelligent solutions and incorporating these into its large product. Some examples are a new lighting management system for office applications, new control switching technology for gas circuit breakers and electronically controlled motors with intelligent features.

Research and Development efforts, initiated by CG in Belgium, have led to greater insights and improvements in the control of vibration and noise from transformers which is an increasing need of the environment conscious market. CG Power now manufactures transformers that produce 40 dBA sound pressure at 30 cm, that is the equivalent of the humming sound of a mosquito.

Some of these new products have been highlighted in the Annexure to the Report.

CG has been consistently leading technological innovations, fulfilling the evergrowing requirements of its customers in India and abroad. CG was amongst the first companies to take up the challenge of indigenously developing UHV products for Power Grid Corporation of India Limited's (PGCIL) 1200 kV research station. This year it has completed supply of all 1200 kV offerings to PGCIL a Capacitive Voltage Transformer, a Surge Arrester and a Power Transformer. The Company has established one of the world's largest Ultra High Voltage (1200 kV) research centres at Nashik, India. This research centre will be a centre of excellence for high voltage technologies paving the way for pathbreaking research in this area, towards better servicing of world markets.

In addition, R&D has facilitated the indigenous design, development and manufacturing of 800 kV power transformers, gas circuit breakers, instrument transformers and surge arresters. To cater to the growing demand for EHV power transformers by electricity transmission utilities in South East Asia, the Company also inaugurated the newly built 550 kV EHV Test Laboratory at PT CG Power Systems Indonesia (PTID). This world class facility — the first of its kind in South-East Asia, provides opportunities to address the 550 kV market in the Asia-Pacific region.

CG's R&D organization has been strengthened with four more R&D units achieving DSIR recognition. Hence CG now has, 15 R&D units which have received DSIR recognition. These recognition further support CG in its quest for building a stronger foundation for innovativeness in technology development.

Subsidiary Companies

The Company has four Indian subsidiaries CG Energy Management Limited, CG-PPI Adhesive Products Limited, CG-ZIV Power Automation Solutions Limited and CG Power Solutions Limited.

In addition to the above, the Company has 42 foreign subsidiaries as under:

- Crompton Greaves Holdings Mauritius Ltd
- CG International Holdings Singapore PTE Ltd
- CG International BV
- PT CG Power Systems Indonesia
- CG Holdings Belgium NV
- CG Power Holdings Ireland Limited
- CG Power Systems Belgium NV
- CG Automation Systems UK Ltd
- Pauwels Trafo Gent NV
- CG Power Systems Ireland Limited
- Viserge Ltd
- CG Sales Networks France SA
- Microsol Ltd
- CG Service Systems Curacao NV
- 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 Ltd

Coil Winding process undertaken at CG Hungary transformer factory, which is a pioneer for 765 kV technology

- CG Power Solutions Saudi Arabia Ltd
- CG Sales Networks Singapore PTE Ltd
- CG Holdings USA Inc
- CG Power Systems Brazil Ltda
- CG Power County LLC
- CG Power Systems USA Inc
- CG Automation Solutions USA Inc
- CG Industrial Holdings Sweden AB
- P-EM 2007 AS
- Crompton Greaves Holdings Sweden AB
- Emotron Holding AB
- CG Drives & Automation Sweden AB
- CG Drives & Automation Netherlands BV
- CG Drives & Automation Germany GmbH
- Emotron Latin America Inc
- Scandialogic AB
- Emotron EL-Fi AB
- Emotron EL-Fi UK Ltd
- Emotron Drives AB
- Emotron Drives UK Ltd

Hence, in totality, as on 31 March 2012, the Company has 46 subsidiaries, 4 Indian and 42 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 abovementioned 4 Indian subsidiaries and 42 foreign subsidiaries, for the year ended 31 March 2012. However, if any Member of the Company or the respective subsidiaries so desires, the Company will be happy to 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 as prescribed by the Ministry of Corporate Affairs, are detailed at Page 117 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 reflect the consolidation of the Accounts of the Company, its 46 subsidiaries mentioned above, and five Associate Companies. The Associate Companies are Avantha Power & Infrastructure Limited, CG Lucy Switchgear Limited, Pauwels Middle East Trading & Contracting Pvt Co. LLC, K.K. El Fi Japan 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 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.

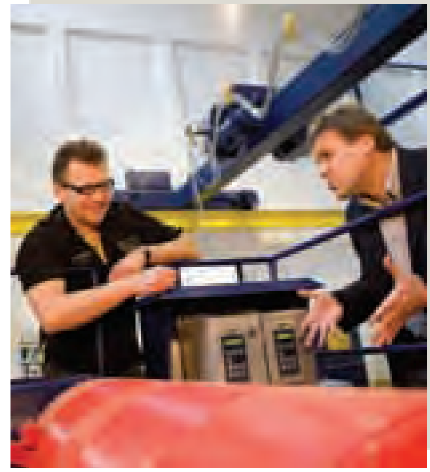
Directors Responsibility Statement

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

CG s R&D organization has been strengthened with four more R&D units achieving DSIR recognition. Hence CG now has, 15 R&D units which have received DSIR recognition



CG Drives, Sweden offers state-of-art power electronics technology

TABLE 3 FINANCIAL HIGHLIGHTS Euro Million, for the year ended 31 March 2012 and 31 March 2011

	Particulars	CG Stand-alone		CGIBV Consolidated *#		CG-Consolidated**	
		2012	2011	2012	2011	2012	2011
A	**Gross Sales**	**1,035**	**1,037**	**724**	**686**	**1,755**	**1,707**
B	Less: Excise Duty	55	54	0	0	55	54
C	**Net Sales**	**980**	**983**	**724**	**686**	**1,700**	**1,653**
D	Less: Operating Expenses	871	829	714	614	1,578	1,431
E	**Operating Profit**	**109**	**154**	**10**	**72**	**122**	**222**
F	Add: Dividend and Other Income	8	13	2	4	8	16
G	**Profit before Interest, Depreciation, Amortisation and Taxes**	**117**	**167**	**12**	**76**	**130**	**238**
H	Less: Finance costs	1	1	6	3	7	3
I	**Profit before Depreciation, Amortisation and Taxes**	**116**	**166**	**6**	**73**	**123**	**235**
J	Less: Depreciation and Amortisation	14	13	26	19	39	32
K	**Profit Before Tax**	**102**	**153**	**(20)**	**54**	**84**	**203**
L	Less: Provision for Current Year Tax	29	40	3	8	33	48
M	Less: Provision for Deferred Tax	(3)	(2)	(2)	6	(5)	3
N	**Profit After Tax**	**76**	**115**	**(21)**	**40**	**56**	**152**
O	Minority Interest	0	0	0	0	0	0
P	Share of Profit of Associate Companies (net)	0	0	0	0	1	1
Q	**Profit after tax, minority interest and share of profit of Associate Companies (net)**	**0**	**0**	**(21)**	**40**	**57**	**153**
R	Extraordinary Item	0	0	0	(6)	0	(6)
S	**Profit available for distribution**	**76**	**115**	**(21)**	**34**	**57**	**147**

Note Average exchange rate considered for 1 EURO in 2011-12 is Rs. 66.1764 and in 2010-11 is Rs.60.5116. * Consolidated Accounts of CG International BV (CGIBV), the holding company for CGs international operations. ** Includes results of CG Stand-alone and Indian subsidiaries, Crompton Greaves Holdings Mauritius Limited, CG International Holdings Singapore PTE Limited and CGIBV consolidated. # Figures have been regrouped for the purposes of consolidation.

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.

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, CG s new global N series large industrial motors meeting IEC norms are designed to offer higher power in more compact frames

TABLE 4 FINANCIAL HIGHLIGHTS USD Million, for the year ended 31 March 2012 and 31 March 2011

	Particulars	CG Stand-alone		CGIBV Consolidated *#		CG-Consolidated**	
		2012	2011	2012	2011	2012	2011
A	**Gross Sales**	**1,424**	**1,377**	**996**	**911**	**2,414**	**2,267**
B	Less: Excise Duty	76	71	0	0	76	72
C	**Net Sales**	**1,348**	**1,306**	**996**	**911**	**2,338**	**2,195**
D	Less: Operating Expenses	1,198	1,101	981	815	2,171	1,900
E	**Operating Profit**	**150**	**205**	**15**	**96**	**167**	**295**
F	Add: Dividend and Other Income	11	17	3	5	11	22
G	**Profit before Interest, Depreciation, Amortisation and Taxes**	**161**	**222**	**18**	**101**	**178**	**317**
H	Less: Finance costs	1	1	9	4	10	5
I	**Profit before Depreciation, Amortisation and Taxes**	**160**	**221**	**9**	**97**	**168**	**312**
J	Less: Depreciation and Amortisation	19	18	35	25	54	42
K	**Profit Before Tax**	**141**	**203**	**(26)**	**72**	**114**	**270**
L	Less: Provision for Current Year Tax	40	53	5	11	45	64
M	Less: Provision for Deferred Tax	(4)	(2)	(3)	8	(7)	4
N	**Profit After Tax**	**105**	**152**	**(28)**	**53**	**76**	**202**
O	Minority Interest	0	0	0	0	0	0
P	Share of Profit of Associate Companies (net)	0	0	0	0	1	1
Q	**Profit after tax, minority interest and share of profit of Associate Companies (net)**	**0**	**0**	**(28)**	**53**	**77**	**203**
R	Extraordinary Item	0	0	0	(8)	0	(8)
S	**Profit available for distribution**	**105**	**152**	**(28)**	**45**	**77**	**195**

Note Average exchange rate considered for 1 USD in 2011-12 is Rs.48.1233 and in 2010-11 is Rs.45.5712. * Consolidated Accounts of CG International BV (CGIBV), the holding company for CGs international operations. ** Includes results of CG Stand-alone and Indian subsidiaries, Crompton Greaves Holdings Mauritius Limited, CG International Holdings Singapore PTE Limited and CGIBV consolidated. # Figures have been regrouped for the purposes of consolidation.

for 2010-2011. The due date for filing the above cost audit reports was 30 September 2011; the actual dates of filing were 24 September 2011 and 27 September 2011. The Company has re-appointed Ashwin Solanki & Associates as Cost Auditors, for the financial year 2011-2012, for all the above six products as well as for captive gas based power plant at its Baroda factory.

Fixed Deposits

The Company has discontinued acceptance of fresh deposits and also renewal of existing deposits. 34 persons have not claimed repayment of their matured deposits amounting to Rs.4,37,000 as at 31 March 2012. At the date of this Report, an amount of Rs.60,000 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.

One of CGs highest priorities is to provide a safe and healthy workplace and expects its employees to exhibit and encourage safe work behaviours

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

At CG, we understand the importance of responsible Environment, Health and Safety (EHS) management to our growth, profitability and long term sustainability. CG is committed to meeting the highest standards of corporate citizenship by protecting the health and safety of its employees and others working at its facilities, by safeguarding the environment, and by creating long lasting positive impact on the communities where it does business.

One of CG's highest priorities is to provide a safe and healthy workplace. CG also expects its employees to take individual responsibility for their health and safety and to exhibit and encourage safe work behaviours. CG has implemented several company-wide processes at its divisions, including improved awareness and communication programmes, safety audits, periodic health check-ups for its employees as well as accident prevention and investigation programs, to further improve its track record. Safety procedures related to hazardous processes are also regularly reviewed, monitored and strengthened. Besides, mock drills related to safety & fire, organized training sessions on First Aid and emergency preparedness are also conducted at regular intervals.

Safety Week was observed across all divisions from 4 March 2012 to 10 March 2012 in order to create continuing awareness on safety. Unit Safety Committees function across divisions, which deal with the safety and environment issues of each division. These committees, meet at regular intervals to resolve matters concerning employee safety.

CG has also been contributing to the reduction of global warming by exploring the replacement of SF6 gas with Helium and Nitrogen in the Gas Insulated Switchgear manufacturing processes. Other initiatives include waste segregation and recycling of waste including cardboard and plastics and establishment of effluent treatment plants.

During the year, the Company commenced a global initiative to review and monitor the energy, paper & water consumption as well as health & safety parameters at its various divisions/entities in India and abroad through an EHS scorecard. Targets have been assigned to each division/entity to reduce the resource consumption for next year. The progress on the EHS scorecard is reviewed at monthly business review meetings.

All manufacturing locations of the Company worldwide have achieved 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.

Acknowledgements

The Directors wish to convey their gratitude and appreciation to all of the Company's employees for their enormous personal efforts as well as their collective dedication and contribution to the Company's performance.

The Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, government and all the other business associates for their support extended to the Company, and their confidence in the Management.

On behalf of the Board of Directors

G Thapar
Chairman
Mumbai, 25 May 2012

T3 division, Bhopal, delivered a large number of 765 kV power transformers and reactors to PGCIL, India

Annexure to Directors' Report

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

A CONSERVATION OF ENERGY

a Energy Conservation Measures taken:

The thrust on energy conservation continued this year with focused initiatives at manufacturing plants to reduce cycle time of energy intensive processes, maintenance of power factor close to unity and substitution of traditional sources of energy such as coal and gas with renewable energy.

The typical measures taken towards energy conservation are:

- Reduction of cycle time of autoclave processes by installation of new electric oven
- Installation of solar pumping system for borewell operations, resulting in electricity savings of 3–4 hrs daily
- Introduction of new drying process in transformers which reduced energy usage by 12% annually
- Development of CRCA (Cold rolled Continuous Annealed) material for motor lamination which would result in energy saving of about 20% due to lower annealing cycles
- Introduction of new impregnating cycle in the winding process of large machines to reduce cycle time by 20%
- Replacement of in house lighting requirements at certain units with LED based light sources which were more energy efficient
- Usage of thermocole free packaging for Consumer BU products

Besides the internal actions for energy conservation, offering energy efficient products and solutions to customers has become a standard for all R&D efforts. During the year, the Company launched several 4 and 5 BEE rated fans and appliances and LED based lighting systems which are at least 20% more energy efficient than existing products.

b Additional investments and proposals, if any, being implemented for reduction in consumption of energy:

The following processes are under implementation for reducing energy consumption:

- Installation of precision temperature controlling equipment in drying ovens to avoid unnecessary overheating
- Installation of human sensor for switching of lights when not in use
- Installation of air curtains for improving the air conditioning
- Usage of energy efficient motors in operations
- Up-gradation of force cooling system for autoclaves
- Modification of autoclave condensers to reduce cycle time
- Addition of thyistor modules for heat treatment furnace, calcinantion furnace and binder removal furnace

c Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production:

The above measures have resulted in optimization of the energy consumption and savings for the Company in the energy cost. 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.

B TECHNOLOGY ABSORPTION

Research and Development

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

The Company's R&D efforts are primarily influenced by the Company's long-term business plans, with a focus on New Products identified from the annual strategy exercise.

Several projects were conducted in the areas of superconducting, nano-technology, motors design, smart systems, asset management, electronics, materials, insulation systems and process optimization.

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

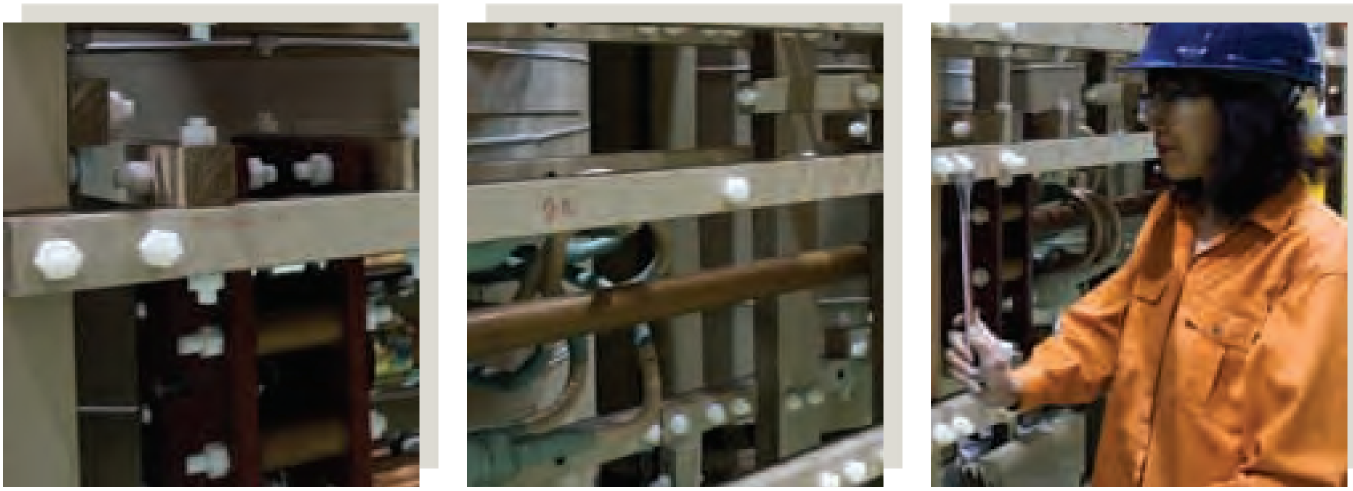
NEW PRODUCTS COMMERCIALISED

Power Systems

- 270 MVA, 420/21 kV, single phase generator transformer for Korba Power GSU with new design
- 200 MVA & 235 MVA, 500/18 kV, 3 phase, generator transformer
- 315 MVA auto transformer ICT (inter connecting transformer), boltless core in 5 limb construction
- 66 MVA,161/34/5 kV station transformer
- 40 MVAr, 500 kV, single phase, shunt reactor
- 500 MVA, 765 kV, single phase, auto transformer with two wound limb
- 80 MVAr, 765 kV single phase, shunt reactor
- 110 MVAr, 765 kV single phase, shunt reactor
- 333 MVA, 1150 kV 3 phase, auto transformer
- 950 KVA, 33/0.4 kV sealed wind mill transformer
- 33 kV cast resin transformer
- 800 kV, 50 kA spring pneumatic gas circuit breaker with controlled switching
- Circuit breaker technology suitable for -60Deg application
- 12 kV, 20 kA, 1250 Amp Vacuum Interruptor
- 36 kV, 26.3 kA, 1250 Amp Vacuum Interruptor
- 12 kV, 50 kA, 2500 Amp Vacuum Interruptor

Industrial Systems

- Cylindrical pole synchronous generator up to 8 MVA
- N Series vertical closed air circuit air cooled motors from 450 to 630 frame size
- N Series water cooled motors
- Lift drive technology
- IGBT based 130x3 KVA auxiliary alternator
- Integrated power supply unit
- 0.5 thk, 0.65 thk S0 grade stamping material with customizable properties for multiple stamping applications of rotating machines
- New series of wet grinder motors
- E-lite series aluminum motors
- Eco series motors
- Flange motors
- Cooler kit motors
- Ustad series alternator
- 808 frame mill duty motors
- Single phase alternators
- M1 range IE2 motors
- A1 & A2 range IE2 motors



The new design of HVDC converter transformers from Canada enhances performance by 20%. Winnipeg is now the Centre of Excellence for HVDC

- Agnita series flame proof motor for gas gr. IIC applications

Consumer Products

- Range of ceiling fans in metallic colours - 25 models launched with different aesthetic appeal viz ZAPAR, Flora Hi Speed, Avancer, Decora Elegenza, Taurus - Brushed Steel, Brushed Gun Metal, Brushed Copper - 48 - 3 Blade, Riviera
- Highly efficient 5 Star rated 50 W ceiling fan
- Fire fighting system utilizing 3HP-10HP monobloc and engine driven end suction pumps
- Submersible pump range to cater to new sewage treatment market
- Economic 4 submersible CG/W series pumps
- Mini series pumps with superior cooling system based on polymeric fans
- Semi open type solid handling end-suction process pumps for industrial application
- Heavy duty chemical process pump in total stainless steel construction
- Recessed commercial luminaire Flute MLF series suitable for 3x14 W T5 lamp
- Surface downlighter suitable for 2x18/26 W CFL
- In-direct Post top luminaire suitable for 70/150 W CDM-T lamp
- Linear highbay luminaire suitable for 4x28/54 W T5
- Under canopy light suitable for 85 W induction lamp
- 200 W induction highbay
- Orion range 36/50 W LED tile
- Helios – 12/18 W square down lighter
- Street light automation solutions

R&D (OVERSEAS LOCATIONS)

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

CG Power

- A new four winding transformer design for step-up solar inverter application
- Reconnectable station and generator step-up (GSU) transformers (i.e. multipurpose units)
- Bio-Slim KFWF cooling for multi MW wind turbines
- 4 MVA double stock winding for solar industry
- Very low noise power transformers
- Power transformer for offshore substations
- New type of 765 kV transformer with regulation winding on auxiliary limb (return limb)
- Intelligent cooling concept and an algorithm to simulate the used life time of transformers
- ePAQ 9410/9420 : 9420: multi-function gateway series for substation automation
- CG SCADA studio (HMI software)
- EXP-9430 automation system
- New ‘low loss’ design HVDC convertor transformer
- Smart transformer using existing monitoring systems providing an operational data stream separated from the maintenance data stream

CG Industrial

- 30-37 kW low voltage, new generation IP54 AC drives
- Customized motor mounted AC drive for large pump manufacturer
- Extended fieldbus communication for AC drives and soft starters (EtherCat)

NEW PROCESSES IMPLEMENTED AND PROCESSES IMPROVED

- Improvement in annealing process of stamping packs
- Reduction of autoclave process for MVIT products
- Polymer coating processes for high pressure water heaters
- PVD/CVD coating processes for enhancement of tool life for higher productivity and reduced production costs
- Unified sintering cycles for vacuum interruptor production

TECHNOLOGY COMPETENCE ACHIEVED

- EHV and UHV design methodology
- 72.5 kV vacuum technology
- Unification of sintering processes
- Alteration process of soft magnetic materials to suit different requirements of CG drives
- Nano based coating technology and application processes
- Insulation technology for HV rotating machines
- Permanent magnet drive technology for FHP, LV and MV machines
- Technology for gas insulated switchgear
- Condition monitoring systems
- Usage of iso-parafinic oil for insulation
- Superconducting technology for power system products

CG is continuously developing intelligent solutions and incorporating these into its large product portfolio

TABLE 5 EXPENDITURE ON R&D Rs. Crore for the year ended 31 March 2012

	Stand-alone
(a) Capital	60.57
(b) Revenue	37.65
(c) Total (a + b)	98.22
(d) Total R&D expenditure:	
as a percentage of net turnover	1.51
as a percentage of profit before tax and extraordinary item	14.51

TABLE 6 FOREIGN EXCHANGE EARNED & USED Rs. crore

	Total
Foreign Exchange Earned	898.93
Foreign Exchange Used	749.13

PATENTS

During the year, three patents have been granted in India.

During the year, the Company filed 138 patents in India and 8 patents overseas through Patent Co-operation Treaty process, which together with 546 patents filed earlier, are pending for registration.

3 Future Plan of Action

The Company's future R&D efforts will comprise consolidating its efforts towards development of intelligent consumer products and energy efficient power systems and industrial systems. The Company also plans to leverage its external collaborations to shorten the life cycle of technology development, develop key platform technologies, plan 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 R&D is given in Table 5.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1 Efforts and Benefits:

The indigenous development of technology is a milestone for CG by transforming it from a technology adopting company to technology driven company. Through in-house development and partnering with the global players, the competency for manufacturing UHV products such as 800 kV class generator transformer, auto transformer and shunt reactor has been achieved. The Company also proved its capability in the 1200 kV segment by developing 1200 kV auto transformer indigenously for UHV National Test Station at Bina, Madhya Pradesh.

2 Imported Technology : Nil

C FOREIGN EXCHANGE EARNINGS AND OUTGO

a 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.

b Total Foreign Exchange Earned and Used

The total foreign exchange earned and used by the Company is given in Table 6.

On behalf of the Board of Directors

G Thapar
Chairman
Mumbai, 25 May 2012

Corporate Governance

CG s drives business offers valuable solutions to process industries which need speed control for efficient operations

THE COMPANY S PHILOSOPHY ON CORPORATE GOVERNANCE

The Corporate Governance framework should ensure the strategic guidance of the Company, the effective monitoring of Management by the Board, and the Board s accountability to the Company and the Shareholders.

OECD Principles of Corporate Governance (2004)

CG believes in an empowered Board. Seven out of the ten Directors on the CG Board are Independent. CG's Independent Directors have the full freedom to interact directly with the CG Management. Presentations are made by the CG Management at Board Meetings on the long-term vision and direction for the Company with detailed three-year and annual rolling plans. The plans are a culmination of extensive market studies based on evaluation of potential market, customer trends, competitive landscape, assessment of opportunity and action plan for value differentiation. All the Directors engage intensely with the Management at such Board presentations to better appreciate and respond to the changing business environment as well as its risks and concerns.

A detailed review of performance versus plans is presented by the Management at Quarterly Board Meetings. The Board Agendas are comprehensive and are circulated several days in advance, for the Directors to be fully informed and contribute effectively to Board discussions. These detailed business presentations at each Board Meeting strengthen the Directors' appreciation of business issues, to enable them to provide better advice and oversight to the Company. In addition to the Quarterly Board Meetings, dedicated Board Meetings are held, exclusively to discuss strategic issues related to the future direction of the Company, acquisition opportunities etc, in the Company's endeavour to improve the Board's involvement with the Company's business.

To support the strategic business directions approved by the Board from time to time, the Management Organisational structure sustains strong operational execution at the business and the functional level globally, additionally reviewed by an Executive Committee comprising the CEO and senior leadership of the Company. The Management has the accountability for deployment of the business plans, budgets, policies and procedures, as well as enhancing the quality, efficiency and effectiveness of each business. The Management acts within a system of internal controls and risk management procedures which ensure that decision making powers are judiciously used for the purposes intended, with comprehensive segregation of duties to ensure the desired outcomes.

BOARD OF DIRECTORS

Composition

At the Board Meeting held on 2 June 2011, Mr Laurent Demortier was appointed as the CEO and Managing Director of the Company for an initial period of 5 years. Mr Demortier's appointment as CEO and Managing Director was approved by the shareholders at the Annual General Meeting held on 19 July 2011; and by the Central Government subsequently.

CG's former Managing Director, Mr SM Trehan continues on the Board as a Non-Executive Director and Vice-Chairman of the Board.

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.

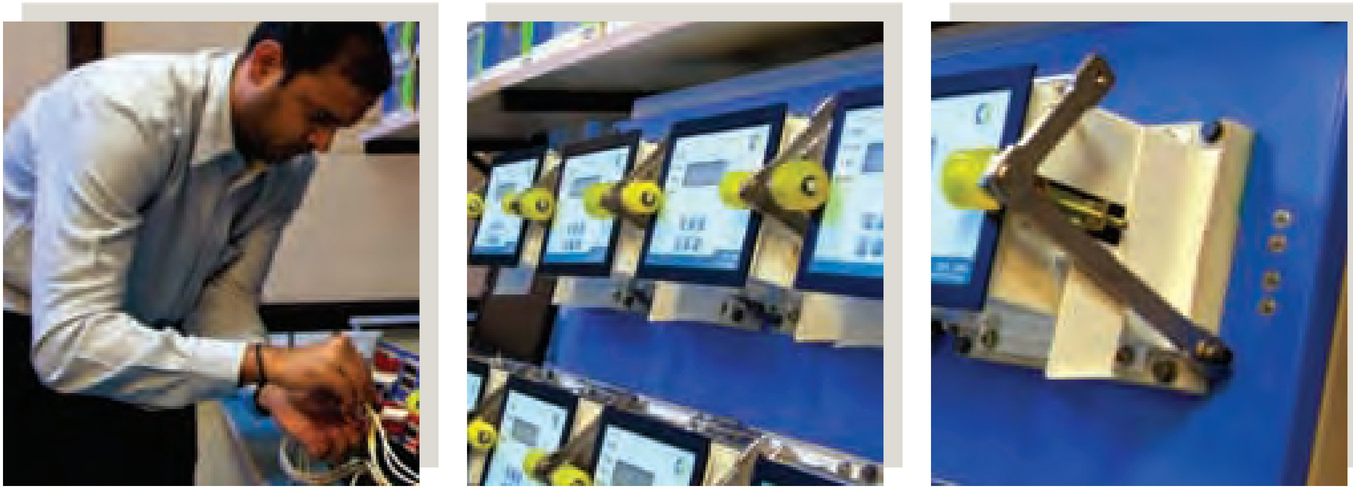
Board Meetings

There were seven Board Meetings held during FY 2012 : on 28 April 2011, 2 June 2011, 19 July 2011, 18/19 October 2011, 30/31 January 2012, 15 March 2012 and 23 March 2012. The Company's last Annual General Meeting was held on 19 July 2011.

TABLE 1 COMPOSITION OF THE BOARD as on 31 March 2012

Name	Particulars	Other Board Representations		
		Directorships [1]	Committee Memberships [2]	Committee Chairmanships [2]
Mr Gautam Thapar	Non-Executive Chairman; Promoter	9	2	0
Mr Sudhir Trehan [3]	Non-Executive; Vice-Chairman	3	0	0
Mr Laurent Demortier [4]	Executive; CEO and Managing Director	3	0	0
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	1	0	0
Ms Meher Pudumjee	Non-Executive; Independent	7	1	0
Mr Satya Pal Talwar	Non-Executive; Independent	12	4	4
Dr Valentin von Massow	Non-Executive; Independent	1	0	0

Notes [1] Includes private limited companies, but excludes alternate directorships and foreign bodies corporate. [2] Of only public limited companies. [3] Mr SM Trehan was Managing Director of the Company upto 1 June 2011. [4] Mr L Demortier is CEO and Managing Director from 2 June 2011.



CGs Switchgear Division has a new range of numerical communicable relays for the protection and control of medium voltage distribution networks

TABLE 2 ATTENDANCE RECORD OF THE DIRECTORS, FY 2012

Name	Board Meetings Attended	Attended last AGM
Mr Gautam Thapar	6	Yes
Mr Sudhir Trehan	7	Yes
Mr Laurent Demortier	6	Yes
Mr Scott Bayman	3	No
Dr Omkar Goswami	7	Yes
Mr Sanjay Labroo	5	No
Mr Suresh Prabhu	6	Yes
Ms Meher Pudumjee	5	Yes
Mr Satya Pal Talwar	6	Yes
Dr Valentin von Massow	7	Yes

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

Table 2 gives the attendance record of the Directors.

DIRECTORS COMPENSATION

Managing Director s Compensation

For the ten months of FY 2012, Mr Laurent Demortier, CEO and Managing Director, received a remuneration comprising of a fixed salary component, a one-time sign-on bonus, a basket of allowances/ reimbursements, performance linked bonus/ commission, housing, and other cash as well as non-cash perquisites usually applicable to expatriate appointments at this level. The shareholders at the Annual General Meeting held on 19 July 2011 have empowered the Remuneration Committee of the Board to revise the remuneration package upto a ceiling of 5% of the Company’s net profits, as permitted by the Companies Act,1956.

A service contract exists with Mr L Demortier 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.

Prior to his retirement as Managing Director on 1 June 2011, for the two months of FY 2012, Mr Trehan received a remuneration package comprising of a fixed salary component, a perquisite basket and commission as earlier approved by the Remuneration Committee of the Board.

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 Committee Meetings and also a variable component for contributions as Chairman of Board Committees, greater involvement with the Company’s initiatives and strategic direction, and for roles as nominee directors on the Board/Committees 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 2012, Dr von Massow held 2,687 Global Depository Receipts; 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

During the year, the Audit function implemented the Risk Control Framework software for evaluating the Company s systems and internal controls based on the Risk Based Internal Auditing (RBIA) concept, for CG India

TABLE 3 COMPENSATION OF THE DIRECTORS, FY 2012 in Rs.

	Salary	Perquisites, Allowances, Reimbursements	Commission	Retirement Benefits	Others	Sitting Fees	Total
Mr Gautam Thapar	-	-	5,56,91,000	-	-	2,00,000	5,58,91,000
Mr Sudhir Trehan	16,26,667	10,40,211	56,33,000	16,54,200	-	1,40,000	1,00,94,078
Mr Laurent Demortier	99,66,667	2,68,80,684	1,75,20,000	32,98,400	2,39,91,540	-	8,16,57,291
Mr Scott Bayman	-	-	4,29,000	-	-	60,000	4,89,000
Dr Omkar Goswami	-	-	34,90,000	-	-	2,60,000	37,50,000
Mr Sanjay Labroo	-	-	7,90,000	-	-	1,60,000	9,50,000
Mr Suresh Prabhu	-	-	11,58,000	-	-	2,00,000	13,58,000
Ms Meher Pudumjee	-	-	7,15,000	-	-	1,00,000	8,15,000
Mr Satya Pal Talwar	-	-	11,58,000	-	-	2,20,000	13,78,000
Dr Valentin von Massow	-	-	41,40,000	-	-	1,40,000	42,80,000

commercial transactions. As required by Clause 49 of the Listing Agreement, Mr Laurent Demortier, as the Company's CEO and Managing Director on 31 March 2012, has signed and confirmed adherence to this Code of Conduct, which is annexed to this Report.

Committees of the Board

Risk and Audit Committee

With effect from 19 July 2011, the Risk and Audit Committee was re-constituted to comprise of five Non-Executive Directors, of whom four are Independent. The composition is as under :

- 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)

The CEO and 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 and the Minutes of all these Committee Meetings are also circulated to the Board of Directors, for a full disclosure of the discussions at these Meetings.

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 Internal Audit reports directly to the CEO and Managing Director and also to the Risk and Audit Committee.

During the year, the Audit function implemented the Risk Control Framework software for evaluating the Company's systems and internal controls based on the Risk Based Internal Auditing (RBIA) concept, for CG India. The software facilitates comparison of audit findings across functions/divisions/companies, and provides inferential management dashboards, in important areas. The risks highlighted through the software and action plans to address them are regularly discussed at the Risk and Audit Committee Meetings, which also facilitates a more focused audit plan based on the risk profile of a business/ division.

With the objective of devising a One CG way of common operational processes and transferring learnings from best-practice locations to a Company-wide level, the Audit function commenced a pilot project of creating standard process manuals for managing operating cycles of Order to Cash, Procure to Pay and Plan to Deliver. The project has been successfully implemented in the Company's Industrial Business Unit (BU) and is being progressively extended to the other BUs as well.

In addition to the above, the function carried out operational and system audits at various locations.

The Company has a Corporate Risk Management department which implements the Company's Risk Management Policy at all its locations, and also monitors risk mitigation measures. During 2012, continuous evaluation of the risks associated with the various dimensions of the Company's business i.e operations, marketing, technology, sourcing, quality and HR was undertaken. The mitigation plans proposed by the businesses are reviewed periodically by the Risk and Audit Committee. This review has resulted in several constructive business initiatives in the areas of formation of focused sourcing teams, improvements in order booking and processing systems, exploration of technology collaborations for bridging product/technology gaps, capacity increases to meet the expected demand level and launch of new products.

During FY 2012, 4 Risk and Audit Committee meetings were held: on 27 April 2011, 18 July 2011, 18 October 2011 and 30 January 2012. The attendance record is given at 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 FY 2012, two Remuneration Committee Meetings was held on 2 June 2011 and 30 January 2012. The attendance record is given in Table 5.

Shareholders and 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 applicable 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.

CG follows a Quiet Period Policy during which the Company does not engage in any discussions, communications or other interaction with Analysts, investors or Media. This Quiet Period commences on the 16th of the third month of each quarter and continues upto the conclusion of the Board Meeting at which the financial results for each quarter are announced to the Stock Exchanges. However, during the Quiet Period, the Company's Investor Services Department continues to address Investor related issues and its communications with the Stock Exchanges and other Regulatory Authorities as required by law.

SHAREHOLDERS

Disclosure regarding Appointment and/or Re-appointment of Directors

MR S LABROO holds a dual Degree in Finance & Management from Wharton Business School, USA. Mr Labroo is the founding Managing Director & CEO of Asahi India Glass Ltd (AIS), the largest integrated glass company in India.

Mr Labroo is also closely associated with various Trade Organisations and Chambers of Commerce; Mr Labroo is currently Chairman of the OEM Committee of the Automotive Components Manufacturers' Association of India and Chairman of the Architectural Glass Panel of Indian Glass Manufacturers' Association. Mr Labroo was on the Board of the Reserve Bank of India for 2007-2011.

Indian Directorships

- Asahi India Glass Ltd
- AIS Adhesives Ltd
- AIS Glass Solutions Ltd
- Allied Fincap Services Pvt Ltd
- Asahi India Map Auto Glass Ltd
- Ballarpur Industries Ltd
- Essel Marketing Pvt Ltd
- Krishna Maruti Ltd
- LAN Estates Pvt Ltd
- Maltex Malsters Ltd
- Mahindra First Choice Wheels Ltd
- Nishi Electronics Pvt Ltd
- RS Estates Pvt Ltd
- Shield Autoglass Ltd
- SKH Metals Ltd

Committee Positions

- Asahi India Glass Ltd (1)
- Mahindra First Choice Wheels Ltd (1)

Mr Labroo is an Independent Director on the Board and a Member of the Risk and Audit Committee as well as the Chairman of the Remuneration Committee of the Company. Mr Labroo does not have any relationship with any of the other Directors on the Board.

Mr Labroo does not hold any shares in the Company either in his individual capacity or beneficially for others.

CG Power now manufactures transformers that produce 40 dBA sound pressure at 30cm, that is no more than the sound of a humming mosquito

MR SATYA PAL TALWAR is a law graduate and also holds a professional qualification as Certified Associate of the Indian Institute of Bankers. He has more than 40 years of operational and policy formation experience in Commercial and Central Banking. He was the Chairman of the Indian Banks Association, Deputy Governor of the Reserve Bank of India and was also a Member of the Advisory Committee of the Ministry of Company Affairs, New Delhi.

He has also served as the Chairman and Managing Director of three Nationalised Banks, and had also served on the Boards of the Securities and Exchange Board of India, Banks, Insurance Companies and Financial Corporations in India.

Indian Directorships

- Reliance Life Insurance Co Ltd
- Reliance General Insurance Co Ltd
- Reliance Communications Ltd
- Videocon Industries Ltd
- Housing Development Infrastructure Ltd
- Reliance Infratel Ltd
- Kalpatru Power Transmission Ltd
- Uttam Galva Steels Ltd
- GTL Infrastructure Ltd
- SPS Ispat & Power Ltd
- Samvardhana Motherson Finance Ltd
- Hotel Queens Road Private Ltd

Committee Positions

- Reliance Life Insurance Co Ltd (1)
- Reliance General Insurance Co Ltd (1)
- Reliance Communications Ltd (2)
- Videocon Industries Ltd (1)
- Housing Development Infrastructure Ltd (1)
- Reliance Infratel Ltd (1)
- Samvardhana Motherson Finance Ltd (1)

Mr Talwar is an Independent Director on the Board and a Member of the Risk & Audit Committee of the Company. Mr Talwar does not have any relationship with any of the other Directors on the Board.

Mr Talwar does not hold any shares in the Company either in his individual capacity or beneficially for others.

DR VALENTIN VON MASSOW is an eminent professional who, for 19 years, was with The Boston Consulting Group (BCG). In his 12 years as a Partner and Director at BCG he held various senior positions, including that of Managing Director for BCG, India and gained rich global experience of business models, governance, strategy and operations. Since mid-2005, Dr von Massow is an Independent Director for a number of companies and not-for-profit organizations in the renewable energy, agriculture and environment sectors, in India, Germany and UK. He serves on the Board of Trustees of the Worldwide Fund for Nature, UK.

Dr von Massow is Chairman of several companies such as CG Holdings Belgium NV (Belgium), Adas Group (UK) and Solarlite GmbH (Germany).

Indian Directorships

- Thermax Ltd

TABLE 4 RISK AND AUDIT COMMITTEE MEETINGS, FY 2012

Director	Status	Meetings
Dr Omkar Goswami	Chairman, Independent Director	4
Mr Sanjay Labroo	Member, Independent Director	1
Mr Suresh Prabhu	Member, Independent Director	4
Mr Satya Pal Talwar	Member, Independent Director	4
Mr Gautam Thapar	Member, Non-Executive Director	1
Mr Sudhir Trehan	Non - Executive Director	2

Note Mr Sudhir Trehan was a Member of the Committee upto 18 July 2011

TABLE 5 REMUNERATION COMMITTEE MEETING, FY 2012

Director	Status	Meeting held	Meeting Attended
Mr Sanjay Labroo	Chairman, Independent Director	2	2
Dr Omkar Goswami	Member, Independent Director	2	2
Mr Gautam Thapar	Member, Non-Executive Director	2	1

CGs newly built 550 kV EHV test laboratory at Indonesia will cater to the growing demand of EHV power transformers from electricity transmission utilities in South East Asia

TABLE 6 ANNUAL GENERAL MEETINGS

Financial Year	Location	Date	Time
2008-2009	Ravindra Natya Mandir, Mumbai 400 025	17 July 2009	3.30 p.m.
2009-2010	Ravindra Natya Mandir, Mumbai 400 025	19 July 2010	3.30 p.m.
2010-2011	Ravindra Natya Mandir, Mumbai 400 025	19 July 2011	3.30 p.m.

Directorships in Foreign Bodies Corporate

- Ritterschafticheѕ Kreditinstitut Stade, Germany
- Agrosolar GmBH & Co KG, Germany
- Solarlite GmBH, Germany
- Adas Group, United Kingdom
- CG Holdings Belgium NV, Belgium

Dr von Massow is an Independent Director on the Board. He does not have any relationship with any of the other Directors on the Board.

Dr von Massow holds 2,687 Global Depository Receipts in the Company. He does not hold any shares in the Company either in his individual capacity or beneficially for others.

The attendance record of these Directors at the Board Meetings during the year under review is given in Table 2.

Communication to Shareholders

Full and complete disclosure of information regarding the Company's financial position 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, during the year the Company's Investor Services Department undertook an extensive drive to personally contact shareholders whose phone numbers are available on the records, to encourage them to opt for e-Annual Reports. Nearly 4000 shareholders responded positively, pledging their support. For such shareholders who have consented to receive the Annual Report in electronic format, the Company will be sending its Annual Report as well as other shareholder correspondence by e-mail to e-addresses registered with the Company/ depository participants for this purpose. In case any such shareholder desires to receive a physical copy of the Annual Report, the Company will be happy to provide the same upon request.

Clause 41 of the Listing Agreement requires a company to only submit stand-alone unaudited financial results; and, gives 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 unaudited 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. These results are published in leading newspapers – The Financial Express, in English and Loksatta, in vernacular, and are also uploaded on the ''NEAPS" website sponsored by the the National Stock Exchange. 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.

After every quarterly Board Meeting for declaration of results, the Company conducts an analyst meeting to provide greater transparency and clarifications on the Company's financial performance. This meeting is also web-cast live on the Company's website www.cgglobal.com.

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.

During the year, the Company has published a Frequently Ask Questions (FAQ) Section" on the Company's website, to better familiarise shareholders with the procedural requirements and documentation of certain share related procedures. Shareholders referring to the FAQs are greatly facilitated in terms of speedy response and immediate availability of requisite information.

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:

17 July 2009

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

19 July 2010

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

19 July 2011

Special Resolution was passed for appointment of Mr S Goswami to hold an office of place of profit in the Company's subsidiary.

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 and Investors Grievance Committee

During FY 2012, the Shareholders'/Investors' Committee met on 31 January 2012 at which meeting all 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 four 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 2012.

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 sent three reminders on 11 April 2011, 30 June 2011 and 28 November 2011. 9,80,140 shares pertaining to 4,115 shareholders have remained unclaimed. These shares will be shortly credited to Crompton Greaves Limited – Unclaimed Suspense Demat 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 subsidiaries of the Company are adequately empowered through delegation of the operational powers to local Management at all locations. The Management of subsidiary companies are responsible for statutory compliances, health & safety concerns, integrity of accounts and assurance on internal controls. For 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 reviewed by the Risk and Audit Committee of the Board.

CEO AND CFO CERTIFICATION

As on 31 March 2012, Mr L Demortier, CEO and Managing Director and Mr M Acharya, 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 FY 2012.

Additional Shareholder Information

ANNUAL GENERAL MEETING

DATE

Friday, 3 August 2012

TIME

3.00 p.m.

VENUE

Swatantryaveer Savarkar Rashtriya Smarak

4th Floor, 252, Veer Savarkar Marg
Shivaji Park, Dadar
Mumbai 400 028

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/May

DATES OF BOOK CLOSURE

28 July 2012 to 3 August 2012

The register of members and share transfer books of the Company will remain closed from Saturday, 28 July 2012 to Friday, 3 August 2012, both days inclusive.

UNCLAIMED DIVIDENDS

Dividends pertaining to the financial years 2005-2006 to 2011-2012 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 below:

DATE OF DECLARATION OF DIVIDEND	DUE DATE FOR TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND
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
19 OCTOBER 2011	18 NOVEMBER 2018
31 JANUARY 2012	2 MARCH 2019
23 MARCH 2012	22 APRIL 2019

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 Ltd

UNIT Crompton Greaves Limited
Plot No B-5, Part B Crosslane
MIDC Marol Andheri (East)
Mumbai 400 093
TEL + 91 (0) 22 66712151 to 66712160
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)
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 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 FY 2012, 47 approvals were obtained. The total number of shares in physical form transferred during the year under review was 1,21,940 shares.

DEMATERIALISATION OF SHARES

As on 31 March 2012, 98.78% of the total shares of the Company were dematerialised, compared with 98.6% last year.

GLOBAL DEPOSITORY RECEIPTS

The Company issued Global Depository Receipts (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 2012, 3,14,362 GDRs were outstanding, which represented 15,71,809 underlying equity shares.

STOCK CODES

BSE, MUMBAI
500093

NATIONAL STOCK EXCHANGE
CROMPGREAV

GDR
5090318

ISIN
INE067A01029 (NSDL & CDSL)

CORPORATE IDENTIFICATION NUMBER
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 Stock Exchange, Mumbai

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Ltd

Exchange Plaza
Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051

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

MARKET PRICE DATA The Stock Exchange, Mumbai

Month	Highest of the Month (Rs.)	Lowest of the Month (Rs.)	Closing (Rs.)	Sensex
			1st trading day of the Month	1st trading day of the Month
April 2011	297.00	246.30	272.90	19,420.39
May 2011	265.70	235.50	249.95	18,998.02
June 2011	276.00	246.00	264.95	18,608.81
July 2011	269.95	167.05	264.40	18,762.80
August 2011	171.00	133.75	160.35	18,314.33
September 2011	163.45	144.00	150.10	16,821.46
October 2011	175.00	135.00	146.35	16,151.45
November 2011	147.45	112.10	138.75	17,480.83
December 2011	139.50	107.15	128.00	16,483.45
January 2012	146.75	123.50	124.50	15,517.92
February 2012	167.00	123.70	143.95	17,300.58
March 2012	157.70	132.50	142.25	17,583.97
As at 31 March 2012			**138.15**	**17,404.20**

DISTRIBUTION OF SHAREHOLDING on 31 March 2012

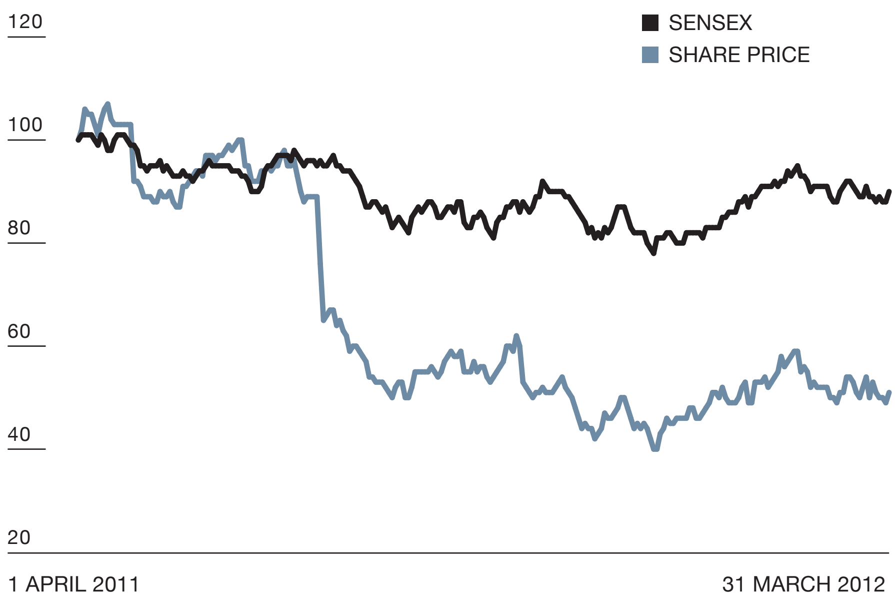
No. of Shares	No of Shareholders	% of Shareholders
Upto 500	1,14,306	86.56
501-1,000	7,335	5.55
1,001-2,000	4,796	3.63
2,001-3,000	1,700	1.29
3,001-4,000	1,027	0.78
4,001-5000	539	0.41
5,001-10,000	1,234	0.93
10,001 and above	1,122	0.85
	1,32,059	**100.00**

CATEGORIES OF SHAREHOLDERS on 31 March 2012

Category	No of Shares of Rs.2 each	%
Promoters	26,74,51,070	41.69
Indian Institutional Investors	4,93,94,674	7.70
Bodies Corporate	5,49,36,283	8.56
Foreign Institutional Investors	11,90,20,891	18.55
NRIs, OCBs, GDRs	1,11,79,354	1.75
Mutual Funds	8,09,56,082	12.62
General Public	5,85,53,182	9.13
Directors	0	0
	64,14,91,536	**100.00**

SHARE PERFORMANCE VS BSE SENSEX

Crompton Greaves Share Price & BSE Sensex =100 on 1 April 2011



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 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
Deputy Manager, Corporate Secretarial
TIME 2.00 pm to 5.00 pm
(Mondays to Fridays)
TEL +91 22 24237805
FAX +91 22 24237788
EMAIL shirish.athalekar@cgglobal.com

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 email 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, 25 May 2012

Certificates

CEO & MANAGING DIRECTOR S AND CHIEF FINANCIAL OFFICER S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Board of Directors
Crompton Greaves Limited

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 2012, 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.

L Demortier
CEO & Managing Director

M Acharya
Chief Financial Officer

Mumbai, 25 May 2012

AUDITORS 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 2012, 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

L Vaidyanathan
Partner
Membership No.16368

Mumbai, 25 May 2012

Declaration

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 2011 to March 2012.

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- -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.

L Demortier
CEO and Managing Director

Mumbai, 25 May 2012

Stand-Alone Financials

AUDITORS' REPORT TO THE MEMBERS OF CROMPTON GREAVES LIMITED

We have audited the attached Balance Sheet of **Crompton Greaves Limited** (the 'Company') as at 31st March, 2012, the Statement of Profit and Loss 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 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 the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
   (c) the Balance Sheet, the Statement of Profit and Loss 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 Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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 Financial Statements, read together with the Significant Accounting Policies in Note 1 and the Notes on the Financial Statements in Note 2 to 49, 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, 2012;

(ii) in the case of the Statement of Profit and Loss, 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, 25th May, 2012

(i) (a) The Company is maintaining proper records showing 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, 2012, for a period of more than six months from the date they become payable.

(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, 2012, which have not been deposited on account of a dispute, are as under the table overleaf.

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	0.38	1998-99 1999-2000	High Court
		2.28	2008-09	Comissioner (Appeals)
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act	Tax, interest and penalty	7.13	1989-90 1991-92 1996-97 1997-98 1999-2000 2005-06 to 2008-09	High Court
		11.20	1992-93 1996-97 1997-98 1998-99 2000-01 to 2008-09	Tribunal
		17.87	1994-95 1998-99 to 2008-09	Commissionerate (Appeals)
The Central Excise Act, 1944 and Service tax under the Finance Act, 1994	Duty, service tax and penalty	0.41	2001-02 2002-03 2004-05 to 2007-08	High Court
		9.72	1990-91 1999-2000 to 2001-02 2003-04 to 2010-11	CESTAT / Tribunal
		5.13	2001-02 to 2009-10 2011-12	Commissionerate (Appeals)

(*net of pre-deposit paid in getting the stay / appeal admitted)

(x) The Company has no accumulated losses as at 31st March, 2012 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 funds in mutual funds. According to the information and explanations given to us, proper records have been maintained 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 bank 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 an 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 and 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 the 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
Membership No. 16368

Mumbai, 25th May, 2012

₹ crore

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As at 31-03-2012		As at 31-03-2011	
EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS:					
(a) Share capital	2	**128.30**		128.30	
(b) Reserves and surplus	3	**2572.58**		2175.78	
			2700.88		2304.08
2. NON-CURRENT LIABILITIES:					
(a) Long-term borrowings	4	**2.06**		5.08	
(b) Deferred tax liabilities (net)	5	**43.23**		73.52	
(c) Other long-term liabilities	6	**8.15**		67.36	
(d) Long-term provisions	7	**11.97**		8.40	
			65.41		154.36
3. CURRENT LIABILITIES:					
(a) Short-term borrowings	8	**0.20**		-	
(b) Trade payables	9	**1171.03**		1095.42	
(c) Other current liabilities	10	**494.65**		374.88	
(d) Short-term provisions	11	**138.32**		160.88	
			1804.20		1631.18
TOTAL			**4570.49**		4089.62
ASSETS					
1. NON-CURRENT ASSETS:					
(a) Fixed assets					
(i) Tangible assets	12	**530.89**		820.15	
(ii) Intangible assets	12	**65.27**		55.15	
(iii) Capital work-in-progress	12	**58.29**		41.66	
(iv) Intangible assets under development	12	**21.03**		5.57	
(b) Non-current investments	13	**551.59**		379.02	
(c) Long-term loans and advances	14	**24.12**		18.36	
			1251.19		1319.91
2. CURRENT ASSETS:					
(a) Current investments	15	**500.91**		402.62	
(b) Inventories	16	**449.60**		405.72	
(c) Trade receivables	17	**1735.62**		1510.18	
(d) Cash and cash equivalents	18	**321.10**		150.89	
(e) Short-term loans and advances	19	**263.19**		252.54	
(f) Other current assets	20	**48.88**		47.76	
			3319.30		2769.71
TOTAL			**4570.49**		4089.62
CONTINGENT LIABILITIES AND COMMITMENTS	30				
SIGNIFICANT ACCOUNTING POLICIES	1				

The accompanying notes form an integral part of financial statements

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

Madhav Acharya
CHIEF FINANCIAL OFFICER

Laurent Demortier
CEO & MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 25th May, 2012

Wilton Henriques
COMPANY SECRETARY
Mumbai, 25th May, 2012

Gautam Thapar
CHAIRMAN

₹ crore

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	2011-12		2010-11	
INCOME:					
Sales and services		**6850.50**		6276.52	
Less: Excise duty		**365.12**		325.05	
Revenue from operations	21		**6485.38**		5951.47
Other income	22		**74.39**		96.15
TOTAL REVENUE			**6559.77**		6047.62
EXPENSES:					
Cost of raw materials and components consumed and construction materials	23	**3467.62**		3048.45	
Purchases of stock-in-trade	24	**1265.47**		1073.93	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	**(7.39)**		(56.84)	
Employee benefits	26	**363.59**		310.17	
Finance costs	27	**27.66**		20.76	
Depreciation and amortisation	28	**90.71**		80.89	
Other expenses	29	**675.41**		643.25	
TOTAL EXPENSES			**5883.07**		5120.61
PROFIT BEFORE TAX			**676.70**		927.01
TAX EXPENSES:					
Current tax		**192.88**		243.70	
Deferred tax	5	**(21.04)**		(11.02)	
			171.84		232.68
PROFIT FOR THE YEAR			**504.86**		694.33
Earnings per share (basic and diluted) (₹)	45		**7.87**		10.82
(Face value of equity share of ₹ 2 each)					
SIGNIFICANT ACCOUNTING POLICIES	1				

The accompanying notes form an integral part of financial statements

As per our report attached

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

Madhav Acharya
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Membership No. 16368
Mumbai, 25th May, 2012

Wilton Henriques
COMPANY SECRETARY

Mumbai, 25th May, 2012

Gautam Thapar
CHAIRMAN

₹ crore

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

		2011-12	2010-11
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxes		**676.70**	927.01
Adjustments for:			
Depreciation and amortisation		**90.71**	80.89
Provision for doubtful debts and advances		**10.37**	7.34
Interest expenses		**27.08**	20.69
Interest income		**(23.98)**	(16.70)
Income from investments (net)		**(0.35)**	(1.33)
Profit on sale of investments (net)		**(16.11)**	(18.86)
Unrealised exchange (gain)/loss (net)		**(2.20)**	(5.34)
(Profit)/Loss on sale of fixed assets (net)		**(5.58)**	0.40
		79.94	67.09
Operating profit before working capital changes		**756.64**	994.10
Adjustments for:			
(Increase)/Decrease in trade and other receivables		**(253.20)**	(414.81)
(Increase)/Decrease in inventories		**(43.88)**	(102.19)
Increase/(Decrease) in trade and other payables		**139.26**	82.61
Increase/(Decrease) in provisions		**1.78**	(3.41)
		(156.04)	(437.80)
Cash (used in)/from operations		**600.60**	556.30
Direct taxes paid (net of refunds)		**(210.25)**	(299.87)
Net cash (used in)/from operating activities	**[A]**	**390.35**	256.43
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Sale of fixed assets		**323.28**	0.98
Amalgamation of subsidiaries		**23.47**	14.24
Interest received		**24.64**	16.84
Income received from investments		**0.35**	1.33
		371.74	33.39
***Less:* Outflows from investing activities**			
Investment in subsidiaries and associates		**(196.07)**	(5.32)
Purchase of fixed assets		**(161.56)**	(444.88)
Purchase of investments (net)		**(82.17)**	(83.64)
		(439.80)	(533.84)
Net Cash (used in)/from investing activities	**[B]**	**(68.06)**	(500.45)

₹ crore

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

		2011-12	2010-11
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from borrowings		**54.65**	-
		54.65	-
***Less:* Outflows from financing activities**			
Repayments of borrowings		**(60.44)**	(13.38)
Interim dividends paid		**(102.53)**	(102.43)
Corporate dividend tax		**(16.65)**	(17.05)
Interest paid		**(27.11)**	(20.73)
		(206.73)	(153.59)
Cash (used in)/from financing activities	**[C]**	**(152.08)**	(153.59)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**170.21**	(397.61)
Cash and cash equivalents at beginning of the year		**150.89**	548.50
Cash and cash equivalents at end of the year		**321.10**	150.89

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 ₹ 0.02 crore (Previous year ₹ 0.01 crore) on account of translation of foreign currency bank balances.

4 Figures for the previous year have been re-grouped wherever necessary.

As per our report attached

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

Madhav Acharya
CHIEF FINANCIAL OFFICER

Laurent Demortier
CEO & MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 25th May, 2012

Wilton Henriques
COMPANY SECRETARY

Gautam Thapar
CHAIRMAN

Mumbai, 25th May, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention, in accordance with the Generally Accepted Accounting Principles (GAAP) except for the revaluation of certain fixed assets acquired before 30th June, 1985 and in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 (as amended). 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 and commitments as of the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, allowance 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 original 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, less accumulated depreciation and amortisation.

(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) Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of the fixed assets.

(d) Pre-operative expenses, including interest on borrowings upto the date of commercial operations, are treated as part of the project cost and capitalised.

(e) Internally manufactured fixed assets are capitalised at factory cost, including excise duty, where applicable.

(f) Capital work-in-progress includes cost of fixed assets under installation / under development as at the balance sheet date.

(g) Capital expenditure on research and development is classified under tangible assets and depreciated on the same basis as other fixed assets.

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) Specialised software : Over a period of five years;
(c) Technical know-how : Over a period of five years from the date of commercial production;
(d) Commercial rights : Over a period of ten years; and
(e) Development costs:
(1) Revenue expenditure on research is expensed under respective heads of account in the period in which it is incurred.
(2) Development expenditure on new product is capitalised as intangible asset, if all of the following can be demonstrated:
(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
(b) the Company has intention to complete the intangible asset and use or sell it;
(c) the Company has ability to use or sell the intangible asset;
(d) the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;
(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
(f) the Company has ability to measure the expenditure attributable to the intangible asset during the development reliably.

The development expenditure capitalised as intangible asset is amortised over a period of five years.

Other development costs that do not meet above criteria are expensed in the period in which they are incurred.

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 other than temporary in nature.
(b) Current investments are carried at the lower of cost and fair value.

The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

7. **Inventories**

Inventories are valued after providing for obsolescence as under:

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

8. **Cash and cash equivalents**

(a) Cash comprises cash on hand and demand deposits with banks.
(b) Cash equivalents are short-term, highly liquid investment that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

9. **Foreign currency transactions and foreign operations**

(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 historical rate.
(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 expenses in the period in which they arise.
(d) Financial statements of foreign operation are treated as integral operations and translated as in the same manner as foreign currency transactions, as described above. Exchange differences arising on such translation are recognised as income or expenses of the period in which they arise.

10. Derivative contracts

(a) 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 gains or losses arising out of fair valuation of derivative contracts are recognised in the statement of profit and loss 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 statement of profit and loss.

(b) The premium or discount on forward contracts is amortised as expense or income over the period of the contract.

(c) Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the statement of profit and loss in the same period in which the hedged item is accounted.

11. Revenue recognition

(a) Revenue from sale of goods is recognised, when all the significant risks and rewards of ownership are transferred to the buyer, under the terms of 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, if any 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 on proportionate completion method.

(c) Revenue from contracts is recognised by applying 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. Foreseeable loss, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost till such time the outcome of the contract cannot be ascertained reliably and at realisable value thereafter.

(d) Interest income on deposits, securities and loans is recognised at the agreed rate on time proportion basis.

(e) Dividend income is accounted for when the right to receive the same is established.

(f) Other items of income are accounted as and when the right to receive arises.

12. 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) Post-employment benefits:

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 during the period in which the employee renders the related service.

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, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate 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.

Actuarial gains and losses are recognised in full in the statement of profit and loss, 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.

(c) 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.

(d) Termination benefits

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

13. Depreciation

(a) Owned assets:

(1) Revalued assets

Depreciation is provided on straight line method on the values and at the rates specified in Schedule XIV to the Companies Act, 1956. The difference between depreciation provided on revalued amount and on historical cost is recouped out of revalution reserve.

(2) Assets carried at historical cost

Depreciation on the fixed assets carried at historical cost 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.

(b) Leased assets:

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

(2) 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.

(3) In other cases, buildings constructed on leasehold land are amortised over the lease period of the land.

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 twelve 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. Segment accounting

(a) Segment accounting policies

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

(1) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

(2) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

(3) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

(4) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

(5) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

(b) Inter-segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

16. 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 tax 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.

17. Provisions, Contingent liabilities, Contingent assets and Commitments

(a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:

(1) the Company has a present obligation as a result of a past event;

(2) a probable outflow of resources is expected to settle the obligation; and

(3) the amount of the obligation can be reliably estimated.

(b) Reimbursement 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:

(1) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

(2) a present obligation when no reliable estimate is possible;

(3) 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) Commitments include the amount of purchase order (net of advance) issued to parties for completion of asset.

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

	As at 31-03-2012	As at 31-03-2011
2. SHARE CAPITAL		
Authorised:		
1,80,50,00,000 Equity Shares of ₹ 2 each (Previous year 1,38,00,00,000 equity shares of ₹ 2 each)	**361.00**	276.00
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 (Amount paid-up ₹ 32,175)	**0.00**	0.00
	128.30	128.30

Notes:

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

Authorised share capital	As at 31-03-2012		As at 31-03-2011	
	No. of Shares	**₹ crore**	No. of Shares	₹ crore
Balance at the beginning of the year	**1380000000**	**276.00**	1300000000	260.00
Amalgmation of wholly owned subsidiary with the Company (Refer Note below)	**425000000**	**85.00**	80000000	16.00
Balance at the end of the year	**1805000000**	**361.00**	1380000000	276.00

During the year, the Company's authorised share capital has increased from ₹ 276 crore to ₹ 361 crore comprising of 1,80,50,00,000 number of equity shares of ₹ 2 each on amalgamation of CG Capital and Investments Limited, a wholly owned subsidiary, with the Company on 20th August, 2011.

The Company has not issued any equity shares during the current and in the previous year.

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

	As at 31-03-2012		As at 31-03-2011	
	%	**No. of Shares**	%	No. of Shares
1. Avantha Holdings Limited	**39.90**	**255937034**	39.13	251021179
2. HDFC Trustee Company Limited	**8.39**	**53842070**	4.29	27515657
3. Life Insurance Corporation of India	**5.81**	**37282492**	5.27	33820554

(c) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

(d) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	As at 31-03-2012	As at 31-03-2011
	No. of Shares	No. of Shares
Shares issued as fully paid-up bonus shares	**274924944**	379658256

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2012		As at 31-03-2011	
3. RESERVES AND SURPLUS				
Capital reserve		**19.12**		19.12
Capital redemption reserve:				
As per last balance sheet	**-**		-	
Add: Transferred on amalgamation of a subsidiary {Refer Note (b) below }	**10.00**		-	
		10.00		-
Securities premium account		**151.84**		151.84
Revaluation reserve:				
As per last balance sheet	**14.27**		14.42	
Less: Transferred to Statement of profit and loss {Refer Note (a) below}	**(0.25)**		(0.15)	
		14.02		14.27
Government subsidy:				
As per last balance sheet	**-**		0.25	
Less: Transferred to General reserve	**-**		(0.25)	
		-		-
General reserve:				
As per last balance sheet	**250.39**		178.38	
Add: Transferred on amalgamation of a subsidiary	**-**		1.76	
Add: Government subsidy	**-**		0.25	
Add: Transferred from Statement of profit and loss {Refer Note (c) below }	**68.00**		70.00	
		318.39		250.39
Balance in Statement of profit and loss				
As per last balance sheet	**1740.16**		1272.41	
Add: Profit for the year	**504.86**		694.33	
Add: Transferred on amalgamation of a subsidiary {Refer Note (b) below}				
(1) Balance of Statement of profit and loss as at 1st April, 2010	**4.86**		3.59	
(2) Profit after tax for financial year 2010-11	**(18.29)**		4.25	
Profit available for appropriation	**2231.59**		1974.58	
Transfer to General reserve {Refer Note (c) below }	**68.00**		70.00	
Profit available for distribution:	**2163.59**		1904.58	
1st Interim dividend	**51.32**		51.32	
2nd Interim dividend	**12.83**		51.32	
3rd Interim dividend	**25.66**		38.49	
Corporate dividend tax	**14.57**		23.29	
		2059.21		1740.16
		2572.58		2175.78

Notes:

(a) Depreciation on revalued amount of fixed assets, recouped from Revaluation reserve ₹ 0.21 crore and Revaluation reserve written-back ₹ 0.04 crore on assets disposed-off and included under profit on sale of fixed assets.

(b) Disclosures as required by Accounting Standard (AS) 14 Accounting for Amalgamations:

Scheme of Amalgamation of CG Capital and Investments Limited with the Company

(1) In accordance with the Scheme of Amalgamation (the 'Scheme') of the CG Capital and Investments Limited (the 'CGCIL') with the Company, as sanctioned by the Honourable High Court of Judicature at Bombay, vide their Order dated 20th August, 2011, the undertaking of CGCIL, being all its assets and properties, both movable and immovable, industrial and other licences, all rights and obligations under the contracts, trademarks, all other interests, rights and powers of every kind, etc., and all it's debts, liabilities including contingent liabilities, duties and obligations, has been transferred to and vested in the Company retrospectively with effect from 1st April, 2010 (the 'Appointed Date'). The Scheme has, accordingly, been given effect to in the financial statements. The effective date of amalgamation is 20th September, 2011.

(2) CGCIL was engaged in the business of investments activities.

(3) The amalgamation had 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 CGCIL as at 31st March, 2010 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.)

(4) CGCIL, being a wholly owned subsidiary of the Company, the entire paid-up share capital had been cancelled and the company stands dissolved without winding-up.

(b) Disclosures as required by Accounting Standard (AS) 14 Accounting for Amalgamations: (Contd.)

(5) The amalgamation has resulted into increase in the authorised share capital of the Company by ₹ 85.00 crore comprising 425,000,000 equity shares of ₹ 2 each.

Accordingly, the amalgamation has resulted in transfer of assets, liabilities and reserves as on 1st April, 2010 in accordance with the terms of the Scheme as under:

Investments	11.63
Current assets	47.04
Total assets	58.67
Less: Current liabilities and provisions	0.38
Less: Transfer to Statement of profit and loss	4.86
Less: Transfer to Capital redemption reserve	10.00
Net assets transferred	43.43
Consideration for amalgamation	43.43
Balance transferred to Capital reserve	-

(c) Transfer to General reserve represents, transferred from Statement of profit and loss in compliance with provisions of Companies (Transfer of Profit to Reserve) Rules, 1975 read with Section 205 (2A)/Rule 2 (iv) of Companies Act, 1956.

	As at 31-03-2012	As at 31-03-2011
4. LONG-TERM BORROWINGS		
Secured loans		
Term loans		
From financial institution	-	2.74
Unsecured loans		
Interest-free sales tax deferral loans from State Governments (Refer Note below)	**2.06**	2.34
	2.06	5.08

Note:

The Company has opted for the deferral Scheme of sales tax, which is payable as per the Scheme framed by State Goverments.

	As at 31-03-2012		As at 31-03-2011	
5. DEFERRED TAX				
	Deferred tax assets	**Deferred tax liabilities**	Deferred tax assets	Deferred tax liabilities
Difference between book depreciation and tax depreciation		**81.06**		105.04
Expenses allowable for tax purposes when paid / on payment of TDS	**13.46**		11.26	
Other items giving rise to timing differences	**24.37**		20.26	
	37.83	**81.06**	31.52	105.04
Net deferred tax liability		**43.23**		73.52
Deferred tax liability / (asset)	**(30.29)**		(9.90)	
On amalgamation of a subsidiary	**9.25**		(1.12)	
Deferred tax liability / (asset) charged to Statement of profit and loss	**(21.04)**		(11.02)	

	As at 31-03-2012	As at 31-03-2011
6. OTHER LONG-TERM LIABILITIES		
Advances from customers	-	61.76
Other payables:		
Security deposits	**8.15**	5.55
Others	-	0.05
	8.15	67.36

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2012	As at 31-03-2011
7. LONG-TERM PROVISIONS		
Employees benefit (Refer Note 41)	**11.97**	8.40
	11.97	8.40

	As at 31-03-2012	As at 31-03-2011
8. SHORT-TERM BORROWINGS		
Secured loans		
Working capital demand loan		
From bank (Refer Note below)	**0.20**	-
	0.20	-

Note:

Working capital demand loan from bank is secured against hypothecation of stocks and trade receivables, both present and future.

	As at 31-03-2012	As at 31-03-2011
9. TRADE PAYABLES		
Acceptances	**112.08**	71.67
Sundry creditors		
Due to micro and small enterprises (Refer Note below)	**37.44**	28.25
Due to other than micro and small enterprises	**987.53**	971.98
Due to subsidiaries	**17.37**	14.71
Due to associates	**16.61**	8.81
	1171.03	1095.42

Note:

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2012. The disclosure pursuant to the said Act is as under:

	2011-12	2010-11
(a) Principal amount due to suppliers under MSMED Act, 2006	**37.44**	28.25
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	**0.14**	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	**104.61**	63.44
(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	**0.14**	-

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.

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

10. OTHER CURRENT LIABILITIES	As at 31-03-2012		As at 31-03-2011	
Current maturities:				
Long-term borrowings:				
From financial institution {Refer Note (a) below}		**3.13**		5.49
Interest-free sales tax deferral loans from State Governments (Refer Note 4)		**2.06**		2.83
Interest accrued but not due on borrowings		**0.03**		0.06
Advances from customers		**329.08**		249.13
Investor Education and Protection Fund: {Refer Note (b) below}				
Unclaimed dividend	**1.82**		1.71	
Unclaimed matured fixed deposits	**0.04**		0.07	
		1.86		1.78
Due to directors		**8.62**		18.00
Due to customers:				
Progress bills raised	**1124.62**		444.12	
Less: Construction and project related work, at realisable value	**1096.75**		433.46	
		27.87		10.66
Due to related parties:				
Due to subsidiaries		**31.72**		-
Other payables:				
Security deposits		**0.18**		0.14
Others {Refer Note (c) below}		**90.10**		86.79
		494.65		374.88

Notes:

(a) Term loan from a financial institution was taken during the financial year 2005-06. The loan repayable as at 31st March, 2012, is the final installment. The loan is secured by way of equitable mortgage of land and buildings and by way of hypothecation of specific movable properties at certain locations.

(b) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2012.

(c) Other payables 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 Statement of profit and loss.

11. SHORT-TERM PROVISIONS	As at 31-03-2012	As at 31-03-2011
Taxes (Net of advance tax ₹ 198.74 crore; Previous year ₹ 237.83 crore)	**-**	5.87
Interim dividend	**25.66**	38.49
Corporate dividend tax	**4.16**	6.24
Employee benefits	**22.38**	20.02
Others provisions {Refer Note (a) below }	**86.12**	90.26
	138.32	160.88

₹ crore

Note:

(a) Disclosures as required by Accounting Standard (AS) 29 Provisions, Contingent Liabilities and Contingent Assets:

(1) Movement in provisions:

	Warranties		Sales tax / VAT		Excise duty / Service tax	
Nature of Provisions	**2011-12**	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**
Carrying amount at the beginning of the year	**50.49**	47.08	**21.91**	23.16	**6.29**	6.79
Additional provision made during the year #	**20.04**	25.29	**5.50**	4.75	**1.18**	0.33
Amounts used during the year	**6.71**	5.93	**1.64**	3.71	**-**	-
Unused amounts reversed during the year #	**19.03**	15.95	**5.11**	2.29	**0.01**	0.83
Carrying amount at the end of the year	**44.79**	50.49	**20.66**	21.91	**7.46**	6.29

	Liquidated damages		Other litigation claims		Total	
Nature of Provisions	**2011-12**	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**
Carrying amount at the beginning of the year	**7.62**	16.88	**3.95**	3.44	**90.26**	97.35
Additional provision made during the year #	**2.00**	2.62	**0.55**	0.66	**29.27**	33.65
Amounts used during the year	**-**	-	**-**	-	**8.35**	9.64
Unused amounts reversed during the year #	**-**	11.88	**0.91**	0.15	**25.06**	31.10
Carrying amount at the end of the year	**9.62**	7.62	**3.59**	3.95	**86.12**	90.26

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

(2) Nature of provisions:

(a) 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.

(b) 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.

(c) Provision for excise duty / service tax represents the differential duty liability that is expected to materialise in respect of matters in appeal.

(d) Provision for liquidated damages has been made on contracts for which delivery dates are exceeded and computed in reasonable and prudent manner.

(e) Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

₹ crore

	Gross block (Cost / Valuation)					Depreciation / Amortisation					Net block	
	As at 01-04-2011	Transferred on amalgamation	Additions	Deductions	As at 31-03-2012	Upto 31-03-2011	Transferred on amalgamation	For the year	Deductions	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
12. FIXED ASSETS												
(i) Tangible assets												
Owned assets:												
Freehold land	15.90	-	-	0.06	**15.84**	-	-	-	-	**-**	**15.84**	15.90
Leasehold land	17.31	-	-	-	**17.31**	2.74	-	0.14	-	**2.88**	**14.43**	14.57
Buildings	255.21	-	11.98	4.20	**262.99**	79.00	-	6.81	0.68	**85.13**	**177.86**	176.21
Plant and equipments	731.77	-	79.21	8.19	**802.79**	489.23	-	37.44	6.82	**519.85**	**282.94**	242.54
Railway sidings	0.02	-	-	-	**0.02**	0.01	-	-	-	**0.01**	**0.01**	0.01
Furniture and fixtures	67.50	-	8.66	3.49	**72.67**	51.45	-	3.85	3.19	**52.11**	**20.56**	16.05
Office equipments	51.75	0.01	3.14	1.24	**53.66**	42.08	0.00	3.10	1.16	**44.02**	**9.64**	9.67
Aircrafts	370.80	-	-	370.80	**-**	34.52	-	24.20	58.72	**-**	**-**	336.28
Vehicles	13.21	-	2.80	1.10	**14.91**	8.08	-	1.73	0.80	**9.01**	**5.90**	5.13
Owned assets leased out:												
Buildings	4.86	-	-	-	**4.86**	1.07	-	0.08	-	**1.15**	**3.71**	3.79
Sub-total (i)	**1528.33**	**0.01**	**105.79**	**389.08**	**1245.05**	**708.18**	**0.00**	**77.35**	**71.37**	**714.16**	**530.89**	820.15
(ii) Intangible assets												
Goodwill	4.92	-	4.39	-	**9.31**	0.33	-	1.22	-	**1.55**	**7.76**	4.59
Computer software	17.45	-	4.05	-	**21.50**	11.62	-	2.32	-	**13.94**	**7.56**	5.83
Technical know-how	19.27	-	-	-	**19.27**	5.14	-	3.26	-	**8.40**	**10.87**	14.13
Commercial rights	34.21	-	-	-	**34.21**	3.61	-	5.42	-	**9.03**	**25.18**	30.60
Research and development	-	-	15.24	-	**15.24**	-	-	1.34	-	**1.34**	**13.90**	-
Sub-total (ii)	**75.85**	**-**	**23.68**	**-**	**99.53**	**20.70**	**-**	**13.56**	**-**	**34.26**	**65.27**	55.15
Total (i+ii)	**1604.18**	**0.01**	**129.47**	**389.08**	**1344.58**	**728.88**	**0.00**	**90.91**	**71.37**	**748.42**		
Previous year	1171.40	28.21	413.89	9.32	**1604.18**	637.59	18.18	81.04	7.93	**728.88**		
(iii) Capital work-in-progress - Tangible assets												
Buildings											**31.92**	12.33
Plant and equipments											**26.37**	29.33
Sub-total (iii)											**58.29**	41.66
(iv) Intangible assets under development												
Development expenses											**21.03**	5.57
Sub-total (iv)											**21.03**	5.57

Notes:

(a) Cost / Valuation of Buildings includes ownership accommodation:
   (i) in various co-operative societies and apartments: ₹ 2.96 crore; (Previous year ₹ 4.74 crore), including 5 shares of ₹ 100 each and 672 shares of ₹ 50 each.
   (ii) in co-operative society ₹ 3.32 crore; (Previous year ₹ 3.32 crore) pending for allotment of shares.
(b) Cost of Land include ₹ 14.52 crore; (Previous year ₹ 14.52 crore) and Buildings include ₹ 8.41 crore; (Previous year ₹ 9.85 crore) added on revaluation on 30th June, 1985.
(c) Additions during the year include ₹ 28.92 crore; (Previous year ₹ 26.19 crore) relating to research and development.
(d) Capital work-in-progress and intangible assets under develpoment include ₹ 31.65 crore; (Previous year ₹ 17.74 crore) relating to research and development.

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2012	As at 31-03-2011
13. NON-CURRENT INVESTMENTS		
Quoted investments		
Investment in Government or trust securities	**0.49**	0.49
	0.49	0.49
Unquoted investments		
Investments in equity instruments		
Subsidiary companies	**305.47**	117.89
Associate companies	**227.60**	227.60
Others	**8.01**	0.01
Investments in preference shares		
Subsidiary companies	**-**	32.93
Investment in debentures		
Subsidiary companies	**9.92**	-
Others	**0.05**	0.05
Others	**0.05**	0.05
	551.10	378.53
	551.59	379.02
Notes:		
Quoted investments		
Book value	**0.49**	0.49
Market value	**0.49**	0.49
Unquoted invetsments		
Book value	**551.10**	378.53

Note: Refer accounting policy Note 1 (6) on valuation of investments, *supra.*

₹ crore

	Face value per unit in Rupees unless otherwise specified	No. of shares / units As at 31-03-2012	As at 31-03-2012	As at 31-03-2011
13. NON-CURRENT INVESTMENTS (Contd.)				
Details of investments:				
A) Quoted investments				
Government and trust securities				
1 Central Government Securities				
10.18% GOI 2026 of ₹ 100 each	100	39000	0.49	0.49
Total (A)			0.49	0.49
B) Unquoted investments				
Investments in equity instruments:				
Investment in subsidiary companies				
Fully paid equity shares				
1 CG Capital & Investments Limited (Amalgamated with the Company) {Refer Note 3 (b)}	10	-	-	10.50
2 CG Energy Management Limited	10	1600000	0.74	0.74
3 CG International B.V.	EUR 100	180000	101.33	101.33
4 Crompton Greaves Holdings Mauritius Limited {Refer Note below}	USD 1	42134142	194.34	-
5 CG-ZIV Power Automation Solutions Limited (1680000 shares subscribed during the year)	10	7000000	7.00	5.32
6 CGPPI Adhesive Products Limited (Received on amalgamation of a subsidiary) {Refer Note 3 (b)}	10	2005520	2.01	-
7 CG Power Solutions Limited (Subscribed during the year)	10	50000	0.05	-
			305.47	117.89
Investment in associate companies				
Fully paid equity shares				
1 CG Lucy Switchgear Limited	10	599993	0.60	0.60
2 Power Equipment Limited (Carried at nominal value of ₹ 10)	USD 10	20600	0.00	0.00
3 Avantha Power & Infrastructure Limited	10	206363636	227.00	227.00
			227.60	227.60
Others				
1 Avantha Holdings Limited (Optionally Convertible, Zero Coupon, Non-marketable, transferrable Debentures) (Received on amalgamation of a subsidiary) {Refer Note 3 (b)}	100	800000	8.00	-
2 Dinette Exclusive Club Private Limited (Shares of ₹ 100 each)	100	500	0.01	0.01
3 Radiant Electronics Limited (Carried at nominal value of ₹ 10)	100	190000	0.00	0.00
			8.01	0.01
Investments in preference shares				
Fully paid preference shares				
CG Capital & Investments Limited (7% Non-Convertible, Non-Cumulative Redeemable Preference Shares) (Cancelled on amalgamation of a subsidiary) {Refer Note 3 (b)}	10	32928044	-	32.93
			-	32.93
Investments in debentures:				
Investments in subsidiary company				
CG Energy Management Limited (0% Unsecured Irredeemable Non-Convertible Debentures of ₹ 10 each) (Received on amalgamation of a subsidiary) {Refer Note 3 (b)}	10	9918000	9.92	-
Others				
Dinette Exclusive Club Private Limited (0% Unsecured Irredeemable Non-convertible Debentures of ₹ 100 each)	100	5000	0.05	0.05
			9.97	0.05
Other investments				
UTI - Balanced Fund - Dividend Plan - Payout	10	55909	0.05	0.05
			0.05	0.05
Total (B)			551.10	378.53
Total (A+B)			551.59	379.02

Note:

The investment in Crompton Greaves Holdings Mauritius Limited, a subsidary, has been utilised, through it's subsidiaries to acquire Emotron Group, Sweden.

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2012	As at 31-03-2011
14. LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good, unless otherwise stated		
Capital advances	**13.17**	6.03
Other deposits	**10.95**	12.33
	24.12	18.36

	As at 31-03-2012	As at 31-03-2011
15. CURRENT INVESTMENTS		
Quoted investments		
Investments in equity instruments	**0.78**	0.76
Investments in mutual funds	**500.13**	401.86
	500.91	402.62
Note:		
Quoted investments		
Book value	**500.91**	402.62
Market value	**501.55**	405.13

Note: Refer accounting policy Note 1 (6) on valuation of investments, supra.

	Face value per unit in Rupees unless otherwise specified	No. of shares / units As at 31-03-2012	As at 31-03-2012	As at 31-03-2011
Details of investments:				
Quoted investments				
Investments in equity instruments				
1 Nicco Corporation Limited	2	**330390**	**0.02**	0.02
2 IDBI Bank Limited	10	**127720**	**0.74**	0.74
3 JCT Electronics Limited	1	**250000**	**0.02**	-
{(Received on amalgamation of a subsidiary); Diminution in value provided during the year ₹ 175,000}				
			0.78	0.76
Investments in mutual funds				
LIC NOMURA MF Interval Fund - Series 1 - Monthly	10	**5032789**	**-**	5.03
Religare Medium Term Bond Fund - Monthly Dividend	10	**30375687**	**-**	30.38
JSIWI-JPMorgan India Short Term Income Fund - Weekly Dividend - Reinvestment	10	**74390174**	**-**	74.57
Baroda Pioneer Treasury Advantage Fund - Institutional Daily Dividend Plan	1000	**753909**	**-**	75.46
UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Re-investment	1000	**99979**	**-**	10.00
Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan	10	**2581229**	**-**	3.00
Reliance Liquid Fund-Treasury Plan-Institutional Option - Daily Dividend Option	10	**18000986**	**27.52**	5.00
Reliance Fixed Horizon Fund - XVIII - Series 6 - Dividend Plan	10	**3000000**	**-**	3.00
L072SD SBI Premier Liquid Fund - Super Institutional - Daily Dividend	10	**17945338**	**-**	18.00
C222 L&T Freedom Income STP Institutional - Daily Dividend Reinvestment Plan	10	**73602077**	**-**	74.75
Fidelity Short Term Income Fund - Dividend	10	**30000000**	**-**	30.00
DWS Ultra Short Term Fund - Institutional Daily Dividend - Reinvestment	10	**67545553**	**-**	67.67
M55 BNP Paribas Bond Fund - Institutional-Growth	10	**4951146**	**-**	5.00
Sundaram Money Fund Super Institutional Daily Dividend Reinvestment	10	**5946074**	**6.00**	-
B153DD Birla Sun Life Cash Plus-Institutional Premium - Daily Dividend - Reinvestment	10	**402611**	**4.03**	-
B321MD Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend -Reinvestment	10	**47680229**	**50.18**	-
TLSD01 TATA Liquid Super High Investment Fund - Daily Dividend	1000	**89767**	**10.00**	-
Baroda Pioneer Liquid Fund - Institutional Daily Dividend Plan	1000	**742081**	**74.26**	-
UTI Liquid Cash Plan Institutional - Daily Income Option - Re-investment	1000	**98138**	**10.00**	-
L57DD SBI-Magnum Insta Cash Fund Liquid Floater Plan - Daily Dividend	1000	**297176**	**30.01**	-
AIG Short Term Fund Retail Weekly Dividend	1000	**310233**	**31.08**	-
Principal Cash Management Fund-Dividend Plan Daily	1000	**741450**	**74.15**	-
1524 ICICI Prudential Flexible Income Plan Premium-Daily Dividend	100	**2837282**	**30.00**	-
C54L L&T Liquid Super Institutional Daily Dividend Reinvestment Plan	1000	**734994**	**74.36**	-
Morgan Stanley Liquid Fund-Daily Dividend	1000	**740057**	**74.04**	-
Peerless Liquid Fund - Super Institutional Daily Dividend - Reinvestment	10	**4500376**	**4.50**	-
			500.13	401.86
			500.91	402.62

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

16. INVENTORIES	As at 31-03-2012		As at 31-03-2011	
Raw materials	146.05		121.68	
Add: Goods-in-transit	21.34		9.23	
		167.39		130.91
Work-in-progress - manufacturing		201.37		191.80
Finished goods- manufacturing	33.50		34.12	
Add: Excise duty on finished goods	3.98		4.21	
		37.48		38.33
Stock-in-trade		38.35		39.68
Stores, spares and packing materials		4.09		4.21
Loose tools		0.92		0.79
		449.60		405.72

Note: Refer accounting policy Note 1 (7) on valuation of inventories, *supra.*

17. TRADE RECEIVABLES	As at 31-03-2012		As at 31-03-2011	
Unsecured				
Debts overdue for six months				
Considered good	184.35		146.16	
Considered doubtful	60.05		59.40	
	244.40		205.56	
Less: Allowance for doubtful debts	60.05		59.40	
		184.35		146.16
Other debts				
Considered good		1551.27		1364.02
		1735.62		1510.18

18. CASH AND CASH EQUIVALENTS	As at 31-03-2012		As at 31-03-2011	
Cash and cash equivalents:				
Balances with banks:				
On current accounts	166.08		83.88	
On deposit accounts {Refer Note (a) below}	125.00		25.00	
	291.08		108.88	
Cash on hand	0.13		0.13	
		291.21		109.01
Other balances:				
Earmarked balances with banks: {Refer Note (c) below}				
Unpaid dividends	27.48		40.20	
Unpaid matured fixed deposits and interest thereon	0.01		0.01	
	27.49		40.21	
Others				
On deposit accounts {Refer Note (a) below}	2.40		1.67	
		29.89		41.88
		321.10		150.89

Notes:

	As at 31-03-2012	As at 31-03-2011
(a) **Bank deposits maturities:** {Refer Note (b) below}		
Bank deposits maturing within 12 months	126.60	25.07
Bank deposits maturing after 12 months	0.80	1.60
	127.40	26.67

(b) Fixed deposits includes ₹ 2.40 crore: (Previous year ₹ 1.67 crore) under lien with banks.
(c) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2012.
(d) There are no balances with banks held as margin money or security against the borrowings, guarantees and other commitments.

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2012		As at 31-03-2011	
19. SHORT-TERM LOANS AND ADVANCES				
Unsecured, considered good, unless otherwise stated				
Security deposits		**26.49**		23.05
Loans and advances to related parties				
Subsidiaries	**84.62**		92.65	
Associates	**0.00**		0.00	
Other related party	**9.67**		8.94	
		94.29		101.59
Advances recoverable in cash or in kind or for value to be received				
Considered good	**83.36**		59.40	
Considered doubtful	**5.74**		7.27	
	89.10		66.67	
Less: Allowance for bad and doubtful advances	**5.74**		7.27	
		83.36		59.40
Balances with excise, customs, service tax and value added tax, etc.		**59.05**		68.50
		263.19		252.54

	As at 31-03-2012	As at 31-03-2011
20. OTHER CURRENT ASSETS		
Interest accrued on investments and deposits	**0.20**	0.86
Other receivables	**48.68**	46.90
	48.88	47.76

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	2011-12		2010-11	
21. REVENUE FROM OPERATIONS				
Sale of products	**6813.97**		6233.93	
Sale of services	**36.53**		42.59	
		6850.50		6276.52
Less: Excise duty		**365.12**		325.05
		6485.38		5951.47

Note:

	Sales Value 2011-12	Sales Value 2010-11
DISCLOSURE OF SALE OF PRODUCTS		
(i) Transformers, Reactors and Accessories thereof	**1803.13**	1735.96
(ii) Switchgears, Control Equipments and Accessories thereof	**731.71**	705.92
(iii) Traction Electronic, Industrial Drives and SCADA	**120.93**	56.89
(iv) Electric Motors, Alternators and Drives Panels	**1389.76**	1320.00
(v) Power driven Pumps	**501.87**	521.69
(vi) Electric Steel Stamping and Laminates	**54.90**	43.24
(vii) Electric Fans, Ventilation and Pollution Control Systems	**912.19**	909.69
(viii)Electric Lamps	**666.68**	570.33
(ix) Appliances	**121.06**	96.69
(x) Others	**511.74**	273.52
	6813.97	6233.93

	2011-12	2010-11
22. OTHER INCOME		
Interest income	**23.98**	16.70
Dividend income:		
Subsidiaries	**0.30**	-
Others	**0.05**	1.33
Gain on sale of investments (net)	**16.11**	18.86
Exchange gain (net)	**5.89**	40.56
Other non-operating income (net of expenses):		
Income from lease of premises / business service centres	**18.66**	14.83
Miscellaneous income	**9.40**	3.87
	74.39	96.15

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

23. COST OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS

	2011-12		2010-11	
Opening stock	130.91		87.12	
Add: Transferred on amalgamation	-		2.41	
	130.91		89.53	
Add: Purchases	3386.66		2941.92	
Less: Closing stock	167.39		130.91	
	3350.18		2900.54	
Less: Scrap sales	83.97		71.80	
		3266.21		2828.74
Add: Sub-contracting charges		201.41		219.71
		3467.62		3048.45

Note:

DISCLOSURE OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS	2011-12	2010-11
(i) Ferrous materials	593.46	477.85
(ii) Non-ferrous materials	662.57	588.43
(iii) Chemicals, Oils and Paints	154.76	118.82
(iv) Wires, Pipes, Tubes and Cables	160.26	139.25
(v) Components	1126.89	1059.08
(vi) Others	652.24	517.11
	3350.18	2900.54

24. PURCHASES OF STOCK-IN-TRADE

	2011-12	2010-11
Purchases of stock-in-trade	1265.47	1073.93
	1265.47	1073.93

Note:

DETAILS OF PURCHASES OF STOCK-IN-TRADE	2011-12	2010-11
(i) Power driven Pumps	294.09	313.10
(ii) Electric Fans, Ventilation Control Systems and Pollution Control Systems	335.90	308.24
(iii) Electric Lamps	353.41	309.48
(iv) Appliances	92.58	74.09
(v) Others	189.49	69.02
	1265.47	1073.93

25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	2011-12		2010-11	
Changes in inventories of finished goods and work-in-progress:				
Closing stock				
Finished goods	37.48		38.33	
Work-in-progress	201.37		191.80	
	238.85		230.13	
Opening stock				
Finished goods	38.33		34.64	
Add: Transferred on amalgamation	-		0.26	
	38.33		34.90	
Work-in-progress	191.80		145.93	
Add: Transferred on amalgamation	-		0.74	
	191.80		146.67	
	230.13		181.57	
		(8.72)		(48.56)
Changes in inventories of stock-in-trade:				
Closing stock				
Stock-in-trade	38.35		39.68	
Opening stock				
Stock-in-trade	39.68		31.40	
		1.33		(8.28)
		(7.39)		(56.84)

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

26. EMPLOYEE BENEFITS	2011-12	2010-11
Salaries, wages and bonus	**304.02**	256.84
Contribution to provident and other funds	**23.49**	24.10
Post retirement medical benefits	**7.59**	5.67
Workmen and staff welfare	**28.49**	23.56
	363.59	310.17

27. FINANCE COSTS	2011-12	2010-11
Interest on		
Fixed loan	**0.86**	0.74
Others	**26.22**	19.95
Loss on foreign currency transactions and translation	**0.58**	0.07
	27.66	20.76

28. DEPRECIATION AND AMORTISATION	2011-12	2010-11
Depreciation and amortisation	**90.92**	81.04
Less: Recoupment from revaluation reserve {Refer Note 3(a)}	**0.21**	0.15
	90.71	80.89

29. OTHER EXPENSES	2011-12	2010-11
Consumption of stores and spares	**38.79**	38.02
Power and fuel	**42.66**	35.90
Rent	**11.87**	11.86
Repairs to buildings	**5.88**	8.30
Repairs to equipments	**19.65**	17.39
Insurance	**7.07**	7.61
Rates and taxes	**27.04**	18.29
Freight and forwarding	**128.21**	152.94
Packing materials	**68.66**	70.90
After sales services including warranties	**41.88**	43.97
Sales promotion	**47.44**	34.51
Miscellaneous expenses (Refer note below)	**236.26**	203.56
	675.41	643.25

Note:

MISCELLANEOUS EXPENSES INCLUDES AUDITORS' REMUNERATION	2011-12	2010-11
Auditors' remuneration (excluding service tax)		
Audit fees	**0.63**	0.63
Tax audit fees	**0.12**	0.12
Certification work	**0.25**	0.29
Other services	**0.13**	0.14
Expenses reimbursed	**0.23**	0.17
	1.36	1.35

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	2011-12	2010-11
30. CONTINGENT LIABILITIES AND COMMITMENTS		
I) Contingent liabilities:		
(to the extent not provided for)		
(a) Claims against the Company not acknowledged as debts	**9.26**	1.35
(b) Sales tax liability that may arise in respect of matters in appeal	**8.11**	5.45
(c) Excise duty/service tax liability that may arise in respect of matters in appeal	**7.07**	10.40
(d) Income tax liability that may arise in respect of matters in appeal	**0.38**	8.47
(e) Guarantees/securities given on behalf of subsidiary companies	**175.30**	123.70
(f) Bills discounted	**87.17**	100.87
II) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**38.79**	28.50

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

31. The Company, during the year, has been awarded a contract as franchisee of Maharashtra State Electricity Distribution Company Limited (MSEDCL) for power distribution in Jalgaon Circle in Maharashtra for a period of 10 years and an agreement has since been executed between the Company and MSEDCL on 1st June, 2011.

		2011-12	2010-11
32.	Provision for current tax includes wealth tax payable under the Wealth Tax Act, 1957	**-**	0.20
33.	**Expenses capitalised during the year:**		
	(a) Raw materials consumed	**7.93**	6.07
	(b) Empolyee benefits	**3.08**	0.13
	(c) Other expenses	**2.46**	-
34.	**Value of imports (on C.I.F. basis)**		
	(a) Raw materials	**557.98**	452.51
	(b) Trading goods	**95.15**	70.39
	(c) Spare parts	**3.32**	5.45
	(d) Capital goods	**33.60**	8.39
35.	**Expenditure in foreign currency**		
	(a) Technical know-how fees	**5.33**	2.16
	(b) Professional charges	**12.42**	5.87
	(c) Interest	**2.04**	0.51
	(d) Commission, travelling and others	**35.90**	52.93
36.	**Remittance in foreign currency on account of dividend:**		
	3rd Interim dividend for year ended 31st March, 2011		
	(a) Number of non-resident shareholders	**383**	NA
	(b) Number of shares held	**21751680**	NA
	(c) Amount of dividend	**1.31**	NA
	1st Interim dividend for year ending 31st March, 2012		
	(a) Number of non-resident shareholders	**373**	390
	(b) Number of shares held	**20972142**	21752201
	(c) Amount of dividend	**1.68**	1.74
	2nd Interim dividend for year ending 31st March, 2012		
	(a) Number of non-resident shareholders	**368**	386
	(b) Number of shares held	**19971176**	21751680
	(c) Amount of dividend	**0.40**	1.74
37.	**Earnings in foreign exchange**		
	(a) Export of goods (on F.O.B. basis) including deemed exports ₹ 119.86 crore; (Previous year ₹ 213.05 crore)	**871.96**	1055.57
	(b) Service income	**13.10**	14.91
	(c) Interest	**13.87**	3.66

₹ crore

38. EXPENDITURE ON RESEARCH AND DEVELOPMENT

	2011-12	2010-11
(a) Capital expenditure		
Building	**0.43**	1.93
Plant and equipments	**8.97**	17.60
Furniture and fixtures	**0.95**	2.40
Vehicles	**0.00**	0.08
Intangible assets	**18.57**	4.18
Capital work-in-progress	**10.62**	12.17
Intangible assets under development	**21.03**	5.57
Sub-total (a)	**60.57**	43.93
(b) Revenue expenditure		
Raw materials consumed	**1.08**	0.55
Empolyee benefits	**19.98**	24.83
Depreciation and amortisation	**2.30**	1.52
Other expenses		
Consumption of stores and spares	**2.54**	2.23
Power and fuel	**0.72**	0.66
Rent	**0.19**	0.27
Repairs to buildings	**0.38**	0.31
Repairs to equipments	**0.25**	0.20
Insurance	**0.26**	0.15
Rates and taxes	**1.09**	0.54
Miscellaneous expenses	**8.86**	17.60
Sub-total (b)	**37.65**	48.86
Total (a) + (b)	**98.22**	92.79

39. CONSUMPTION OF RAW MATERIALS, SPARE PARTS AND LOOSE TOOLS:

	2011-12		2010-11	
	Percentage of total Consumption	₹ crore	Percentage of total Consumption	₹ crore
Raw materials:				
Imported	**15.74**	**527.27**	13.99	405.84
Indigenous	**84.26**	**2822.91**	86.01	2494.70
	100.00	**3350.18**	100.00	2900.54
Spare parts:				
Imported	**7.71**	**2.92**	5.72	2.13
Indigenous	**92.29**	**34.95**	94.28	35.10
	100.00	**37.87**	100.00	37.23
Loose tools:				
Indigenous	**100.00**	**0.92**	100.00	0.79
	100.00	**0.92**	100.00	0.79

40. DISCLOSURES UNDER ACCOUNTING STANDARD (AS) 7 CONSTRUCTION CONTRACTS:

	2011-12	2010-11
(a) Contract revenue recognised for the financial year	**663.29**	239.23
(b) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	**1096.75**	433.46
(c) Amount of customer advances outstanding for contracts in progress as at reporting date	**70.98**	39.25
(d) Retention amount due from customer for contract in progress as at the reporting date	**125.90**	64.19

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

41. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS:

(a) Defined contribution plans [Refer policy Note 12(b)(i), *supra*]
Amount of ₹ 15.17 crore (previous year ₹ 15.32 crore) is recognised as an expense and included in Employee benefits [Refer Note 26, *supra*]

(b) Defined Benefit Plans [Refer policy Note 11(b)(ii) *supra*] as per Actuarial Valuation are as under:

		Gratuity		Leave Encashment		Post Retirement Medical Benefits	
		2011-12 (Funded)	2010-11 (Funded)	2011-12 (Nonfunded)	2010-11 (Nonfunded)	2011-12 (Nonfunded)	2010-11 (Nonfunded)
I	**Change in obligation during the year**						
1	Liability at the beginning of the year	**42.28**	35.48	**18.95**	17.14	**9.10**	6.52
2	Interest cost	**3.58**	2.89	**1.55**	1.37	**0.62**	0.42
3	Current service cost	**2.94**	2.33	**1.74**	1.67	**0.30**	0.11
4	Past service cost	**-**	-	**-**	-	**-**	-
5	Liability transfer from other Company	**0.73**	-	**0.27**	-	**-**	-
6	Benefits paid	**(3.61)**	(3.44)	**(3.79)**	(3.30)	**(3.86)**	(3.09)
7	Actuarial (gains) / losses	**1.59**	5.02	**2.79**	2.07	**6.67**	5.14
8	Liability at the end of the year	**47.51**	42.28	**21.51**	18.95	**12.83**	9.10
II	**Change in fair value of plan assets during the year**						
1	Fair value of plan assets at the beginning of the year	**41.91**	34.39	**-**	-	**-**	-
2	Expected return on plan assets	**3.68**	3.34	**-**	-	**-**	-
3	Contributions	**5.93**	9.09	**3.79**	3.30	**3.86**	3.09
4	Transfer from other company	**0.73**	-	**-**	-	**-**	-
5	Benefits paid	**(3.61)**	(3.44)	**(3.79)**	(3.30)	**(3.86)**	(3.09)
6	Actuarial gain / (loss)	**(1.13)**	(1.47)	**-**	-	**-**	-
7	Fair value of plan assets at the end of the year	**47.51**	41.91	**-**	-	**-**	-
8	Total actuarial gain / (loss) to be recognised	**(2.72)**	(6.49)	**(2.79)**	(2.07)	**(6.67)**	(5.14)
III	**Actual return on plan assets**						
1	Expected return on plan assets	**3.68**	3.34	**-**	-	**-**	-
2	Actuarial gain / (loss)	**(1.13)**	(1.47)	**-**	-	**-**	-
3	Actual return on plan assets	**2.55**	1.87	**-**	-	**-**	-
IV	**Net asset/(liability) recognised in the balance sheet**						
1	Liability at the end of the year	**(47.51)**	(42.28)	**(21.51)**	(18.95)	**(12.83)**	(9.10)
2	Fair value of plan assets at the end of the year	**47.51**	41.91	**-**	-	**-**	-
3	Amount recognised in the balance sheet	**-**	(0.37)	**(21.51)**	(18.95)	**(12.83)**	(9.10)
V	**Expenses recognised in the statement of profit and loss for the year**						
1	Current service cost	**2.94**	2.33	**1.74**	1.67	**0.30**	0.11
2	Interest cost	**3.58**	2.89	**1.55**	1.37	**0.62**	0.42
3	Expected return on plan assets	**(3.68)**	(3.34)	**-**	-	**-**	-
4	Actuarial (gains) / losses	**2.72**	6.49	**2.79**	2.07	**6.67**	5.14
5	Total expenses as per actuarial valuation	**5.56**	8.37	**6.08**	5.11	**7.59**	5.67
6	Optional payment	**2.76**	0.41	**-**	-	**-**	-
7	Total expenses included in employee benefits	**8.32**	8.78	**6.08**	5.11	**7.59**	5.67
VI	**Balance sheet reconciliation**						
1	Opening net liability	**0.37**	1.09	**18.95**	17.14	**9.10**	6.52
2	Expenses as above	**5.56**	8.37	**6.08**	5.11	**7.59**	5.67
3	Employer's contribution	**(5.93)**	(9.09)	**(3.79)**	(3.30)	**(3.86)**	(3.09)
4	Liability transfer from other Company	-	-	**0.27**	-	**-**	-
5	Amount recognised in the balance sheet	-	0.37	**21.51**	18.95	**12.83**	9.10
VII	**The major categories of plan assets as a percentage of total Insurer managed funds**	**100%**	100%	**-**	-	**-**	-

₹ crore

41. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS (Contd.):

		Gratuity		Leave Encashment		Post Retirement Medical Benefits	
		2011-12 (Funded)	2010-11 (Funded)	2011-12 (Nonfunded)	2010-11 (Nonfunded)	2011-12 (Nonfunded)	2010-11 (Nonfunded)
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	**-**	-	**-**	-	**0.07**	0.05
	(ii) One percentage point decrease in discount rate	**-**	-	**-**	-	**(0.06)**	(0.04)
	(2) Increase/(decrease) on present value of defined benefits obligation as at 31st March, 2012						
	(i) One percentage point increase in Medical Inflation rate	**-**	-	**-**	-	**1.21**	0.86
	(ii) One percentage point decrease in Medical Inflation rate	**-**	-	**-**	-	**(0.99)**	(0.70)
IX	**Actuarial assumptions**						
1	Discount rate	**8.25% p.a.**	8.25% p.a.	**8.25% p.a.**	8.25% p.a.	**8.25% p.a.**	8.25% p.a.
2	Rate of return on plan assets	**8.00% p.a.**	8.00% p.a.	**-**	-	**-**	-
3	Salary escalation	**4.00% p.a.**	3.00% p.a.	**4.00% 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.

(c) 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.

(d) 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.

(e) 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.

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

(g) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2012. 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.

(h) 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.

(i) 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.

(j) 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.

₹ crore

42. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING:

I Primary Segments (Business Segments)

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations/ Unallocable Expenditure / Assets*	Total 2011-12
Revenue						
External sales (net of excise duty)	2856.15	2132.42	1486.96	9.85	-	6485.38
Inter segment sales	11.32	1.20	33.12	-	(45.64)	-
Total	2867.47	2133.62	1520.08	9.85	(45.64)	6485.38
Segment results	310.60	262.88	225.40	1.25		800.13
Less: Finance costs						3.68
Less: Other unallocable expenditure net of unallocable Income						119.75
Profit before tax						676.70
Tax expenses						171.84
Profit after tax						504.86
Capital Employed:						
Segment assets	1760.55	445.11	684.23	7.10	1673.50	4570.49
Segment liabilities	907.51	353.09	284.31	8.39	265.63	1818.93
Net Assets	853.04	92.02	399.92	(1.29)	1407.87	2751.56
Capital expenditure	54.49	11.57	63.39	-	32.11	161.56
Depreciation and amortisation	28.01	7.25	20.18	0.45	34.82	90.71
Non-cash expenses other than depreciation	3.85	3.36	3.16	-	-	10.37

Particulars	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)	0.00
Total	2554.24	2021.17	1406.63	17.10	(47.67)	5951.47
Segment results	460.18	292.81	262.59	3.02		1018.60
Less: Finance costs						4.06
Less: Other unallocable expenditure net of unallocable Income						87.53
Profit before tax						927.01
Tax expenses						232.68
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	45.55	12.86	81.56	-	293.42	433.39
Depreciation 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.

₹ crore

42. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING (Contd.):

II Secondary Segments (Geographical Segments)

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

	2011-12	2010-11
Sales and service revenue:		
Domestic	**5703.37**	5038.64
Overseas:		
Asia	**310.29**	356.71
Africa	**214.62**	272.61
North America	**42.16**	29.70
South America	**170.23**	197.84
Europe	**39.11**	50.52
Australia	**5.60**	5.45
Total	**6485.38**	5951.47

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

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, Power Distribution 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, trade receivables and inventories. Segment liabilities primarily include trade payables 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.

₹ crore

43. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES:

Sr. No.	Name of the Related Party	Relationship
i)	**List of related parties over which control exists:**	
	Subsidiaries:	
1	CG Capital & Investments Limited (merged w.e.f. 20th August, 2011)	Wholly owned Subsidiary
2	CG Energy Management Limited	Wholly owned Subsidiary
3	CG PPI Adhesive Products Limited	Subsidiary of the Company
4	CG-ZIV Power Automation Solutions Limited	Subsidiary of the Company
5	CG International B.V.	Subsidiary of CG International Holdings Singapore PTE Limited
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 (merged w.e.f. 23rd March, 2012)	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	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	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 Country LLC
30	Power County Wind Park North LLC	Wholly owned subsidiary of Power Country Wind Parks LLC
31	Power County Wind Park South LLC	Wholly owned subsidiary of Power Country Wind Parks LLC
32	CG Glenmore LLC (liquidated w.e.f. 17th January,2012)	Wholly owned subsidiary of CG Holdings USA Inc
33	CG Power Systems Brazil LTDA (*formerly* CG Holdings Brazil LTDA)	Wholly owned subsidiary of CG Power Systems Belgium N.V.
34	CG Power Solutions Saudi Arabia (*formerly* CG Power Systems For Saudi Arabia Company)	Subsidiary of CG Holdings Belgium N.V.
35	CG Sales Networks Singapore PTE. Limited	Wholly owned subsidiary of CG Holdings Belgium N.V.
36	Crompton Greaves Holdings Mauritius Limited (w.e.f. 3rd June, 2011)	Wholly owned subsidiary
37	CG International Holdings Singapore PTE. Limited (w.e.f. 6th June, 2011)	Wholly owned subsidiary of Crompton Greaves Holdings Mauritius Limited
38	CG Power Solutions Limited (w.e.f. 14th March, 2012)	Wholly owned subsidiary
39	CG Industrial Holdings Sweden AB (*formerly* Goldcup 6699 AB)	Wholly owned subsidiary of CG International B.V.
40	P-EM 2007 A/S	Wholly owned subsidiary of CG Industrial Holdings Sweden AB
41	Crompton Greaves Holdings Sweden AB (*formerly* Emotron Invest AB)	Wholly owned subsidiary of PEM Denmark
42	Emotron Holding AB	Wholly owned subsidiary of Crompton Greaves Holdings Sweden AB
43	CG Drives and Automation Sweden AB (*formerly* Emotron AB)	Wholly owned subsidiary of Emotron Holding AB
44	CG Drives and Automation Netherlands B.V. (*formerly* Emotron B.V.)	Wholly owned subsidiary of CG Drives and Automation Sweden AB
45	Emotron Drives UK Limited	Wholly owned subsidiary of CG Drives and Automation Sweden AB
46	Emotron El-Fi UK Limited	Wholly owned subsidiary of CG Drives and Automation Sweden AB
47	CG Drives and Automations Germany GmbH	Wholly owned subsidiary of CG Drives and Automation Sweden AB

₹ crore

43. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.):

Sr. No.	Name of the Related Party	Relationship
48	Emotron Lift Center GmbH - Germany (merged w.e.f. 16th January, 2012)	Wholly owned subsidiary of CG Drives and Automation Sweden AB
49	Scandialogic AB	Wholly owned subsidiary of CG Drives and Automation Sweden AB
50	Emotron Drives AB	Wholly owned subsidiary of CG Drives and Automation Sweden AB
51	Emotron El-Fi AB	Wholly owned subsidiary of CG Drives and Automation Sweden AB
52	Emotron Latin America Inc.	Wholly owned subsidiary of CG Drives and Automation Sweden AB
53	CG Automation Solutions USA Inc (*formerly* QEI, Inc)	Wholly owned subsidiary of CG Holding USA Inc

Serial Nos. 29 to 31 are divested w.e.f. 30th January, 2012

Serial Nos. 36 to 38 are formed during the year

Serial Nos. 39 to 52 are acquired w.e.f. 11th June, 2011

Serial No. 53 is acquired w.e.f. 20th June, 2011

ii) List of related parties with whom transactions were carried out during the year and description of relationship :

Subsidiaries:

1 CG Energy Management Limited
2 CG PPI Adhesive Products Limited
3 CG-ZIV Power Automation Solutions Limited
4 CG International B.V.
5 CG Power Systems USA Inc.
6 CG Sales Networks Americas Inc.
7 CG Sales Networks France SA
8 CG Power Systems Belgium N.V.
9 CG Power Systems Canada Inc.
10 CG Holdings Belgium N.V.
11 CG Electric Systems Hungary Zrt.
12 CG Automation Systems UK Limited
13 PT. CG Power Systems Indonesia
14 CG Automation Systems UK Limited
15 CG Power Systems Ireland Limited
16 CG Power Solutions USA Inc.
17 CG Power Systems Brazil LTDA
18 CG Drives and Automation Sweden AB
19 CG Drives and Automations Germany GmbH
20 Crompton Greaves Holdings Mauritius Limited
21 CG Power Solutions Limited

Associates:

1 CG Lucy Switchgear Limited
2 Avantha Power & Infrastructure Limited

Key Management Personnel:

1 Gautam Thapar - Chairman and Promoter Director
2 Sudhir Trehan - Managing Director (till 1st June, 2011)
3 Laurent Demortier - CEO and Managing Director (from 2nd June, 2011)

Other Related Parties in which 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 Realty Limited
8 Korba West Power Company Limited
9 Sabah Forest Industries Sdn. Bhd.
10 Malanpur Captive Power Limited
11 Avantha Technologies Limited
12 Corella Investments Limited
13 Lustre International Limited
14 Varun Prakashan Private Limited

₹ crore

43. DISCLOSURES 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	2011-12	2010-11
1	**Purchase of goods and services**		
	Subsidiaries		
	CG Holdings Belgium N.V.	-	0.31
	CG PPI Adhesive Products Limited	3.34	2.59
	CG Electric Systems Hungary Zrt.	20.72	1.04
	CG Automation Systems UK Limited	1.39	0.05
	CG ZIV Power Automation Solutions Limited	1.01	-
	CG Drives and Automation Sweden AB	1.20	-
	Associate		
	CG Lucy Switchgear Limited	32.49	50.89
	Other Related Parties		
	BILT Graphic Paper Products Limited	0.34	0.26
	Ballarpur Industries Limited	0.26	0.60
	International Components India Limited	-	0.55
	Total	60.75	56.29
2	**Sales of goods and services**		
	Subsidiaries		
	CG ZIV Power Automation Solution Limited	0.00	-
	PT. CG Power Systems Indonesia	0.95	1.24
	CG Power Systems Canada Inc.	0.03	0.01
	CG Power Systems USA Inc.	0.12	0.04
	CG Sales Networks Americas Inc.	14.63	108.33
	CG Sales Networks France SA	0.31	0.00
	CG Power Systems Belgium N.V.	0.17	-
	CG Electric Systems Hungary Zrt.	0.96	0.32
	CG Automation Systems UK Limited	0.03	-
	CG Power Systems Ireland Limited	0.22	-
	CG PPI Adhesive Products Limited	-	0.00
	CG Holdings Belgium N.V.	0.36	0.40
	CG Power Solutions USA Inc.	0.12	-
	CG Power System Brazil LTDA	1.24	-
	CG Drives and Automations Germany GmbH	0.01	-
	CG Energy Management Limited	0.87	-
	Associates		
	CG Lucy Switchgear Limited	3.42	3.68
	Avantha Power & Infrastructure Limited	0.15	0.05
	Other Related Parties		
	Ballarpur Industries Limited	0.41	0.34
	Solaris ChemTech Industries Limited	0.18	0.00
	BILT Graphic Paper Products Limited	5.41	0.74
	Korba West Power Company Limited	31.83	72.08
	Avantha Holdings Limited	0.07	0.33
	Sabah Forest Industries Sdn. Bhd.	5.59	2.71
	Total	67.08	190.27
3	**Sale of fixed assets**		
	Subsidiary		
	CG-ZIV Power Automation Solutions Limited	0.01	-
	Other Related Parties		
	Asia Aviation Limited	41.17	-
	Avantha Holdings Limited	240.50	-
	Total	281.68	-

₹ crore

43. DISCLOSURES 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.):

Sr. No.	Nature of transaction / relationship	2011-12	2010-11
4	**Purchase of fixed assets**		
	Subsidiaries		
	CG Power Systems Belgium N.V.	**-**	0.10
	CG Electric Systems Hungary Zrt.	**-**	1.96
	Other Related Party		
	Asia Aviation Limited	**0.01**	-
	Total	**0.01**	2.06
5	**Subscription to equity shares**		
	Subsidiaries		
	CG-ZIV Power Automation Solutions Limited	**1.68**	5.32
	Crompton Greaves Holdings Mauritius Limited	**194.34**	-
	CG Power Solutions Limited	**0.05**	-
	Total	**196.07**	5.32
6	**Interest expenses**		
	Subsidiaries		
	CG Capital & Investments Limited	**-**	0.07
	CG PPI Adhesive Products Limited	**0.28**	0.09
	CG Electric Systems Hungary Zrt.	**6.11**	0.34
	Associate		
	CG Lucy Switchgear Limited	**0.25**	0.10
	Total	**6.64**	0.60
7	**Dividend received**		
	Subsidiary		
	CG PPI Adhesive Products Limited	**0.30**	-
	Associate		
	CG Lucy Switchgear Limited	**-**	1.20
	Total	**0.30**	1.20
8	**Commission received**		
	Subsidiary		
	CG Electric Systems Hungary Zrt.	**-**	2.44
	Total	**-**	2.44
9	**Rental income**		
	Subsidiary		
	CG-ZIV Power Automation Solutions Limited	**0.34**	-
	Other Related Parties		
	Ballarpur Industries Limited	**2.05**	2.13
	Solaris ChemTech Industries Limited	**0.52**	0.47
	Total	**2.91**	2.60
10	**Interest income**		
	Subsidiary		
	CG International B.V.	**13.87**	3.66
	Other Related Party		
	Malanpur Captive Power Limited	**0.81**	0.65
	Total	**14.68**	4.31
11	**Payment of salaries, commission and perquisites**		
	Key Management Personnel		
	Gautam Thapar	**5.57**	8.47
	Sudhir Trehan	**0.88**	11.50
	Laurent Demortier	**8.17**	-
	Total	**14.62**	19.97

₹ crore

43. DISCLOSURES 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.):

Sr. No.	Nature of transaction / relationship	2011-12	2010-11
12	**Dividend paid**		
	Key Management Personnel		
	Sudhir Trehan	-	0.04
	Other Related Parties		
	Corella Investments Limited	0.72	1.58
	Lustre International Limited	0.43	0.95
	Solaris Holdings Limited	-	20.08
	Avantha Holdings Limited	25.59	35.14
	Avantha Realty Limited	0.00	-
	Varun Prakashan Private Limited	0.00	-
	Total	26.74	57.79
13	**Commission paid**		
	Subsidiaries		
	CG Energy Management Limited	0.02	
	CG Sales Networks Americas Inc.	3.05	-
	Total	3.07	-
14	**Rent paid**		
	Other Related Parties		
	Avantha Realty Limited	2.04	1.87
	Asia Aviation Limited	-	2.63
	Total	2.04	4.50
15	**Other expenses**		
	Subsidiaries		
	CG Electric Systems Hungary Zrt.	-	0.24
	CG Power Systems Belgium N.V.	-	(7.99)
	CG Drives and Automation Sweden AB	21.76	-
	Associate		
	CG Lucy Switchgear Limited	-	0.00
	Other Related Parties		
	Asia Aviation Limited	-	4.37
	Avantha Holdings Limited	28.13	24.24
	Avantha Realty Limited	0.60	1.06
	Avantha Technologies Limited	0.02	0.11
	Salient Business Solutions Limited	1.25	1.62
	Total	51.76	23.65
16	**Recovery of expenses**		
	Subsidiary		
	CG International B.V.	12.31	9.54
	Other Related Party		
	Solaris ChemTech Industries Limited	-	0.09
	Total	12.31	9.63

₹ crore

43 DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.):

iv) Amount due to / from related parties

Sr. No.	Nature of transaction / relationship	2011-12	2010-11
1	**Accounts payable**		
	Subsidiaries		
	CG PPI Adhesive Products Limited	0.42	0.56
	CG Power System USA Inc.	-	0.34
	CG Sales Networks Americas Inc.	3.99	5.39
	PT. CG Power Systems Indonesia	-	0.10
	CG Electric Systems Hungary Zrt.	10.64	8.32
	CG Automation Systems UK Limited	1.25	-
	CG ZIV Power Automation Solutions Limited	0.48	-
	CG Drives and Automation Sweden AB	0.59	-
	Associate		
	CG Lucy Switchgear Limited	16.61	8.81
	Other Related Parties		
	Ballarpur Industries Limited	0.01	0.01
	Sabah Forest Industries Sdn. Bhd.	0.01	-
	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	34.00	28.15
2	**Accounts receivable**		
	Subsidiaries		
	PT. CG Power Systems Indonesia	0.95	0.00
	CG Power Systems USA Inc.	0.13	1.23
	CG Sales Networks Americas Inc.	2.48	67.64
	CG Power Systems Canada Inc.	0.00	0.01
	CG Holdings Belgium N.V.	0.47	1.03
	CG Electric Systems Hungary Zrt.	1.60	0.28
	CG Sales Networks France	0.31	-
	CG Power Systems Brazil LTDA	1.24	-
	CG Energy Management Limited	1.10	-
	Associates		
	CG Lucy Switchgear Limited	0.58	1.02
	Avantha Power & Infrastructure Limited	0.08	0.04
	Other Related Parties		
	BILT Graphic Paper Products Limited	3.12	-
	Ballarpur Industries Limited	0.13	0.80
	Solaris ChemTech Industries Limited	0.15	0.20
	Korba West Power Company Limited	9.34	56.81
	Sabah Forest Industries Sdn. Bhd.	0.19	0.89
	Avantha Holdings Limited	0.05	-
	Total	21.92	129.95
3	**Loans and advances receivable**		
	Subsidiaries		
	CG International B.V.	83.29	92.39
	CG Power Systems Belgium N.V.	0.63	-
	CG Electric Systems Hungary Zrt.	-	0.26
	CG Energy Management Limited	0.00	0.00
	CG PPI Adhesive Products Limited	0.02	-
	CG Automation Systems UK Limited	0.25	-
	Crompton Greaves Holdings Mauritius Limited	0.09	-
	CG-ZIV Power Automation Solutions Limited	0.34	-
	CG Power Solutions Limited	0.00	-
	Associate		
	CG Lucy Switchgear Limited	0.00	0.00
	Other Related Party		
	Malanpur Captive Power Limited	9.67	8.94
	Total	94.29	101.59

₹ crore

43. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.):

iv) Amount due to / from related parties (Contd.):

Sr. No.	Nature of transaction / relationship	2011-12	2010-11
4	**Loans and advances payable**		
	Subsidiaries		
	PT. CG Power Systems Indonesia	**0.10**	-
	CG Sales Networks Americas Inc.	**3.76**	-
	CG Drives and Automation Sweden AB	**21.74**	-
	CG Electric Systems Hungary Zrt.	**6.10**	-
	CG Energy Management Limited	**0.02**	
	Other Related Parties		
	Solaris ChemTech Industries Limited	**0.10**	0.10
	Ballarpur Industries Limited	**0.05**	-
	Avantha Holdings Limited	**2.64**	-
	Salient Business Solutions Limited	**0.09**	-
	Korba West Power Company Limited	**1.93**	4.17
	Total	**36.53**	4.27
5	**Dividend payable**		
	Key Management Personnel		
	Sudhir Trehan	**-**	0.01
	Other Related Parties		
	Corella Investments Limited	**0.29**	0.43
	Avantha Holdings Limited	**10.24**	15.06
	Lustre International Limited	**0.17**	0.26
	Avantha Realty Limited	**0.00**	-
	Varun Prakashan Private Limited	**0.00**	
	Total	**10.70**	15.76
6	**Due to Key Management Personnel**		
	Gautam Thapar	**5.57**	8.47
	Sudhir Trehan	**-**	8.64
	Laurent Demortier	**1.75**	-
	Total	**7.32**	17.11

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

44. (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.

₹ crore

45. DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD (AS) 20 EARNINGS PER SHARE:

Particulars		2011-12	2010-11
Profit after taxes	₹ crore	**504.86**	694.33
Number of equity shares outstanding	Nos.	**641491536**	641491536
Face value of equity share	₹ / share	**2.00**	2.00
Earnings per share (basic and diluted)	₹	**7.87**	10.82

46. FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES:

Sr. No.	Category of Derivative Instruments	As at 31-03-2012	As at 31-03-2011
	The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2012 are as under		
1	**For hedging foreign currency risks:**		
		USD million	USD million
	(a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	**52.34**	49.00
	(b) Forward contracts for loan	**8.25**	-
		EURO million	EURO million
	(c) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	**Nil**	5.00
2	**Particulars of Unhedged foreign currency exposure as at the balance sheet date:**		
	(a) Trade payables	**121.62**	97.89
	(b) Loans received	**3.13**	8.23
	(c) Loans given	**20.35**	-
	(d) Bank balance in current accounts and term deposit accounts	**0.03**	0.08
	(e) Investments in overseas subsidiaries	**295.67**	101.33

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

47. 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	
	31-03-2012	31-03-2011	2011-12	2010-11
(a) Loans and advances in the nature of loans given to subsidiaries				
CG International B.V.	**83.29**	92.39	**427.61**	92.39
CG Power Systems Belgium N.V.	**0.63**	-	**0.73**	-
CG PPI Adhesive Products Limited	**0.02**	-	**0.05**	-
CG Electric Systems Hungary Zrt.	**-**	0.26	**-**	0.26
CG Energy Management Limited	**0.00**	0.00	**0.00**	0.67
Crompton Greaves Holdings Mauritius Limited	**0.09**	-	**0.09**	-
(b) Loans and advances in the nature of loans given to associates				
CG Lucy Switchgear Limited	**0.00**	0.00	**0.00**	0.03
(c) Loans and advances in the nature of loans where repayment schedule is not specified				
CG International B.V.	**79.62**	-	**427.61**	-
CG Power Systems Belgium N.V.	**0.63**	-	**0.73**	-
CG PPI Adhesive Products Limited	**0.02**	-	**0.05**	-
CG Electric Systems Hungary Zrt.	**-**	0.26	**-**	0.26
CG Energy Management Limited	**0.00**	0.00	**-**	-
Crompton Greaves Holdings Mauritius Limited	**0.09**	-	**0.09**	-
CG Lucy Switchgear Limited	**0.00**	0.00	**0.00**	0.03
(d) Loans and advances in the nature of loans where interest is not charged				
CG International B.V.	**3.67**	-	**-**	-
CG Power Systems Belgium N.V.	**0.63**	-	**0.73**	-
CG PPI Adhesive Products Limited	**0.02**	-	**0.05**	-
CG Electric Systems Hungary Zrt.	**-**	0.26	**-**	0.26
CG Energy Management Limited	**0.00**	-	**0.00**	-
Crompton Greaves Holdings Mauritius Limited	**0.09**	-	**0.09**	-
CG Lucy Switchgear Limited	**0.00**	0.00	**0.00**	0.03

48. Amounts shown as 0.00 represents amount below ₹ 50,000 (Rupees fifty thousand).

49. During the year, the revised Schedule VI to the Companies Act, 1956 was notified by the Ministry of Corporate Affairs. The Company has reclassified the figures of the previous year to confirm to the current year's classification, and the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

Signatures to Notes 1 to 49

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

Madhav Acharya
CHIEF FINANCIAL OFFICER

Laurent Demortier
CEO & MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 25th May, 2012

Wilton Henriques
COMPANY SECRETARY

Mumbai, 25th May, 2012

Gautam Thapar
CHAIRMAN

₹ crore

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956

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, 2012	Profit / (loss) so far as it concerns the members of Crompton Greaves Limited and not dealt with in the accounts of Crompton Greaves Limited		Profit / (loss) so far as it concerns the members of Crompton Greaves Limited and dealt with in the accounts of Crompton Greaves Limited	
				For the financial year ended 31st March, 2012	For the previous years since it became a subsidiary	For the financial year ended 31st March, 2012	For the previous years since it became a subsidiary
1	CG International B.V.	31st March, 2012	**100.00%**	**1.94**	27.06	**NIL**	NIL
2	CG Holdings Belgium N.V.	31st March, 2012	**100.00%**	**42.02**	410.04	**NIL**	NIL
3	CG Power Systems Belgium N.V.	31st March, 2012	**100.00%**	**(76.47)**	228.79	**NIL**	NIL
4	Pauwels Trafo Gent N.V.	31st March, 2012	**100.00%**	**(1.72)**	(12.67)	**NIL**	NIL
5	CG Power Systems Ireland Limited	31st March, 2012	**100.00%**	**0.98**	116.66	**NIL**	NIL
6	CG Sales Networks France SA	31st March, 2012	**99.40%**	**0.24**	1.87	**NIL**	NIL
7	CG Power Systems USA Inc.	31st March, 2012	**100.00%**	**11.72**	140.94	**NIL**	NIL
8	CG Sales Networks Americas Inc.	31st March, 2012	**100.00%**	**(0.56)**	6.31	**NIL**	NIL
9	CG Power Systems Canada Inc.	31st March, 2012	**100.00%**	**(30.00)**	136.63	**NIL**	NIL
10	CG Service Systems Curacao N.V.	31st March, 2012	**100.00%**	**(0.52)**	1.03	**NIL**	NIL
11	PT. CG Power Systems Indonesia	31st March, 2012	**95.00%**	**49.58**	179.67	**NIL**	NIL
12	CG Holdings Hungary Kft.	31st March, 2012	**100.00%**	**2.48**	(127.36)	**NIL**	NIL
13	CG Electric Systems Hungary Zrt.	31st March, 2012	**100.00%**	**(65.72)**	139.90	**NIL**	NIL
14	CG Power Holdings Ireland Limited	31st March, 2012	**100.00%**	**0.08**	(138.19)	**NIL**	NIL
15	Microsol Limited	31st March, 2012	**100.00%**	**(0.01)**	119.07	**NIL**	NIL
16	CG Automation Systems UK Limited	31st March, 2012	**100.00%**	**(2.97)**	(1.40)	**NIL**	NIL
17	Viserge Limited	31st March, 2012	**100.00%**	**21.77**	3.88	**NIL**	NIL
18	CG Service Systems France SAS	31st March, 2012	**100.00%**	**1.31**	2.04	**NIL**	NIL
19	CG Power Solutions USA Inc	31st March, 2012	**100.00%**	**25.77**	(68.34)	**NIL**	NIL
20	CG Holdings Germany GmbH	31st March, 2012	**100.00%**	**(0.00)**	(0.02)	**NIL**	NIL
21	CG Power Solutions UK Limited	31st March, 2012	**100.00%**	**83.64**	4.87	**NIL**	NIL
22	CG Holdings USA Inc	31st March, 2012	**100.00%**	**(24.68)**	-	**NIL**	NIL
23	CG Power County LLC	31st March, 2012	**100.00%**	**(26.26)**	(0.19)	**NIL**	NIL
24	CG Power Systems Brazil LTDA	31st March, 2012	**100.00%**	**(6.75)**	-	**NIL**	NIL
25	CG Power Solutions Saudi Arabia	31st December, 2011	**51.00%**	**(0.32)**	-	**NIL**	NIL
26	CG Sales Networks Singapore PTE. LTD	31st March, 2012	**100.00%**	**2.61**	-	**NIL**	NIL
27	CG Energy Management Limited	31st March, 2012	**100.00%**	**(0.73)**	(0.80)	**NIL**	NIL
28	CG PPI Adhesive Products Limited	31st March, 2012	**81.42%**	**1.59**	13.82	**NIL**	NIL
29	CG-ZIV Power Automation Solutions Limited	31st March, 2012	**70.00%**	**(1.22)**	(0.11)	**NIL**	NIL
30	Crompton Greaves Holdings Mauritius Limited (w.e.f., 3rd June, 2011)	31st March, 2012	**100.00%**	**(0.12)**	-	**NIL**	NIL
31	CG International Holdings Singapore PTE Limited (w.e.f., 6th June, 2011)	31st March, 2012	**100.00%**	**(0.03)**	-	**NIL**	NIL
32	CG Power Solutions Limited (w.e.f., 14th March, 2012)	31st March, 2012	**100.00%**	**(0.02)**	-	**NIL**	NIL
33	CG Industrial Holdings Sweden AB	31st March, 2012	**100.00%**	**(1.47)**	-	**NIL**	NIL
34	P-EM 2007 A/S	31st March, 2012	**100.00%**	**(1.82)**	-	**NIL**	NIL
35	Crompton Greaves Holdings Sweden AB	31st March, 2012	**100.00%**	**1.37**	-	**NIL**	NIL
36	Emotron Holding AB	31st March, 2012	**100.00%**	**-**	-	**NIL**	NIL
37	CG Drives and Automation Sweden AB	31st March, 2012	**100.00%**	**15.72**	-	**NIL**	NIL
38	CG Drives and Automation Netherlands B.V.	31st March, 2012	**100.00%**	**(0.88)**	-	**NIL**	NIL

₹ crore

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956 (Contd.)

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, 2012	Profit/(loss) so far as it concerns the members of Crompton Greaves Limited and not dealt with in the accounts of Crompton Greaves Limited		Profit/(loss) so far as it concerns the members of Crompton Greaves Limited and dealt with in the accounts of Crompton Greaves Limited	
				For the financial year ended 31st March, 2012	For the previous years since it became a subsidiary	For the financial year ended 31st March, 2012	For the previous years since it became a subsidiary
39	Emotron Drives UK Limited	31st March, 2012	**100.00%**	**-**	-	**NIL**	NIL
40	Emotron El-Fi UK Limited	31st March, 2012	**100.00%**	**-**	-	**NIL**	NIL
41	CG Drives and Automation Germany GmbH	31st March, 2012	**100.00%**	**(0.68)**	-	**NIL**	NIL
42	Scandialogic AB	31st March, 2012	**100.00%**	**-**	-	**NIL**	NIL
43	Emotron Drives AB	31st March, 2012	**100.00%**	**-**	-	**NIL**	NIL
44	Emotron El-Fi AB	31st March, 2012	**100.00%**	**-**	-	**NIL**	NIL
45	Emotron Latin America Inc.	31st March, 2012	**100.00%**	**0.07**	-	**NIL**	NIL
46	CG Automation Solutions USA Inc	31st March, 2012	**100.00%**	**15.10**	-	**NIL**	NIL

Madhav Acharya
CHIEF FINANCIAL OFFICER

Wilton Henriques
COMPANY SECRETARY

Laurent Demortier
CEO & MANAGING DIRECTOR

Gautam Thapar
CHAIRMAN

Mumbai, 25th May, 2012

₹ crore

INFORMATION IN RESPECT OF SUBSIDIARY COMPANIES ACT, 1956

Sr. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital: Equity Share Capital	Capital: Preference Share Capital	Reserves	Total Assets	Total Liabilities	Investment (except invesments in subsidiaries)	Turnover (including other income)	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	Country
1	CG International B.V.	EUR	67.8675	295.67	-	90.90	1043.78	657.21	-	71.52	1.94	-	1.94	-	The Netherlands
2	CG Holdings Belgium N.V.	EUR	67.8675	706.39	-	1180.72	2675.69	788.58	0.08	590.43	36.98	(5.04)	42.02	-	Belgium
3	CG Power Systems Belgium N.V.	EUR	67.8675	183.74	-	116.86	2689.55	2388.95	12.71	1427.79	(77.23)	(0.76)	(76.47)	-	Belgium
4	Pauwels Trafo Gent N.V.	EUR	67.8675	22.63	-	(102.16)	0.12	79.65	-	2.02	(1.72)	-	(1.72)	-	Belgium
5	CG Power Systems Ireland Limited	EUR	67.8675	20.31	55.21	162.70	436.36	198.14	-	484.45	0.78	(0.20)	0.98	-	Ireland
6	CG Sales Networks France SA	EUR	67.8675	0.25	-	4.13	9.12	4.74	-	6.51	0.41	0.17	0.24	-	France
7	CG Power Systems USA Inc.	USD	50.8750	6.68	6.68	111.25	448.45	323.84	4.88	619.04	16.96	5.24	11.72	-	USA
8	CG Sales Networks Americas Inc.	USD	50.8750	0.45	-	(0.11)	104.89	104.55	-	23.56	(1.04)	(0.48)	(0.56)	-	USA
9	CG Power Systems Canada Inc.	CAD	51.0425	105.11	32.55	(47.46)	370.31	280.11	-	322.79	(38.67)	(8.67)	(30.00)	-	Canada
10	CG Service Systems Curacao N.V.	ANG	29.4118	0.05	-	1.21	1.89	0.63	-	1.61	(0.52)	-	(0.52)	-	Netherlands Antilles
11	PT. CG Power Systems Indonesia	USD	50.8750	56.36	-	266.08	506.76	184.32	-	480.69	65.74	16.16	49.58	-	Indonesia
12	CG Holdings Hungary Kft.	EUR	67.8675	23.68	-	19.79	114.14	70.67	-	3.28	2.48	-	2.48	-	Hungary
13	CG Electric Systems Hungary Zrt.	EUR	67.8675	542.25	-	(412.48)	772.23	642.46	-	476.15	(65.72)	-	(65.72)	-	Hungary
14	CG Power Holdings Ireland Limited	EUR	67.8675	21.30	4.66	(62.13)	3.53	39.70	-	0.11	0.11	0.03	0.08	-	Ireland
15	Microsol Limited	EUR	67.8675	5.43	1.25	(6.66)	0.02	-	-	-	(0.01)	-	(0.01)	-	Ireland
16	CG Automation Systems UK Limited	GBP	81.4575	12.45		(17.81)	177.50	182.86	-	21.02	(3.31)	(0.34)	(2.97)	-	United Kingdom
17	Viserge Limited	EUR	67.8675	0.01	-	42.14	43.13	0.98	-	22.47	22.44	0.67	21.77	-	Ireland
18	CG Service Systems France SAS	EUR	67.8675	1.35	-	4.68	16.93	10.90	-	38.54	2.09	0.78	1.31	-	France
19	CG Power Solutions USA Inc.	USD	50.8750	-	-	26.39	314.37	287.98	-	628.99	27.24	1.47	25.77	-	USA
20	CG Holdings Germany GmbH	EUR	67.8675	0.17	-	(0.01)	0.16	0.00	-	-	(0.00)	-	(0.00)	-	Germany
21	CG Power Solutions UK Limited	GBP	81.4575	-	-	91.90	143.11	51.21	-	129.16	86.04	2.40	83.64	-	United Kingdom
22	CG Holdings USA Inc	USD	50.8750	-	-	(44.06)	281.01	325.07	-	-	(24.68)	-	(24.68)	-	USA
23	CG Power County LLC	USD	50.8750	-	-	(27.97)	159.05	187.02	-	-	(26.26)	-	(26.26)	-	USA
24	CG Power Systems Brazil LTDA	REAL	28.6533	-	-	(6.65)	16.66	23.31	-	-	(6.75)	-	(6.75)	-	Brazil
25	CG Power Solutions Saudi Arabia	SAR	13.9470	13.72		1.87	16.28	0.69	-	-	(0.63)	-	(0.63)	-	Saudi Arabia
26	CG Sales Networks Singapore PTE. LTD.	USD	50.8750	0.46	-	2.82	4.59	1.31	-	3.22	3.03	0.42	2.61	-	Singapore
27	CG Energy Management Limited	INR	1.00	1.60	-	(1.54)	12.09	12.02	-	1.37	(0.73)	(0.00)	(0.73)	-	India
28	CG PPI Adhesive Products Limited	INR	1.00	3.90	-	9.45	15.48	2.13	-	15.05	2.90	0.95	1.95	-	India
29	CG-ZIV Power Automation Solutions Limited	INR	1.00	10.00	-	(1.90)	20.12	12.02	-	1.08	(1.74)	-	(1.74)	-	India
30	Crompton Greaves Holdings Mauritius Limited (w.e.f., 3rd June, 2011)	EUR	67.8675	194.35	-	(0.12)	194.36	0.13	-	-	(0.12)	-	(0.12)	-	Mauritius
31	CG International Holdings Singapore PTE Limited (w.e.f., 6th June, 2011)	EUR	67.8675	194.35	-	(0.03)	194.35	0.03	-	-	(0.03)	-	(0.03)	-	Singapore
32	CG Power Solutions Limited (w.e.f., 14th March, 2012)	INR	1.00	0.05	-	(0.02)	30.57	30.54	-	-	(0.02)	-	(0.02)	-	India
33	CG Industrial Holdings Sweden AB	SEK	7.6825	197.43	-	(4.06)	390.82	197.45	-	5.76	(1.99)	(0.52)	(1.47)	-	Sweden
34	P-EM 2007 A/S	DKK	9.3545	24.82	-	66.61	91.49	0.06	-	0.02	(1.82)	-	(1.82)	-	Denmark
35	Crompton Greaves Holdings Sweden AB	SEK	7.6825	0.96	-	82.02	234.53	151.55	-	2.88	-	(1.37)	1.37	-	Sweden
36	Emotron Holding AB	SEK	7.6825	0.89	-	67.13	86.01	17.99	-	-	-	-	0.00	-	Sweden
37	CG Drives and Automation Sweden AB	SEK	7.6825	18.74	-	64.20	175.21	92.27	-	152.98	23.07	7.35	15.72	-	Sweden
38	CG Drives and Automation Netherlands B.V.	EUR	67.8675	3.93	-	9.53	20.04	6.58	-	39.89	(1.05)	(0.17)	(0.88)	-	The Netherlands
39	Emotron Drives UK Limited	GBP	81.4575	0.30	-	(1.81)	0.00	1.51	-	-	-	-	-	-	United Kingdom
40	Emotron El-Fi UK Limited	GBP	81.4575	0.19	-	(0.83)	-	0.64	-	-	-	-	-	-	United Kingdom
41	CG Drives and Automation Germany GmbH	EUR	67.8675	0.17	-	3.34	27.90	24.39		79.11	1.35	2.03	(0.68)	-	Germany
42	Scandialogic AB	SEK	7.6825	0.73	-	5.86	6.59	-	-	-	-	-	-	-	Sweden
43	Emotron Drives AB	SEK	7.6825	0.64	-	(0.06)	0.58	-	-	-	-	-	-	-	Sweden
44	Emotron El-Fi AB	SEK	7.6825	0.31	-	3.33	3.64	-	-	-	-	-	-	-	Sweden
45	Emotron Latin America Inc.	USD	50.8750	0.00	-	(1.41)	0.43	1.84	-	0.76	0.07	-	0.07	-	USA
46	CG Automation Solutions USA Inc	USD	50.8750	-	-	66.79	268.87	202.08	-	78.89	18.71	3.61	15.10	-	USA

Consolidated Financials

1. 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, 2012, the Consolidated Statement of Profit and Loss 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.

2. 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.

3. 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:

Audited by other auditors:			
			₹ crore
	Total assets	Total revenues	Net cash flows
Indian subsidiaries	30.57	-	0.05
Foreign subsidiaries	4904.67	4827.89	44.35

	Net carrying cost of investment	Current year/period share of profit or (loss)
Indian associates	242.88	4.67
Foreign associates	14.16	(0.25)

We further report that in respect of certain subsidiaries, 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, is based solely on these certified financial statements.

Since, the financial statements for the financial year ended 31st March, 2012, 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
Foreign subsidiaries	-	0.09	-

4. 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.

5. 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 Note 1 and Notes to the Consolidated Financial Statements in Notes 2 to 43 thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Crompton Greaves Group as at 31st March, 2012;

   (ii) in the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Crompton Greaves Group for the year ended on that date; and

   (iii) 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.

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

L. Vaidyanathan
PARTNER
Membership No. 16368

Mumbai, 25th May, 2012

₹ crore

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As at 31-03-2012		As at 31-03-2011	
EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS:					
(a) Share capital	2	**128.30**		128.30	
(b) Reserve and surplus	3	**3482.64**		3146.38	
			3610.94		3274.68
2. MINORITY INTEREST	4		**15.66**		15.72
3. NON-CURRENT LIABILITIES:					
(a) Long-term borrowings	5	**616.26**		303.10	
(b) Deferred tax liabilities	6	**135.59**		124.43	
(c) Other long-term liabilities	7	**170.64**		207.17	
(d) Long-term provisions	8	**64.70**		58.74	
			987.19		693.44
4. CURRENT LIABILITIES:					
(a) Short-term borrowings	9	**368.59**		92.39	
(b) Trade payables	10	**2107.58**		1858.47	
(c) Other current liabilities	11	**1361.25**		1007.57	
(d) Short-term provisions	12	**313.99**		346.63	
			4151.41		3305.06
TOTAL			**8765.20**		7288.90
ASSETS					
1. NON-CURRENT ASSETS:					
(a) Fixed assets					
(i) Tangible assets	13	**1181.88**		1345.73	
(ii) Intangible assets	13	**926.38**		485.71	
(iii) Capital work-in-progress	13	**109.70**		104.19	
(iv) Intangible assets under development	13	**39.57**		5.57	
(b) Non-current investments	14	**285.26**		271.90	
(c) Deferred tax assets	6	**186.89**		108.42	
(d) Long-term loans and advances	15	**34.17**		59.37	
			2763.85		2380.89
2. CURRENT ASSETS:					
(a) Current investments	16	**501.15**		402.81	
(b) Inventories	17	**1223.27**		1189.25	
(c) Trade receivables	18	**3143.26**		2542.72	
(d) Cash and cash equivalents	19	**497.59**		298.40	
(e) Short-term loans and advances	20	**488.06**		376.44	
(f) Other current assets	21	**148.02**		98.39	
			6001.35		4908.01
TOTAL			8765.20		7288.90
CONTINGENT LIABILITIES AND COMMITMENTS	31				
SIGNIFICANT ACCOUNTING POLICIES	1				

The accompanying notes form an integral part of consolidated financial statements

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

Madhav Acharya
CHIEF FINANCIAL OFFICER

Laurent Demortier
CEO & MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 25th May, 2012

Wilton Henriques
COMPANY SECRETARY
Mumbai, 25th May, 2012

Gautam Thapar
CHAIRMAN

₹ crore

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	2011-12		2010-11	
INCOME:					
Sales and services		**11615.12**		10331.35	
Less: Excise duty		**366.54**		326.24	
Revenue from operations	22		**11248.58**		10005.11
Other income	23		**62.76**		113.32
TOTAL REVENUE			**11311.34**		10118.43
EXPENSES:					
Cost of raw materials and components consumed and construction materials	24	**6443.31**		5174.24	
Purchases of stock-in-trade	25	**1265.47**		1190.19	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	**(23.79)**		(95.57)	
Employee benefits	27	**1466.21**		1181.14	
Finance costs	28	**56.70**		34.34	
Depreciation and amortisation	29	**259.96**		193.63	
Other expenses	30	**1293.74**		1211.33	
TOTAL EXPENSES			**10761.60**		8889.30
PROFIT BEFORE EXTRAORDINARY ITEM AND TAX			**549.74**		1229.13
Extraordinary item			**-**		(38.12)
PROFIT BEFORE TAX			**549.74**		1191.01
TAX EXPENSES:					
Current tax		**216.77**		293.11	
Deferred tax	6	**(34.63)**		16.88	
			182.14		309.99
PROFIT AFTER TAX			**367.60**		881.02
Minority interest in loss / (profit)			**0.65**		(0.37)
Share of profit in associate companies (net)			**5.34**		8.02
PROFIT AFTER TAX, MINORITY INTEREST AND SHARE OF PROFIT / (LOSS) IN ASSOCIATE COMPANIES			**373.59**		888.67
Earnings per share before extraordinary item (basic and diluted) (₹) (Face value of equity share of ₹ 2 each)	40		**5.82**		14.45
Earnings per share after extraordinary item (basic and diluted) (₹) (Face value of equity share of ₹ 2 each)	40		**5.82**		13.85
SIGNIFICANT ACCOUNTING POLICIES	1				

The accompanying notes form an integral part of consolidated financial statements

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Mumbai, 25th May, 2012

Gautam Thapar
CHAIRMAN

₹ crore

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

		2011-12	2010-11
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxes		**549.74**	**1229.13**
Adjustments for:			
Depreciation and amortisation		**259.96**	193.63
Allowance for doubtful debts and advances		**10.41**	7.98
Interest expenses		**57.63**	35.21
Interest income		**(10.36)**	(14.28)
Income from investments (net)		**(0.05)**	(0.06)
Profit on sale of investments (net)		**(16.11)**	(16.91)
Unrealised exchange (gain) / loss (net)		**(2.58)**	(17.04)
Unrealised foreign exchange gain on consolidation (net)		**35.73**	(14.62)
Loss / (Profit) on sale of fixed assets (net)		**(5.71)**	(2.53)
		328.92	171.38
Operating profit before working capital changes		**878.66**	1400.51
Adjustments for:			
(Increase) / Decrease in trade and other receivables		**(531.15)**	(621.26)
(Increase) / Decrease in inventories		**1.53**	(169.19)
Increase / (Decrease) in trade and other payables		**301.85**	298.90
Increase / (Decrease) in provisions		**0.04**	(15.48)
		(227.73)	(507.03)
Cash (used in) / from operations		**650.93**	893.48
Direct taxes paid (net of refunds)		**(243.59)**	(334.26)
Minority interest in income		**0.65**	(0.37)
Share of profit / (loss) in associate companies		**5.34**	8.02
Net cash (used in) / from operating activities	**[A]**	**413.33**	566.87
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Sale of fixed assets		**326.82**	113.91
Cash and cash equivalents acquired pursuant to acquisition of subsidiary companies		**11.24**	1.09
Interest received		**11.18**	14.17
Income received from investments (net)		**0.05**	0.06
		349.29	129.23
***Less:* Outflows from investing activities**			
Purchase of fixed assets		**(372.35)**	(746.13)
Purchase of investments (net)		**(83.02)**	(85.18)
Changes in investment in associate companies		**(5.34)**	(19.04)
Acquisition of subsidiaries and associates		**(350.88)**	(34.85)
		(811.59)	(885.20)
Net cash (used in) / from investing activities	**[B]**	**(462.30)**	(755.97)

₹ crore

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

		2011-12	2010-11
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Changes in minority interest		**-**	11.42
Proceeds from long-term borrrowings		**729.33**	346.08
		729.33	357.50
***Less:* Outflows from financing activities**			
Changes in minority interest		**(0.06)**	-
Repayment of borrowings		**(306.58)**	(383.98)
Interim dividend paid		**(102.52)**	(102.43)
Corporate dividend tax		**(16.75)**	(17.03)
Interest paid		**(55.26)**	(35.38)
		(481.17)	(538.82)
Net cash (used in) / from financing activities	**[C]**	**248.16**	(181.32)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**199.19**	(370.42)
Cash and cash equivalents at beginning of the year		**298.40**	668.82
Cash and cash equivalents at end of the year		**497.59**	298.40

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 bank balances at the end of the year represent cash and bank balances and include unrealised gain of ₹ 0.02 crore (Previous year ₹ 0.01 crore) 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

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Mumbai, 25th May, 2012

Wilton Henriques
COMPANY SECRETARY

Mumbai, 25th May, 2012

Gautam Thapar
CHAIRMAN

1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting

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, 2012.

(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 (as amended). 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 (as amended) 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 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 and commitments as of the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, allowance 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 statement of profit and loss reflects the investor's share of the results of the operations of the investee.

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 less accumulated depreciation and amortisation.

(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) Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of the fixed assets.

(d) Pre-operative expenses, including interest on borrowings upto the date of commercial operations, are treated as part of the project cost and capitalised.

(e) Internally manufactured / constructed fixed assets are capitalised at factory cost, including excise duty, where applicable.

(f) Capital work-in-progress includes cost of fixed assets under installation / under development as at the balance sheet date.

(g) Capital expenditure on research and development is classified under tangible assets and depreciated on the same basis as other fixed assets.

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) Specialised software	: Over a period of five years;
(c) Technical know-how	: Over a period of five years from the date of commercial production;
(d) Commercial rights	: Over a period of ten years;
(e) Brand name and customer lists	: Over a period of ten years;
(f) Other intangible assets	: Over a period of five years; and

(g) Development costs:

(1) Revenue expenditure on research is expensed under respective heads of account in the period in which it is incurred.

(2) Development expenditure on new product is capitalised as intangible asset, if all of the following can be demonstrated:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(b) the Company has intention to complete the intangible asset and use or sell it;

(c) the Company has ability to use or sell the intangible asset;

(d) the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(f) the Company has ability to measure the expenditure attributable to the intangible assets during development reliably.

The development expenditure capitalised as intangible asset is amortised over it's a period of five years.

Other development costs that do not meet above criteria are expensed in the period in which they are incurred.

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 other than temporary in nature.

(b) Current investments are carried at the lower of cost and fair value.

The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

8. Inventories

Inventories are valued after providing for obsolescence as under

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

9. Cash and cash equivalents

(a) Cash comprises cash on hand and demand deposits with bank.

(b) Cash equivalents are short-term, highly liquid investment that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

10. 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 expenses in the period in which they arise.

(d) Financial statements of foreign operations are treated as integral operations and translated as in the same manner as foreign currency transactions, as described above. Exchange differences arising on such translations are recognized as income or expenses of the period in which they arise.

(e) Financial statements of foreign subsidiaries are treated as non-integral operations, their financial statements are translated at the following exchange rates:

(1) Share capital	: At the original rate when the capital was infused
(2) Fixed assets	: Exchange rate prevailing at the end of the year
(3) Current assets and current liabilities	: Exchange rate prevailing at the end of the year
(4) Revenues and expenses	: At the average rate during the year.

The resultant exchange difference is accounted as foreign currency translation reserve until the disposal of the net investment.

11. Derivative contracts

(a) 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 gains or losses arising out of fair valuation of derivative contracts are recognised in the statement of profit and loss 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 statement of profit and loss.

(b) The premium or discount on forward contracts is amortised as expense or income over the period of the contract.

(c) Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the statement of profit and loss in the same period in which the hedged item is accounted.

12. Revenue recognition

(a) Revenue from sale of goods is recognised, when all the significant risks and rewards of ownership are transferred to the buyer, under the terms of 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 on proportionate completion method.

(c) Revenue from contracts is recognised by applying 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. Foreseeable loss, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost till such time the outcome of the contract cannot be ascertained reliably and at realisable value thereafter.

(d) Interest income on deposits, securities and loans is recognised at the agreed rate on time proportion basis.

(e) Dividend income is accounted for when the right to receive the same is established.

(f) Other items of income are accounted as and when the right to receive arises.

13. 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.

14. Depreciation

(a) Indian Companies

(1) Owned assets

(a) Revalued assets

Depreciation on Building of Parent Company is provided on straight line method on the values and at the rates specified in Schedule XIV to the Companies Act, 1956. The difference between depreciation provided on revalued amount and on historical cost is recouped out of revalution reserve.

(b) Assets carried at historical cost

Depreciation on the fixed assets carried at historical cost 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 straight line method.

(2) Leased assets

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

(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.

(c) In other cases, buildings constructed on leasehold land are amortised over the lease period of the land.

(b) Foreign Companies

(a) 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.

(b) Vehicles acquired on finance leases are depreciated over the period of lease agreement or the useful life, whichever is shorter.

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 twelve 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. Segment accounting

(a) Segment accounting policies

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

(1) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

(2) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

(3) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

(4) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the company.

(5) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

(b) Inter-segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

17. 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.

18. 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 tax laws enacted or substantively enacted as on the balance sheet date.

(c) Deferred tax assets relating to unabsorbed depreciation / business losses are recongnised 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.

19. Provisions, Contingent liabilities, Contingent assets and Commitments

(a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

(1) the Company has a present obligation as a result of a past event;

(2) a probable outflow of resources is expected to settle the obligation; and

(3) 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 :

(1) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

(2) a present obligation when no reliable estimate is possible;

(3) 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) Commitments includes the amount of purchase order (net of advance) issued to parties for completion of asset.

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

20. 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.

21. Extraordinary and exceptional items

Income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the company are classified as extraordinary items. Specific disclosures of such events / transactions are made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expenses, is also treated as extraordinary item and disclosed as such. Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves as understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

	As at 31-03-2012	As at 31-03-2011
2. SHARE CAPITAL		
Authorised:		
1,80,50,00,000 Equity Shares of ₹ 2 each	**361.00**	276.00
(Previous year 1,38,00,00,000 Equity Shares of ₹ 2 each)		
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 (Amount paid-up ₹ 32,175)	**0.00**	0.00
	128.30	128.30

Notes:

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

Authorised share capital	As at 31-03-2012		As at 31-03-2011	
	No. of Shares	**₹ crore**	No. of Shares	₹ crore
Balance at the beginning of the year	**1380000000**	**276.00**	1300000000	260.00
Amalgamation of wholly-owned subsidiary with the Company (Refer Note below)	**425000000**	**85.00**	80000000	16.00
Balance at the end of the year	**1805000000**	**361.00**	1380000000	276.00

During the year, the Company's authorised share capital has increased from ₹ 276 crore to ₹ 361 crore comprising of 1,80,50,00,000 number of equity shares of ₹ 2 each on amalgamation of CG Capital and Investments Limited, a wholly owned subsidiary, with the Company on 20th August, 2011.

The Company has not issued any equity shares during the current and in the previous year.

(b) Details of share holders holding more than 5% shares in the Company:

	As at 31-03-2012		As at 31-03-2011	
	%	**No. of Shares**	%	No. of Shares
1 Avantha Holdings Limited	**39.90**	**255937034**	39.13	251021179
2 HDFC Trustee Company Limited	**8.39**	**53842070**	4.29	27515657
3 Life Insurance Corporation of India	**5.81**	**37282492**	5.27	33820554

(c) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment

(d) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	As at 31-03-2012	As at 31-03-2011
	No. of Shares	No. of Shares
Shares issued as fully paid-up bonus shares	**274924944**	379658256

₹ crore

	As at 31-03-2012		As at 31-03-2011	
3. RESERVES AND SURPLUS				
Capital reserve on consolidation:				
As per last balance sheet	**158.10**		161.71	
Less: Transferred to Statement of profit and loss on amalgamation of a wholly-owned subsidiary	**-**		(3.61)	
		158.10		158.10
Capital reserve				
As per last balance sheet		**19.12**		19.12
Capital redemption reserve				
As per last balance sheet		**10.00**		10.00
Securities premium account				
As per last balance sheet		**151.84**		151.84
Revaluation reserve:				
As per last balance sheet	**14.27**		14.42	
Less: Transferred to Statement of profit and loss {Refer Note (a) below}	**(0.25)**		(0.15)	
		14.02		14.27
Government subsidy:				
As per last balance sheet	**-**		0.38	
Less: Transferred to Statement of profit and loss	**-**		(0.38)	
		-		-
Statutory reserve:				
As per last balance sheet {Refer Note (b) below}	**57.30**		57.30	
Addition / (deduction) during the year	**5.72**		-	
		63.02		57.30
Foreign currency transalation reserve:				
As per last balance sheet	**(7.38)**		(48.13)	
Addition / (deduction) during the year	**88.09**		40.75	
		80.71		(7.38)
Hedge reserve:				
As per last balance sheet	**-**		(5.76)	
Addition / (deduction) during the year {Refer Note (c) below}	**(5.02)**		5.76	
		(5.02)		-
Balance in Statement of profit and loss:				
As per last balance sheet	**2743.13**		2015.10	
Add: Profit for the year	**373.59**		888.67	
Add: Government subsidy	**-**		0.25	
Less: Transferred to Statutory reserve	**(5.72)**		-	
Less: Employee benefits {Refer Note (d) below}	**(15.77)**		-	
Add: On account of amalgmation of a wholly-owned subsidiary	**-**		3.61	
Profit available for distribution:	**3095.23**		2907.63	
1st Interim dividend	**51.32**		51.32	
2nd Interim dividend	**12.83**		51.32	
3rd Interim dividend	**25.66**		38.49	
Corporate dividend tax	**14.57**		23.37	
		2990.85		2743.13
		3482.64		3146.38

Notes:

(a) Depreciation on revalued amount of fixed assets, recouped from Revaluation reserve ₹ 0.21 crore and Revaluation reserve written-back ₹ 0.04 crore on assets disposed-off and included under profit on sale of fixed assets.

(b) Statutory reserve represents profits set aside as per the local statutory requirement and the same is not available for distribution.

(c) Hedge reserve represents net mark-to-market loss on forward contracts open as at the end of the financial year for which the hedged transaction have not occurred.

(d) Deductions from Statement of profit and loss represents ₹ 15.77 crore on account of opening liability pertains to employee benefits provided due to transition from Canadian GAAP to International Reporting Financial Statndards (IFRS) at CG Power System Canada Inc.

	As at 31-03-2012	As at 31-03-2011
4. MINORITY INTEREST		
Opening balance	**15.72**	4.30
Addition during the year	**0.72**	11.07
Share of (loss) / profit for the year	**(0.65)**	0.37
Dividend to minority shareholders	**(0.13)**	(0.02)
Closing balance	**15.66**	15.72

	As at 31-03-2012	As at 31-03-2011
5. LONG-TERM BORROWINGS		
Secured loans		
Term loans {Refer Note (a) below}		
From banks	**555.27**	244.70
From financial institutions	**52.63**	48.10
Unsecured loans		
Interest-free sales tax deferral loans from State Governments {Refer Note (b) below}	**2.06**	2.34
Lease finance {Refer Note (c) below}	**6.30**	7.96
	616.26	303.10

Notes:

(a) Term loans from banks:

(i) ₹ 18.80 crore is secured by way of fixed and floating charge on all assets located at Ireland. This loan is repayable in eighty equal quarterly installments from the drawdown in February, 2003.

(ii) ₹ 80.58 crore is secured by way of fixed and floating charge on assets located at USA. This loan is repayable in ten equal half-yearly installments from drawdown in June, 2011

(iii) ₹ 192.39 crore is secured by way of fixed and floating charge on all assets located at Hungary. Loan was availed during October, 2006. Repayment of the loan will commence from December, 2022 and will be repayable in four equal yearly installments.

(iv) ₹ 10.86 crore is secured by way of fixed and floating charge on all assets located at Hungary and is also guaranteed by the parent company. The loan was availed during September, 2006. This loan will be repyable by a single installment in September, 2016.

(v) ₹ 190.03 crore is secured by first ranking pledge over 100% of the shares of Crompton Greaves Holdings Sweden AB and mortgage of fixed assets located at Sweden. Repayment of loan will commence from December, 2013 and will be repayable in five equal yearly installments.

(vi) The Group has availed various fund based facilities from the consortium to meet its working capital requirements. These facilities are secured by way of mortgage on building, plant and machinery and hypothecation charge on inventories and trade receivables of Belgian entities. These facilities also include long-term loans of ₹ 62.61 crore and repayable in four equal yearly installments from May, 2010.

Term loans from financial institutions:

(i) BUILD Missouri Revenue Bonds, Series 2010 with interest payable half yearly at a fixed rate and principal payments ranging from ₹ 0.13 crore to ₹ 0.25 crore through maturity on 1st December, 2024.

(ii) Industrial Development Revenue Bonds, Series 2008 with interest payable monthly at the weekly adjusted LIBOR rate and annual principal payment ranging from ₹ 0.66 crore to ₹ 2.04 crore through maturity in December, 2028.

(iii) Industrial Development Revenue Bonds, Series 1999 with interest payable monthly at the weekly adjusted LIBOR rate and annual principal payments ranging from ₹ 0.43 crore to to ₹ 1.07 crore through maturity in December, 2019.

(iv) Industrial Development Revenue Bonds, Series 1995 with interest payable monthly at the weekly adjusted LIBOR rate and annual principal payment ranging from ₹ 1.02 crore to ₹ 1.53 crore through maturity in June, 2015.

(b) The Company has opted for the deferral Scheme of sales tax, which is payable as per the Scheme framed by State Governments.

₹ crore

(c) Finance lease:

The assets acquired on finance lease mainly comprise cars and equipments. The lease have 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, 2012 and the present value as at 31st March, 2012 of minimum lease payments in respect of assets acquired under finance leases are as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2011-12	2010-11	2011-12	2010-11
Due within one year	**2.06**	1.82	**1.99**	1.74
Due one to five years	**6.14**	6.91	**5.08**	5.75
Due beyond five years	**1.58**	2.59	**1.22**	2.21
Total	**9.78**	11.32	**8.29**	9.70
Less: Future finance charges	**1.49**	1.62		
Present value of minimum lease payable	**8.29**	9.70		

The Group has not entered into any operating lease as specified in Accounting Standard (AS) 19 Leases. The Group 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.
There are no exceptional / restrictive covenants in the lease agreements.

6. DEFERRED TAX

	As at 31-03-2012		As at 31-03-2011	
	Deferred tax assets	**Deferred tax liabilities**	Deferred tax assets	Deferred tax liabilities
Difference between book depreciation and tax depreciation		**121.43**		115.27
Expenses allowable for tax purposes when paid / on payment of tax (TDS)	**41.09**		25.36	
Unabsorbed carried forward tax losses / depreciation	**113.91**		55.95	
Other items giving rise to timing differences	**31.89**	**14.16**	27.11	9.16
	186.89	**135.59**	108.42	124.43
Net deferred tax (liability) / asset		**51.30**		(16.01)
Deferred tax assets on acquisition of subsidiaries	**24.37**	**-**	3.24	-
Deferred tax assets due to transition from Canadian GAAP to IFRS	**7.18**	**-**	-	-
Effect of translation gain / loss	**1.13**	**-**	2.56	-
Net (asset) / liability credited / charged to Statement of profit and loss	**34.63**	**-**	-	16.88
	67.31	**-**	5.80	16.88
Net incremental liability	**67.31**			(11.08)

7. OTHER LONG-TERM LIABILITIES

	As at 31-03-2012		As at 31-03-2011	
Advances from customers		**-**		61.76
Other payables:				
Security deposits	**8.25**		5.55	
Others	**7.71**		10.62	
		15.96		16.17
Due to erstwhile shareholders of acquired subsidiaries		**154.68**		129.24
		170.64		207.17

8. LONG-TERM PROVISIONS

	As at 31-03-2012	As at 31-03-2011
Employees benefit	**64.70**	58.74
	64.70	58.74

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2012	As at 31-03-2011
9. SHORT-TERM BORROWINGS		
Secured loans		
Term loans		
From banks {Refer Note (a) below}	**293.18**	92.39
Working capital demand loan		
From banks {Refer Note (a) below}	**23.06**	-
Unsecured loans		-
From banks {Refer Note (b) below}	**42.17**	-
From associate {Refer Note (c) below}	**10.18**	-
	368.59	92.39

Notes:

(a) The Group has availed various short-term borrowings and working capital demand loan and are secured by hypothecation of stocks and trade receivables, both present and future.

(b) The Group has availed the finance lease for equipment for which formal lease agreement is yet to be executed.

(c) Loan from associate is repayable on demand.

	As at 31-03-2012	As at 31-03-2011
10. TRADE PAYABLES		
Acceptances	**193.24**	112.80
Sundry creditors:		
Due to associates	**16.61**	9.41
Due to others	**1897.73**	1736.26
	2107.58	1858.47

	As at 31-03-2012		As at 31-03-2011	
11. OTHER CURRENT LIABILITIES				
Current maturities:				
Long-term borrowings:				
From banks {Refer Note 5(a)}	**49.02**		62.06	
From financial institutions {Refer Note 9(a) and Note 5(a)}	**6.12**		8.19	
		55.14		70.25
Lease finance {Refer Note 5(c)}		**1.99**		1.74
Interest-free deferral loans from State Governments {Refer Note 5(b)}		**2.06**		2.83
Interest accrued but not due on borrowings		**2.43**		0.06
Advances from customers		**849.89**		623.17
Investor Education and Protection Fund:				
Unclaimed dividend	**1.86**		1.74	
Unclaimed matured fixed deposits	**0.04**		0.07	
		1.90		1.81
Due to directors		**8.76**		18.00
Due to customers:				
Progress bills raised	**1862.34**		608.20	
Less: Construction and project related work, at realisable value	**1795.11**		586.86	
		67.23		21.34
Other payables:				
Security deposits	**0.18**		0.14	
Others	**371.67**		268.23	
		371.85		268.37
		1361.25		1007.57

₹ crore

12. SHORT-TERM PROVISIONS

	As at 31-03-2012	As at 31-03-2011
Taxes (net of advance tax)	**22.11**	37.90
Interim dividend	**25.66**	38.49
Corporate dividend tax	**4.16**	6.34
Employee benefits	**22.47**	20.07
Others provisions {Refer Note below}	**239.59**	243.83
	313.99	346.63

Notes:

Disclosures as required by Accounting Standard (AS) 29 Provisions, Contingent Liabilities and Contingent Assets:

(1) Movement in provisions:

	Warranties		Sales tax / VAT		Excise duty / Service tax	
Nature of Provisions	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Carrying amount at the beginning of the year	**128.59**	119.26	**21.91**	23.16	**6.29**	6.79
Addition on acquisition of subsidiaries during the year	**1.57**	-	**-**	-	**-**	-
Additional provision made during the year #	**34.04**	79.48	**5.50**	4.75	**1.18**	0.33
Amounts used during the year	**22.98**	14.49	**1.64**	3.71	**-**	-
Unused amounts reversed during the year #	**43.51**	58.18	**5.11**	2.29	**0.01**	0.83
Translation adjustment	**6.31**	2.52	**-**	-	**-**	-
Carrying amount at the end of the year	**104.02**	128.59	**20.66**	21.91	**7.46**	6.29

	Liquidated damages		Other litigation claims		Environmental obligation	
Nature of Provisions	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Carrying amount at the beginning of the year	**21.90**	55.94	**43.89**	3.44	**19.90**	22.51
Addition on acquisition of subsidiaries during the year	**-**	-	**-**	-	**-**	-
Additional provision made during the year #	**20.52**	35.54	**1.51**	38.79	**2.22**	4.57
Amounts used during the year	**1.51**	25.31	**-**	-	**4.49**	7.62
Unused amounts reversed during the year #	**8.77**	44.62	**0.91**	0.15	**1.12**	0.48
Translation adjustment	**1.67**	0.35	**2.88**	1.81	**1.32**	0.92
Carrying amount at the end of the year	**33.81**	21.90	**47.37**	43.89	**17.83**	19.90

	Onerous contracts		Total	
Nature of Provisions	2011-12	2010-11	2011-12	2010-11
Carrying amount at the beginning of the year	**1.35**	-	**243.83**	231.10
Addition on acquisition of subsidiaries during the year	**-**	-	**1.57**	-
Additional provision made during the year #	**8.22**	1.30	**73.19**	164.76
Amounts used during the year	**-**	-	**30.62**	51.13
Unused amounts reversed during the year #	**1.40**	-	**60.83**	106.55
Translation adjustment	**0.27**	0.05	**12.45**	5.65
Carrying amount at the end of the year	**8.44**	1.35	**239.59**	243.83

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

(2) Nature of provisions:

(a) 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.

(b) 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.

(c) Provision for excise duty / service tax represents the differential duty liability that is expected to materialise in respect of matters in appeal.

(d) Provision for liquidated damages has been made on contracts for which delivery dates are exceeded and computed in reasonable and prudent manner.

(e) Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

(f) Provision for environmental obligation represents liabilities towards the costs expected to be incurred to treat contaminated soil / effluents at its manufacturing locations, wherever required by local law.

(g) Provision for onerous contracts have been made on contracts when it is probable that the estimated cost will exceed the total contract revenue.

₹ crore

NOTES ACCOMPANYING TO THE CONSOLISATED FINANCIAL STATEMENTS (Contd.)

	Gross block (Cost / Valuation)						Depreciation / Amortisation						Net block	
	As at 01-04-2011	On acquisition of subsidiaries	Additions	Deductions	Translation adjustments	As at 31-03-2012	Upto 31-03-2011	On acquisition of subsidiaries	For the year	Deductions	Translation adjustments	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
13. FIXED ASSETS														
(i) Tangible assets														
Freehold land	38.96	-	-	0.06	2.48	**41.38**	-	-	-	-	-	**-**	**41.38**	38.96
Leasehold land	17.46	-	-	-	-	**17.46**	2.84	-	0.15	-	-	**2.99**	**14.47**	14.62
Buildings	804.97	1.12	31.30	6.92	48.91	**879.38**	361.80	1.11	26.04	3.17	24.94	**410.72**	**468.66**	443.17
Plant and equipments	1515.80	27.14	142.01	16.47	74.35	**1742.83**	1075.26	19.27	74.71	14.26	53.86	**1208.84**	**533.99**	440.54
Railway sidings	0.02	-	-	-	-	**0.02**	0.01	-	-	-	-	**0.01**	**0.01**	0.01
Furniture and fixtures	98.95	2.62	13.58	8.29	1.84	**108.70**	74.45	2.19	6.06	7.20	0.78	**76.28**	**32.42**	24.50
Office equipments	116.23	1.02	7.33	4.03	5.28	**125.83**	98.04	0.91	6.43	3.86	4.42	**105.94**	**19.89**	18.19
Aircrafts	370.80	-	-	370.80	-	**-**	34.52	-	24.20	58.72	-	**-**	**-**	336.28
Vehicles	39.09	0.41	3.59	3.16	2.23	**42.16**	24.76	0.27	3.36	2.63	2.62	**28.38**	**13.78**	14.33
Leased assets :														
Buildings	4.86	-	-	-	-	**4.86**	1.07	-	0.08	-	-	**1.15**	**3.71**	3.79
Plant and equipments	18.73	-	42.17		1.85	**62.75**	7.39	-	1.20	-	0.59	**9.18**	**53.57**	11.34
Sub-total (i)	**3025.87**	**32.31**	**239.98**	**409.73**	**136.94**	**3025.37**	**1680.14**	**23.75**	**142.23**	**89.84**	**87.21**	**1843.49**	**1181.88**	**1345.73**
(ii) Intangible assets														
Goodwill	459.90	349.12	4.38	17.88	45.80	**841.32**	166.52	-	67.13	-	19.46	**253.11**	**588.21**	293.38
Computer software	96.85	15.99	12.36	2.78	12.24	**134.66**	67.26	6.36	16.30	1.59	9.27	**97.60**	**37.06**	29.59
Technical know-how	28.64	-	30.54	0.76	0.80	**59.22**	6.48	-	4.05	0.76	0.19	**9.96**	**49.26**	22.16
Commercial rights	34.21	-	-	-	-	**34.21**	3.61	-	5.42	-	-	**9.03**	**25.18**	30.60
Research and development	53.38	60.40	44.64	-	12.91	**171.33**	16.86	27.21	13.27	-	8.16	**65.50**	**105.83**	36.52
Patents and licences	0.03	-	-	0.03	-	**-**	-	-	-	-	-	**-**	**-**	0.03
Brand names and customer lists	81.59	47.89	0.94	-	12.20	**142.62**	8.16	-	11.78	-	1.84	**21.78**	**120.84**	73.43
Sub-total (ii)	**754.60**	**473.40**	**92.86**	**21.45**	**83.95**	**1383.36**	**268.89**	**33.57**	**117.95**	**2.35**	**38.92**	**456.98**	**926.38**	**485.71**
Total (i+ii)	**3780.47**	**505.71**	**332.84**	**431.18**	**220.89**	**4408.73**	**1949.03**	**57.32**	**260.18**	**92.19**	**126.13**	**2300.47**		
Previous year	2985.76	165.94	581.03	53.88	101.62	3780.47	1723.43	3.68	193.98	23.18	51.12	1949.03		
(iii) Capital work-in-progress - Tangible assets														
Buildings													**34.88**	12.45
Plant and equipments													**74.82**	91.74
Sub-total (iii)													**109.70**	104.19
(iv) Intangible assets under development														
Development expenses													**39.57**	5.57
Sub-total (iv)													**39.57**	5.57

₹ crore

NOTES ACCOMPANYING TO THE CONSOLISATED FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2012	As at 31-03-2011
14. NON-CURRENT INVESTMENTS		
Quoted investments		
Investment in Government or trust securities	**4.60**	4.49
Unquoted investments		
Investment in equity instruments		
Associate companies	**272.54**	267.20
Others	**8.01**	0.10
Investments in debentures or bonds		
Others	**0.06**	0.06
Others	**0.05**	0.05
	285.26	271.90
Notes:		
Quoted investments		
Book value	**4.60**	4.49
Market value	**4.60**	4.49
Unquoted investments		
Book value	**280.66**	267.41

Note: Refer accounting policy Note 1 (7) on valuation of investments, *supra.*

	As at 31-03-2012	As at 31-03-2011
15. LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good, unless otherwise stated		
Capital advances	**23.18**	47.04
Other deposits	**10.99**	12.33
	34.17	59.37

	As at 31-03-2012	As at 31-03-2011
16. CURRENT INVESTMENTS		
Quoted investments		
Investment in Government or trust securities	**0.24**	0.19
Investments in equity instruments	**0.78**	0.77
Investment in mutual funds	**500.13**	401.85
	501.15	402.81
Notes:		
Quoted investments		
Book value	**501.15**	402.81
Market value	**501.79**	405.13

Note: Refer accounting policy Note 1 (7) on valuation of investments, *supra.*

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2012		As at 31-03-2011	
17. INVENTORIES				
Raw materials	400.88		402.56	
Add: Goods-in-transit	37.62		21.50	
		438.50		424.06
Work-in-progress - manufacturing		591.70		607.91
Finished goods - manufacturing	131.66		98.28	
Add: Excise duty on finished goods	3.98		4.21	
		135.64		102.49
Stock-in-trade		47.34		40.49
Stores, spares and packing materials		9.17		5.47
Loose tools		0.92		0.79
Shares / bonds held as stock-in-trade		-		8.04
		1223.27		1189.25

Note: Refer accounting policy Note 1 (8) on valuation of inventories, *supra.*

	As at 31-03-2012		As at 31-03-2011	
18. TRADE RECEIVABLES				
Unsecured				
Debts overdue for six months				
Considered good	299.70		296.10	
Considered doubtful	72.87		67.38	
	372.57		363.48	
Less: Allowance for doubtful debts	72.87		67.38	
		299.70		296.10
Other debts				
Considered good	2843.56		2246.62	
Considered doubtful	-		0.41	
	2843.56		2247.03	
Less: Allowance for doubtful debts	-		0.41	
		2843.56		2246.62
		3143.26		2542.72

	As at 31-03-2012		As at 31-03-2011	
19. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents:				
Balances with banks:				
On current accounts	325.07		185.82	
On deposit accounts {Refer Note (a) below}	140.15		68.21	
	465.22		254.03	
Cash on hand	1.03		1.21	
		466.25		255.24
Other balances:				
Earmarked balances with banks: {Refer Note (c) below}				
Unpaid dividend	27.52		40.24	
Unpaid matured fixed deposits and interest thereon	0.08		0.01	
	27.60		40.25	
Others				
On deposit accounts {Refer Note (a) below}	3.74		2.91	
		31.34		43.16
		497.59		298.40

Balance with banks on deposit accounts includes balances held as margin money against the following:

	As at 31-03-2012	As at 31-03-2011
Other commitments	0.06	0.04
	0.06	0.04

Notes:

	As at 31-03-2012	As at 31-03-2011
(a) **Bank deposits maturities:** {Refer Note (b) below}		
Bank deposits maturing within 12 months	141.75	68.28
Bank deposits maturing after 12 months	2.14	2.84
	143.89	71.12

(b) Fixed deposits include ₹ 2.40 crore (Previous year ₹ 1.60 crore) under lien with banks.

(c) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2012.

	As at 31-03-2012		As at 31-03-2011	
20. SHORT-TERM LOANS AND ADVANCES				
Unsecured, considered good, unless otherwise stated				
Security deposits		36.84		49.76
Loans and advances to related parties:				
Associates	0.00		0.35	
Other related party	9.67		8.94	
		9.67		9.29
Advances recoverable in cash or in kind or for value to be received				
Considered good	352.78		228.85	
Considered doubtful	10.34		11.32	
	363.12		240.17	
Less: Allowance for bad and doubtful advances	10.34		11.32	
		352.78		228.85
Balances with excise, customs, service tax and value added tax, etc.		88.77		88.54
		488.06		376.44

₹ crore

	As at 31-03-2012		As at 31-03-2011	
21. OTHER CURRENT ASSETS				
Interest accrued on investments and deposits		**0.33**		1.15
Due from customers				
Work-in-progress - contracts				
At cost	**10.50**		0.95	
At realisable sales value	**622.11**		200.76	
	632.61		201.71	
Less: Progress payments	**533.60**		151.37	
		99.01		50.34
Other receivables		**48.68**		46.90
		148.02		98.39

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	2011-12		2010-11	
22. REVENUE FROM OPERATIONS				
Sale of products	**11570.86**		10281.74	
Sale of services	**44.26**		49.61	
		11615.12		10331.35
Less: Excise duty		**366.54**		326.24
		11248.58		10005.11

	2011-12	2010-11
23. OTHER INCOME		
Interest income	**10.36**	14.28
Dividend income	**0.05**	0.06
Gain on sale of investments (net)	**16.11**	16.91
Exchange gain (net)	**-**	36.26
Other non-operating income (net of expenses):		
Income from lease of premises / business service centres	**18.33**	14.83
Miscellaneous income	**17.91**	30.98
	62.76	113.32

	2011-12		2010-11	
24. COST OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS				
Opening stock	**424.06**		325.29	
Add: Purchases	**6235.31**		5041.78	
Less: Closing stock	**438.50**		424.06	
	6220.87		4943.01	
Less: Scrap sales	**111.23**		95.50	
		6109.64		4847.51
Add: Sub-contracting charges		**333.67**		326.73
		6443.31		5174.24

	2011-12	2010-11
25. PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	**1265.47**	1190.19
	1265.47	1190.19

	2011-12		2010-11	
26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
Changes in inventories of finished goods and work-in-progress:				
Closing stock				
Finished goods	**135.64**		102.49	
Work-in-progress	**591.70**		607.91	
	727.34		710.40	
Opening stock				
Finished goods	**102.49**		104.98	
Work-in-progress	**607.91**		518.75	
	710.40		623.73	
		(16.94)		(86.67)
Changes in inventories of stock-in-trade:				
Closing stock				
Stock-in-trade	**47.34**		40.49	
Opening stock				
Stock-in-trade	**40.49**		31.59	
		(6.85)		(8.90)
		(23.79)		(95.57)

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	2011-12	2010-11
27. EMPLOYEE BENEFITS		
Salaries, wages and bonus	**1132.93**	932.67
Contribution to provident and other funds	**191.50**	134.57
Post retirement medical benefits	**7.59**	5.67
Workmen and staff welfare	**134.19**	108.23
	1466.21	1181.14

	2011-12	2010-11
28. FINANCE COSTS		
Interest on:		
Fixed loans	**40.96**	15.71
Others	**16.67**	19.50
Loss / (gain) on foreign currency transactions and translation (net)	**(0.93)**	(0.87)
	56.70	34.34

	2011-12	2010-11
29. DEPRECIATION AND AMORTISATION		
Depreciation and amortisation	**260.17**	193.78
Less : Recoupment from revaluation reserve {Refer Note 3(a)}	**0.21**	0.15
	259.96	193.63

	2011-12	2010-11
30. OTHER EXPENSES		
Consumption of stores and spares	**75.34**	79.67
Power and fuel	**90.91**	79.14
Rent	**72.02**	46.97
Repairs to buildings	**17.01**	19.53
Repairs to equipments	**35.74**	32.95
Insurance	**25.40**	27.00
Rates and taxes	**47.32**	41.30
Freight and forwarding	**278.85**	284.39
Packing materials	**68.68**	70.90
After sales services including warranties	**41.88**	43.97
Sales promotion	**60.36**	44.05
Legal and professional charges	**124.72**	100.79
Miscellaneous expenses (Refer Note below)	**355.51**	340.67
	1293.74	1211.33

Note:

	2011-12	2010-11
MISCELLANEOUS EXPENSES INCLUDES AUDITORS' REMUNERATION:		
Auditors' remuneration (excluding service tax)		
Audit fees	**8.61**	5.57
Tax audit fees	**0.12**	0.13
Certification	**0.25**	0.29
Other services	**0.13**	0.15
Expenses reimbursed	**0.23**	0.18
	9.34	6.32

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)	As at 31-03-2012	As at 31-03-2011
31. CONTINGENT LIABILITIES AND COMMITMENTS		
(I) Contingent liabilities:		
(to the extent not provided for)		
(a) Claims against the Company not acknowledged as debts	**9.26**	1.35
(b) Sales tax liability that may arise in respect of matters in appeal	**8.91**	5.98
(c) Excise duty / service tax liability that may arise in respect of matters in appeal	**7.08**	10.40
(d) Income tax liability that may arise in respect of matters in appeal	**1.90**	14.37
(e) Bills discounted	**87.17**	100.87
(II) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**71.27**	36.88

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

32. (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 (as amended), 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 31-03-2012	As at 31-03-2011
	Subsidiaries			
1	CG Capital & Investments Limited (merged w.e.f., 20th August, 2011)	India	**-**	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	India	**70.00**	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. (merged w.e.f., 23rd March, 2012)	USA	**-**	100.00
23	CG Service Systems France SAS	France	**100.00**	100.00
24	CG Power Solutions USA Inc.	USA	**100.00**	100.00
25	CG Holdings Germany GmbH	Germany	**100.00**	100.00
26	CG Power Solutions UK Limited	United Kingdom	**100.00**	100.00
27	CG Holdings USA Inc.	USA	**100.00**	100.00
28	CG Power County LLC	USA	**100.00**	100.00
29	Power County Wind Parks LLC	USA	**-**	100.00
30	Power County Wind Park North LLC	USA	**-**	100.00
31	Power County Wind Park South LLC	USA	**-**	100.00
32	CG Glenmore LLC (liquidated w.e.f. 17th January, 2012)	USA	**-**	100.00
33	CG Power Systems Brazil LTDA. (*formerly* CG Holdings Brazil LTDA)	Brazil	**100.00**	100.00
34	CG Power Solutions Saudi Arabia (*formerly* CG Power Systems For Saudi Arabia Company)	Saudi Arabia	**51.00**	51.00
35	CG Sales Networks Singapore PTE. Limited	Singapore	**100.00**	100.00
36	Crompton Greaves Holdings Mauritius Limited (w.e.f., 3rd June, 2011)	Mauritius	**100.00**	-
37	CG International Holdings Singapore PTE Limited (w.e.f., 6th June, 2011)	Singapore	**100.00**	-
38	CG Power Solutions Limited (w.e.f.,14th March, 2012)	India	**100.00**	-
39	CG Industrial Holdings Sweden AB (*formerly* Goldcup 6699 AB)	Sweden	**100.00**	-
40	P-EM 2007 A/S	Denmark	**100.00**	-
41	Crompton Greaves Holdings Sweden AB (*formerly* Emotron Invest AB)	Sweden	**100.00**	-
42	Emotron Holding AB	Sweden	**100.00**	-
43	CG Drives and Automation Sweden AB (*formerly* Emotron AB)	Sweden	**100.00**	-
44	CG Drives and Automation Netherlands B.V. (*formerly* Emotron B.V.)	The Netherlands	**100.00**	-
45	Emotron Drives UK Limited	United Kingdom	**100.00**	-
46	Emotron El-Fi UK Limited	United Kingdom	**100.00**	-
47	CG Drives and Automations Germany GmbH	Germany	**100.00**	-
48	Emotron Lift Center GmbH - Germany (merged w.e.f., 16th January, 2012)	Germany	**-**	-
49	Scandialogic AB	Sweden	**100.00**	-
50	Emotron Drives AB	Sweden	**100.00**	-
51	Emotron El-Fi AB	Sweden	**100.00**	-
52	Emotron Latin America Inc.	USA	**100.00**	-
53	CG Automation Solutions USA Inc (acquired w.e.f., 20th June, 2011) (*formerly* QEI, Inc)	USA	**100.00**	-

₹ crore

32. (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 (as amended), 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 31-03-2012	As at 31-03-2011
Associates				
1	CG Lucy Switchgears Limited	India	**50.00**	50.00
2	Avantha Power & Infrastructure Limited	India	**23.14**	28.80
3	Pauwels Middle East Trading & Contracting Pvt Co. LLC	Sharjah	**49.00**	49.00
4	Saudi Power Transformers Company	Saudi Arabia	**49.00**	49.00
5	K. K. El-Fi Co. Ltd. (acquired w.e.f., 11th June, 2011)	Japan	**40.00**	-
6	CEnergy - Glenmore Wind Farm 1 LLC (divested w.e.f., 30th January, 2012)	USA	**-**	49.00

Subsidiaries

Serial Nos. 29 to 31 are divested w.e.f., 30th January, 2012

Serial Nos. 36 to 38 are formed during the year

Serial Nos. 39 to 52 are acquired w.e.f., 11th June, 2011

(b) For the purposes of consolidation, the financial statements of the foreign subsidiaries and associates as at 31st March, 2012, 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 completed all the formalities during the year, in respect of acquisition of :

(1) CG Drives and Automation Systems Sweden AB and its subsidiaries (Emotron group) engaged in the manufacture of variable speed drives, soft starters, shaft power monitors, customised products and providing project solutions and;

(2) CG Automation Solutions Inc. (*formerly* QEI, Inc) engaged in providing of SCADA (Supervisory control and data acquisition) and automation systems and products for the management of electric transmission and distribution networks.

(d) The Company, during the year, through its overseas subsidiary, has concluded an arrangement for acquisition of land for establishing a Greenfield Power Transformer and HT Switchgear plant at Brazil.

(e) In the case of Saudi Power Transformer Company, the financial statements as at 31st December, 2011, have been considered. There were no material adjustments required for any significant events or transactions for the three months up to 31st March, 2012.

(f) The Parent Company, during the year, has subscribed ₹ 1.68 crore additionally in CG-ZIV Power Automation Solutions Limited, a subsidiary.

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	Effect on Group Profit After Minority Interest Increase / (Decrease)	Net Assets as at 31-03-2012 Increase / (Decrease)
33. THE EFFECT OF ACQUISITIONS / DIVESTMENTS OF SUBSIDIARIES DURING THE YEAR:		
(a) Acquisitions	**(2.31)**	**343.36**
(b) Divestments	**(16.17)**	**(16.17)**
	(18.48)	**327.19**

	As at 31-03-2012	As at 31-03-2011
34. GOODWILL ON CONSOLIDATION:		
Opening Balance	**293.38**	259.76
Add: Goodwill on acquisition of subsidiaries / net assets during the year	**353.50**	86.50
Less: Reduction of goodwill during the year	**17.88**	28.71
Less: Goodwill charged to the Statement of profit and loss during the year	**67.13**	37.55
Translation adjustment	**26.34**	13.38
Closing balance	**588.21**	293.38

	2011-12	2010-11
35. EXPENSES CAPITALISED DURING THE YEAR:		
(a) Raw materials consumed	**10.79**	8.34
(b) Empolyee benefits	**16.12**	10.71
(c) Other expenses	**4.04**	1.87
	30.95	20.92

	2011-12	2010-11
36. DISCLOSURES UNDER ACCOUNTING STANDARD (AS) 7 CONSTRUCTION CONTRACTS:		
(a) Contract revenue recognised for the financial year	**1759.75**	745.50
(b) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	**2427.72**	788.57
(c) Amount of customer advances outstanding for contracts in progress as at the reporting date	**164.61**	111.18
(d) Retention amount due from customer for contract in progress as at the reporting date	**141.09**	72.73

37. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS:

(a) Defined contribution plans
Amount of ₹ 171.13 crore (Previous year ₹ 111.00 crore) is recognised as an expense and included in Employee benefits [Refer Note 27, *supra*]

(b) Defined Benefit Plans as per Actuarial Valuation are as under:

		Gratuity		Leave Encashment		Post Retirement Medical Benefits	
		2011-12 (Funded)	2010-11 (Funded)	2011-12 (Non-funded)	2010-11 (Non-funded)	2011-12 (Non-funded)	2010-11 (Non-funded)
I	**Change in obligation during the year**						
1	Liability at the beginning of the year	**42.45**	35.64	**18.95**	17.14	**9.10**	6.52
2	Interest cost	**3.59**	2.90	**1.55**	1.37	**0.62**	0.42
3	Current service cost	**2.96**	2.34	**1.74**	1.67	**0.30**	0.11
4	Past service cost	**-**	-	**-**	-	**-**	-
5	Liability transfer from other Company	**0.73**	-	**0.27**	-	**-**	-
6	Benefits paid	**(3.62)**	(3.44)	**(3.79)**	(3.30)	**(3.86)**	(3.09)
7	Actuarial (gains) / losses	**1.61**	5.01	**2.79**	2.07	**6.67**	5.14
8	Liability at the end of the year	**47.72**	42.45	**21.51**	18.95	**12.83**	9.10
II	**Change in fair value of plan assets during the year**						
1	Fair value of plan assets at the beginning of the year	**42.14**	34.60	**-**	-	**-**	-
2	Expected return of plan assets	**3.70**	3.36	**-**	-	**-**	-
3	Contributions	**5.93**	9.09	**3.79**	3.30	**3.86**	3.09
4	Transfer from other company	**0.73**	-				
5	Benefits paid	**(3.62)**	(3.44)	**(3.79)**	(3.30)	**(3.86)**	(3.09)
6	Actuarial gain / (loss)	**(1.13)**	(1.47)	**-**	-	**-**	-
9	Fair value of plan assets at the end of the year	**47.75**	42.14	**-**	-	**-**	-
10	Total actuarial gain / (loss) to be recognised	**(2.74)**	(6.48)	**(2.79)**	(2.07)	**(6.67)**	(5.14)
III	**Actual return on plan assets**						
1	Expected return on plan assets	**3.70**	3.36	**-**	-	**-**	-
2	Actuarial gain / (loss)	**(1.13)**	(1.47)	**-**	-	**-**	-
3	Actual return on plan assets	**2.57**	1.89	**-**	-	**-**	-
IV	**Net asset / (liability) recognised in the balance sheet**						
1	Liability at the end of the year	**(47.72)**	(42.45)	**(21.51)**	(18.95)	**(12.83)**	(9.10)
2	Fair value of plan assets at the end of the year	**47.75**	42.14	**-**	-	**-**	-
3	Amount recognised in the balance sheet	**0.03**	(0.31)	**(21.51)**	(18.95)	**(12.83)**	(9.10)
V	**Expenses recognised in the statement of profit and loss for the year**						
1	Current service cost	**2.96**	2.34	**1.74**	1.67	**0.30**	0.11
2	Interest cost	**3.59**	2.90	**1.55**	1.37	**0.62**	0.42
3	Expected return on plan assets	**(3.70)**	(3.36)	**-**	-	**-**	-
4	Actuarial (gains) / losses	**2.74**	6.48	**2.79**	2.07	**6.67**	5.14
5	Total expenses as per actuarial valuation	**5.59**	8.36	**6.08**	5.11	**7.59**	5.67
6	Optional payment	**2.76**	0.41	**-**	-	**-**	-
7	Total expenses included in employee benefits	**8.35**	8.77	**6.08**	5.11	**7.59**	5.67
VI	**The major categories of plan assets as a percentage of total Insurer managed funds**	**100%**	100%	**-**	-	**-**	-
VII	**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	**-**	-	**-**	-	**0.07**	0.05
	(ii) One percentage point decrease in Discount rate	**-**	-	**-**	-	**(0.06)**	(0.04)
	(2) Increase / (decrease) on present value of defined benefits obligation as at 31st March, 2012						
	(i) One percentage point increase in Medical Inflation rate	**-**	-	**-**	-	**1.21**	0.86
	(ii) One percentage point decrease in Medical Inflation rate	**-**	-	**-**	-	**(0.99)**	(0.70)
VIII	**Actuarial assumptions**						
1	Discount rate	**8.25% p.a.**	8.25% p.a.	**8.25% p.a.**	8.25% p.a.	**8.25% p.a.**	8.25% p.a.
2	Rate of return on plan assets	**8.00% p.a.**	8.00% p.a.	**-**	-	**-**	-
3	Salary escalation	**4.00% p.a.**	3.00% p.a.	**4.00% 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.

₹ crore

37. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS (Contd.):

(b) Defined Benefit Plans as per Actuarial Valuation are as under (Contd.):

		Pension	
		2011-12 (Funded)	2010-11 (Funded)
I	**Change in obligation during the year**		
1	Liability at the beginning of the year	**134.64**	133.64
2	Interest cost	**8.30**	8.08
3	Current service cost	**3.55**	2.99
4	Past service cost	**0.02**	0.02
5	Benefits paid	**(12.80)**	(10.94)
6	Actuarial (gains) / losses	**5.99**	6.92
7	Curtailment loss	**-**	8.03
8	Settlement payment	**-**	(19.55)
9	Change in assumptions	**1.03**	(0.76)
10	Employee contributions	**0.84**	0.66
11	Translation difference	**13.32**	5.55
12	Liability at the end of the year	**154.89**	134.64
II	**Change in fair value of assets during the year**		
1	Fair value of plan assets at the beginning of the year	**123.86**	124.77
2	Expected return of plan assets	**8.09**	8.69
3	Contributions	**11.60**	13.06
4	Benefits paid	**(12.80)**	(10.94)
5	Actuarial gain / (loss)	**(2.38)**	2.73
6	Settlement payments	**-**	(19.55)
7	Translation difference	**12.08**	5.10
8	Fair value of plan assets at the end of the year	**140.45**	123.86
9	Total actuarial gain / (loss) to be recognised	**(8.37)**	(4.19)
III	**Actual return on plan assets**		
1	Expected return on plan assets	**8.09**	8.69
2	Actuarial gain / (loss)	**(2.38)**	2.73
3	Actual return on plan assets	**5.71**	11.42
IV	**Net asset / (liability) recognised in the balance sheet**		
1	Liability at the end of the year	**154.89**	134.64
2	Fair value of plan assets at the end of the year	**140.45**	123.86
3	Net liability at the end of the year	**14.44**	10.78
4	Related deferred tax (asset) / liability	**(0.06)**	0.04
5	Amount recognised in the balance sheet	**14.38**	10.82
V	**Expenses recognised in the statement of profit and loss account for the year**		
1	Current service cost	**3.55**	2.99
2	Interest cost	**8.30**	8.08
3	Expected return on plan assets	**(8.09)**	(8.69)
4	Actuarial (gains) / losses	**8.37**	4.19
5	Past service cost	**0.02**	0.02
6	Curtailment loss	**-**	8.03
7	Effect of changes in foreign exchange	**(0.13)**	0.18
8	Total expenses as per actuarial valuation	**12.02**	14.80
9	Total expenses included in employee benefits	**12.02**	14.80
VI	**The major categories of plan assets as a percentage of total**		
	Equity instruments	**52%**	59%
	Debt instruments	**42%**	37%
	Insurer managed funds	**5%**	2%
	Property	**0%**	1%
	Cash	**1%**	1%
VII	**Actuarial assumptions**		
1	Discount rate	**4.70% - 6.70% p.a.**	5.20% - 9.00% p.a.
2	Rate of return on plan assets	**5.20% - 7.50 % p.a.**	5.20% - 7.50 % p.a.
3	Salary escalation	**7.50% p.a.**	7.50% p.a.

₹ crore

38. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING:

I Primary Segments (Business Segments)

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations/ Unallocable Expenditure / Assets*	Total 2011-12
Revenue						
External sales (net of excise duty)	7303.54	2132.42	1787.12	25.50	-	11248.58
Inter segment sales	11.32	1.20	33.12	-	(45.64)	-
Total	7314.86	2133.62	1820.24	25.50	(45.64)	11248.58
Segment results	239.38	262.88	210.28	3.76		716.30
Less: Finance costs						46.34
Less: Other unallocable expenditure net of unallocable income						120.22
Profit before tax						549.74
Tax expenses						182.14
Profit after tax and before extraordinary item						367.60
Extraordinary item (net of tax)						-
Profit after tax after extraordinary item						367.60
Capital Employed:						
Segment assets	5513.60	445.11	1208.31	32.67	1378.62	8578.31
Segment liabilities	2944.14	353.09	384.88	11.28	265.58	3958.97
Net Assets	2569.46	92.02	823.43	21.39	1113.04	4619.34
Capital expenditure	257.05	11.57	71.58	-	32.15	372.35
Depreciation and amortisation	161.17	7.25	55.90	0.82	34.82	259.96
Non-cash expenses other than depreciation	3.85	3.36	3.16	-	0.04	10.41

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations/ Unallocable Expenditure / Assets*	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	(25.93)		1337.92
Less: Finance costs						20.06
Less: Other unallocable expenditure net of unallocable Income						88.73
Profit before tax						1229.13
Tax expenses						309.99
Profit after tax and before extraordinary item						919.14
Extraordinary item (net of tax)						(38.12)
Profit after tax after extraordinary item						881.02
Capital Employed:						
Segment assets	4701.04	409.30	699.72	66.91	1303.51	7180.48
Segment liabilities	2542.35	328.74	279.37	13.26	240.04	3403.76
Net Assets	2158.69	80.56	420.35	53.65	1063.47	3776.72
Capital expenditure	193.78	12.86	81.56	0.78	293.42	582.40
Depreciation 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 the capital employed above.

₹ crore

38. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING (Contd.):

II Secondary Segments (Geographical Segments)

(a) The distribution of sales:

	2011-12	2010-11
Sales and Service Revenue:		
Domestic	**5714.70**	5053.21
Overseas:	**5533.88**	4951.90
Total	**11248.58**	10005.11

(b) The location of tangible/ intangible fixed assets:

	As at 31-03-2012	As at 31-03-2011
Domestic	**723.10**	925.41
Overseas	**1534.43**	1015.79
Total	**2257.53**	1941.20

III Continent-Wise Sales

	2011-12	2010-11
Continents		
Asia	**6769.85**	6502.23
Africa	**390.43**	426.59
North America	**1694.59**	1162.48
South America	**241.98**	113.44
Europe	**2013.19**	1686.07
Australia	**138.54**	114.30
Total	**11248.58**	10005.11

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, Power Distribution and Power, SCADA

(ii) Consumer Products : Fans, Appliances, Luminaires, Light Sources and Pumps

(iii) Industrial Systems : Electric Motors, Alternators, Drives, Drives solutions, 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, trade receivables and inventories. Segment liabilities primarily include trade payables 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.

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

39. DISCLOSURES 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 Saudi Power Transformers Company

(ii) Key Management Personnel:

1 Gautam Thapar - Chairman and Promoter Director
2 Sudhir Trehan - Managing Director (upto 1st June, 2011)
3 Laurent Demortier - CEO & Managing Director (w.e.f., 2nd June, 2011)

(iii) Other Related Parties in which a director is 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 Realty Limited
8 Korba West Power Company Limited
9 Sabah Forest Industries Sdn. Bhd.
10 Malanpur Captive Power Limited
11 Avantha Technologies Limited
12 Corella Investments Limited
13 Lustre International Limited
14 Varun Prakashan Private Limited

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

Sr. No.	Nature of transaction / relationship	2011-12	2010-11
1	**Purchase of goods and services**		
	Associate		
	CG Lucy Switchgear Limited	**32.49**	50.89
	Other Related Parties		
	BILT Graphic Paper Products Limited	**0.34**	0.26
	Ballarpur Industries Limited	**0.26**	0.60
	International Components India Limited	**-**	0.55
	Total	**33.09**	52.30
2	**Sales of goods and services**		
	Associates		
	CG Lucy Switchgear Limited	**3.42**	3.68
	Avantha Power & Infrastructure Limited	**0.15**	0.05
	Other Related Parties		
	Ballarpur Industries Limited	**0.41**	0.34
	Solaris ChemTech Industries Limited	**0.18**	0.00
	BILT Graphic Paper Products Limited	**5.41**	0.74
	Korba West Power Company Limited	**31.83**	72.08
	Avantha Holdings Limited	**0.07**	0.33
	Sabah Forest Industries Sdn. Bhd.	**5.59**	2.71
	Total	**47.06**	79.93
3	**Sale of fixed assets**		
	Other Related Parties		
	Asia Aviation Limited	**41.17**	-
	Avantha Holdings Limited	**240.50**	-
	Total	**281.67**	-
4	**Purchase of fixed assets**		
	Other Related Party		
	Asia Aviation Limited	**0.01**	-
	Total	**0.01**	-

₹ crore

39. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.):

(b) List of related parties with whom transactions were carried out during the year and description of relationship (Contd.):

Sr. No.	Nature of transaction / relationship	2011-12	2010-11
5	**Interest expenses**		
	Associate		
	CG Lucy Switchgear Limited	0.25	0.10
	Total	0.25	0.10
6	**Dividend received**		
	Associate		
	CG Lucy Switchgear Limited	-	1.20
	Total	-	1.20
7	**Rental income**		
	Other Related Parties		
	Ballarpur Industries Limited	2.05	2.13
	Solaris ChemTech Industries Limited	0.52	0.47
	Total	2.57	2.60
8	**Interest income**		
	Other Related Party		
	Malanpur Captive Power Limited	0.81	0.65
	Total	0.81	0.65
9	**Payment of salaries, commission and perquisites**		
	Key Management Personnel		
	Gautam Thapar	5.57	8.47
	Sudhir Trehan	0.88	11.50
	Laurent Demortier	8.17	-
	Total	14.62	19.97
10	**Dividend paid**		
	Key Management Personnel		
	Sudhir Trehan	-	0.04
	Other Related Parties		
	Corella Investments Limited	0.72	1.58
	Lustre International Limited	0.43	0.95
	Solaris Holdings Limited	-	20.08
	Avantha Holdings Limited	25.59	35.14
	Avantha Realty Limited	0.00	-
	Varun Prakashan Private Limited	0.00	-
	Total	26.74	57.79
11	**Rent paid**		
	Other Related Parties		
	Avantha Realty Limited	2.04	1.87
	Asia Aviation Limited	-	2.63
	Total	2.04	4.50
12	**Other expenses**		
	Associate		
	CG Lucy Switchgear Limited	-	0.00
	Other Related Parties		
	Asia Aviation Limited	-	4.37
	Avantha Holdings Limited	28.13	24.24
	Avantha Realty Limited	0.60	1.06
	Avantha Technologies Limited	0.02	0.11
	Salient Business Solutions Limited	1.25	1.62
	Total	30.00	31.40
13	**Recovery of expenses**		
	Other Related Party		
	Solaris ChemTech Industries Limited	-	0.09
	Total	-	0.09

₹ crore

39. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.):

(c) Amount due to / from related parties:

Sr. No.	Nature of transaction / relationship	2011-12	2010-11
1	**Accounts payable**		
	Associate		
	CG Lucy Switchgear Limited	**16.61**	8.81
	Other Related Parties		
	Ballarpur Industries Limited	**0.01**	0.01
	Sabah Forest Industries Sdn. Bhd.	**0.01**	-
	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	**16.63**	13.44
2	**Accounts receivable**		
	Associates		
	CG Lucy Switchgear Limited	**0.58**	1.02
	Avantha Power & Infrastructure Limited	**0.08**	0.04
	Other Related Parties		
	BILT Graphic Paper Products Limited	**3.12**	-
	Ballarpur Industries Limited	**0.13**	0.80
	Solaris ChemTech Industries Limited	**0.15**	0.20
	Korba West Power Company Limited	**9.34**	56.81
	Sabah Forest Industries Sdn. Bhd.	**0.19**	0.89
	Avantha Holdings Limited	**0.05**	-
	Total	**13.64**	59.76
3	**Loans and advances receivable**		
	Associate		
	CG Lucy Switchgear Limited	**0.00**	0.00
	Other Related Party		
	Malanpur Captive Power Limited	**9.67**	8.94
	Total	**9.67**	8.94
4	**Loans and advances payable**		
	Associate		
	Saudi Power Transformers Company	**10.18**	-
	Other Related Parties		
	Solaris ChemTech Industries Limited	**0.10**	0.10
	Ballarpur Industries Limited	**0.05**	-
	Avantha Holdings Limited	**2.64**	-
	Salient Business Solutions Limited	**0.09**	-
	Korba West Power Company Limited	**1.93**	4.17
	Total	**14.99**	4.27
5	**Dividend payable**		
	Key Management Personnel		
	Sudhir Trehan	**-**	0.01
	Other Related Parties		
	Corella Investments Limited	**0.29**	0.43
	Avantha Holdings Limited	**10.24**	15.06
	Lustre International Limited	**0.17**	0.26
	Avantha Realty Limited	**0.00**	-
	Varun Prakashan Private Limited	**0.00**	-
	Total	**10.70**	15.76
6	**Due to Key Management Personnel**		
	Gautam Thapar	**5.57**	8.47
	Sudhir Trehan	**-**	8.64
	Laurent Demortier	**1.75**	-
	Total	**7.32**	17.11

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

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

40. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 20 EARNINGS PER SHARE:

		2011-12	2010-11
Profit after taxes, minority interest in loss / (profit), share of profit in associate companies and before extraordinary item	₹ crore	**373.59**	926.79
Profit after taxes, minority interest in loss / (profit), share of profit in associate companies and extraordinary item	₹ crore	**373.59**	888.67
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)	-	**5.82**	14.45
Earnings per share after extraordinary item (basic and diluted)	-	**5.82**	13.85

41. FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES:

The Group has adopted the principles of hedge accounting as per the Accounting Standard (AS) 30 Financial Instrument: Recognition and Measurement, in respect of those derivative transaction which are not covered by the existing Accounting Standard (AS) 11. This treatment has resulted in a net loss of ₹ 5.02 crore (Previous year ₹ Nil) arising due to change in the fair value of derivatives has been recognised in the shareholders fund as a cash flow hedge.

The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2012 are as under

Sr. No.	Category of Derivative Instruments	As at 31-03-2012	As at 31-03-2011
1	**For hedging foreign currency risks:**		
	(a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	**929.76**	825.85
	(b) Forward contracts for payable including firm commitments and highly probable forecasted transactions	**257.40**	295.96
2	**For hedging commodity price risks**		
	Commodity futures	**116.81**	102.34
3	**Particulars of Unhedged foreign currency exposure as at the balance sheet date:**		
	(a) Trade receivables	**39.56**	91.64
	(b) Trade payables	**152.88**	114.04
	(c) Loans received	**3.13**	8.23
	(d) Bank balance in current accounts and term deposit accounts	**24.79**	17.83
	(e) Investments in overseas associates	**14.16**	14.41

42. Amounts shown as 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand).

43. During the year, the revised Schedule VI to the Companies Act, 1956 was notified by the Ministry of Corporate Affairs. The Company has reclassified the figures of the previous year to confirm to the current year's classification, and the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. Current year's figures include the results of the subsidiaries acquired during the year, specifically, CG Drives and Automation Systems AB (*formerly* Emotron Group) and CG Automation Solutions USA Inc (*formerly* QEI, Inc.). Consequently, figures for the current year are not comparable with the figures of the corresponding previous year.

Signatures to Notes 1 to 43

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

Madhav Acharya
CHIEF FINANCIAL OFFICER

Laurent Demortier
CEO & MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 25th May, 2012

Wilton Henriques
COMPANY SECRETARY

Mumbai, 25th May, 2012

Gautam Thapar
CHAIRMAN

Accounts in Foreign Currency

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31-03-2012		As at 31-03-2011	
	USD million	USD million	USD million	USD million
EQUITY AND LIABILITIES				
1. SHAREHOLDERS' FUNDS:				
(a) Share capital	**25.22**		28.77	
(b) Reserves and surplus	**505.67**		487.90	
		530.89		516.67
2. NON-CURRENT LIABILITIES:				
(a) Long-term borrowings	**0.40**		1.14	
(b) Deferred tax liabilities (net)	**8.50**		16.49	
(c) Other long-term liabilities	**1.60**		15.10	
(d) Long-term provisions	**2.35**		1.88	
		12.85		34.61
3. CURRENT LIABILITIES:				
(a) Short-term borrowings	**0.04**		-	
(b) Trade payables	**230.17**		245.64	
(c) Other current liabilities	**97.23**		84.06	
(d) Short-term provisions	**27.19**		36.08	
		354.63		365.78
TOTAL		**898.37**		917.06
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Fixed assets				
(i) Tangible assets	**104.35**		183.91	
(ii) Intangible assets	**12.83**		12.37	
(iii) Capital work-in-progress	**11.46**		9.35	
(iv) Intangible assets under development	**4.13**		1.25	
(b) Non-current investments	**108.42**		84.98	
(c) Long-term loans and advances	**4.74**		4.12	
		245.93		295.98
2. CURRENT ASSETS:				
(a) Current investments	**98.46**		90.28	
(b) Inventories	**88.37**		90.98	
(c) Trade receivables	**341.15**		338.64	
(d) Cash and cash equivalents	**63.12**		33.84	
(e) Short-term loans and advances	**51.73**		56.63	
(f) Other current assets	**9.61**		10.71	
		652.44		621.08
TOTAL		**898.37**		917.06

Note: Closing exchange rate considered for 1 USD as at 31st March, 2012 is ₹ 50.8750 and as at 31st March, 2011 is ₹ 44.5950

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-12		2010-11	
	USD million	USD million	USD million	USD million
INCOME:				
Sales and services	**1423.53**		1377.30	
Less: Excise duty	**75.87**		71.33	
Revenue from operations		**1347.66**		1305.97
Other income		**15.46**		21.10
TOTAL REVENUE		**1363.12**		1327.07
EXPENSES:				
Cost of raw materials and components consumed and construction materials	**720.57**		668.94	
Purchases of stock-in-trade	**262.96**		235.66	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(1.53)**		(12.47)	
Employee benefits	**75.55**		68.06	
Finance costs	**5.75**		4.56	
Depreciation and amortisation	**18.85**		17.75	
Other expenses	**140.35**		141.15	
TOTAL EXPENSES		**1222.50**		1123.65
PROFIT BEFORE TAX		**140.62**		203.42
TAX EXPENSES:				
Current tax	**40.08**		53.48	
Deferred tax	**(4.37)**		(2.42)	
		35.71		51.06
PROFIT FOR THE YEAR		**104.91**		152.36
Earnings per share (basic and diluted) (in USD)		**0.16**		0.24

Note: Average exchange rate considered for 1 USD in 2011-12 is ₹ 48.1233 and in 2010-11 is ₹ 45.5712

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31-03-2012		As at 31-03-2011	
	Euro million	Euro million	Euro million	Euro million
EQUITY AND LIABILITIES				
1. SHAREHOLDERS' FUNDS:				
(a) Share capital	**18.90**		20.24	
(b) Reserves and surplus	**379.06**		343.28	
		397.96		363.52
2. NON-CURRENT LIABILITIES:				
(a) Long-term borrowings	**0.30**		0.80	
(b) Deferred tax liabilities (net)	**6.37**		11.60	
(c) Other long-term liabilities	**1.20**		10.63	
(d) Long-term provisions	**1.76**		1.33	
		9.63		24.36
3. CURRENT LIABILITIES:				
(a) Short-term borrowings	**0.03**		-	
(b) Trade payables	**172.55**		172.83	
(c) Other current liabilities	**72.89**		59.15	
(d) Short-term provisions	**20.38**		25.38	
		265.85		257.36
TOTAL		**673.44**		645.24
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Fixed assets				
(i) Tangible assets	**78.22**		129.40	
(ii) Intangible assets	**9.62**		8.70	
(iii) Capital work-in-progress	**8.59**		6.57	
(iv) Intangible assets under development	**3.10**		0.88	
(b) Non-current investments	**81.27**		59.80	
(c) Long-term loans and advances	**3.55**		2.90	
		184.35		208.25
2. CURRENT ASSETS:				
(a) Current investments	**73.81**		63.52	
(b) Inventories	**66.25**		64.01	
(c) Trade receivables	**255.74**		238.27	
(d) Cash and cash equivalents	**47.31**		23.81	
(e) Short-term loans and advances	**38.78**		39.84	
(f) Other current assets	**7.20**		7.54	
		489.09		436.99
TOTAL		**673.44**		645.24

Note: Closing exchange rate considered for 1 Euro as at 31st March, 2012 is ₹ 67.8675 and as at 31st March, 2011 is ₹ 63.3825

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-12		2010-11	
	Euro million	Euro million	Euro million	Euro million
INCOME:				
Sales and services	**1035.19**		1037.24	
Less: Excise duty	**55.17**		53.72	
Revenue from operations		**980.02**		983.52
Other income		**11.24**		15.88
TOTAL REVENUE		**991.26**		999.40
EXPENSES:				
Cost of raw materials and components consumed and construction materials	**524.00**		503.78	
Purchases of stock-in-trade	**191.23**		177.48	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(1.12)**		(9.40)	
Employee benefits	**54.94**		51.26	
Finance costs	**4.18**		3.42	
Depreciation and amortisation	**13.71**		13.37	
Other expenses	**102.06**		106.30	
TOTAL EXPENSES		**889.00**		846.21
PROFIT BEFORE TAX		**102.26**		153.19
TAX EXPENSES:				
Current tax	**29.15**		40.27	
Deferred tax	**(3.18)**		(1.82)	
		25.97		38.45
PROFIT FOR THE YEAR		**76.29**		114.74
Earnings per share (basic and diluted) (in EURO)		**0.12**		0.18

Note: Average exchange rate considered for 1 EURO in 2011-12 is ₹ 66.1764 and in 2010-11 is ₹ 60.5116

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31-03-2012		As at 31-03-2011	
	USD million	USD million	USD million	USD million
EQUITY AND LIABILITIES				
1. SHAREHOLDERS' FUNDS:				
(a) Share capital	**25.22**		28.77	
(b) Reserve and surplus	**684.55**		705.55	
		709.77		734.32
2. MINORITY INTEREST		**3.08**		3.53
3. NON-CURRENT LIABILITIES:				
(a) Long-term borrowings	**121.13**		67.97	
(b) Deferred tax liabilities	**26.65**		27.90	
(c) Other long-term liabilities	**33.54**		46.46	
(d) Long-term provisions	**12.72**		13.17	
		194.04		155.50
4. CURRENT LIABILITIES:				
(a) Short-term borrowings	**72.45**		20.71	
(b) Trade payables	**414.27**		416.74	
(c) Other current liabilities	**267.56**		225.94	
(d) Short-term provisions	**61.72**		77.73	
		816.00		741.12
TOTAL		**1722.89**		1634.47
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Fixed assets				
(i) Tangible assets	**232.31**		301.77	
(ii) Intangible assets	**182.09**		108.92	
(iii) Capital work-in progress	**21.56**		23.36	
(iv) Intangible assets under development	**7.78**		1.25	
(b) Non-current investments	**56.07**		60.97	
(c) Deferred tax assets	**36.73**		24.31	
(d) Long-term loans and advances	**6.72**		13.31	
		543.26		533.89
2. CURRENT ASSETS:				
(a) Current investments	**98.51**		90.33	
(b) Inventories	**240.45**		266.68	
(c) Trade receivables	**617.84**		570.18	
(d) Cash and cash equivalents	**97.81**		66.91	
(e) Short-term loans and advances	**95.93**		84.41	
(f) Other current assets	**29.09**		22.07	
		1179.63		1100.58
TOTAL		**1722.89**		1634.47

Note: Closing exchange rate considered for 1 USD as at 31st March, 2012 is ₹ 50.8750 and as at 31st March, 2011 is ₹ 44.5950

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-12		2010-11	
	USD million	USD million	USD million	USD million
INCOME:				
Sales and services	**2413.62**		2267.08	
Less: Excise duty	**76.17**		71.59	
Revenue from operations		**2337.45**		2195.49
Other income		**13.04**		24.87
TOTAL REVENUE		**2350.49**		2220.36
EXPENSES:				
Cost of raw materials and components consumed and construction materials	**1338.92**		1135.42	
Purchases of stock-in-trade	**262.96**		261.17	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(4.94)**		(20.97)	
Employee benefits	**304.68**		259.19	
Finance costs	**11.78**		7.54	
Depreciation and amortisation	**54.02**		42.49	
Other expenses	**268.84**		265.81	
TOTAL EXPENSES		**2236.26**		1950.65
PROFIT BEFORE EXTRAORDINARY ITEM AND TAX		**114.23**		269.71
Extraordinary item (net of tax expenses USD nil)		**-**		(8.36)
PROFIT BEFORE TAX		**114.23**		261.35
TAX EXPENSES:				
Current tax	**45.04**		64.32	
Deferred tax	**(7.20)**		3.70	
		37.84		68.02
PROFIT AFTER TAX		**76.39**		193.33
Minority interest in income		**0.13**		(0.08)
Share of profit / (loss) in Associate companies		**1.11**		1.76
PROFIT AFTER TAX, MINORITY INTEREST AND SHARE OF PROFIT/(LOSS) IN ASSOCIATE COMPANIES		**77.63**		195.01
Earnings per share before extraordinary item (basic and diluted) (in USD)		**0.12**		0.32
Earnings per share after extraordinary item (basic and diluted) (in USD)		**0.12**		0.30

Note: Average exchange rate considered for 1USD for 2011-12 is ₹ 48.1233 and for 2010-11 is ₹ 45.5712

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	As at 31-03-2012		As at 31-03-2011	
	Euro million	Euro million	Euro million	Euro million
EQUITY AND LIABILITIES				
1. SHAREHOLDERS' FUNDS:				
(a) Share capital	**18.90**		20.24	
(b) Reserve and surplus	**513.15**		496.41	
		532.05		516.65
2. MINORITY INTEREST		**2.31**		2.48
3. NON-CURRENT LIABILITIES:				
(a) Long-term borrowings	**90.80**		47.82	
(b) Deferred tax liabilities	**19.98**		19.63	
(c) Other long-term liabilities	**25.14**		32.69	
(d) Long-term provisions	**9.53**		9.27	
		145.45		109.41
4. CURRENT LIABILITIES:				
(a) Short-term borrowings	**54.31**		14.58	
(b) Trade payables	**310.54**		293.21	
(c) Other current liabilities	**200.57**		158.97	
(d) Short-term provisions	**46.27**		54.69	
		611.69		521.45
TOTAL		**1291.50**		1149.98
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Fixed assets				
(i) Tangible assets	**174.14**		212.32	
(ii) Intangible assets	**136.50**		76.63	
(iii) Capital work-in progress	**16.16**		16.44	
(iv) Intangible assets under development	**5.83**		0.88	
(b) Non-current investments	**42.03**		42.90	
(c) Deferred tax assets	**27.54**		17.11	
(d) Long-term loans and advances	**5.03**		9.36	
		407.23		375.64
2. CURRENT ASSETS:				
(a) Current investments	**73.84**		63.55	
(b) Inventories	**180.24**		187.63	
(c) Trade receivables	**463.15**		401.17	
(d) Cash and cash equivalents	**73.32**		47.08	
(e) Short-term loans and advances	**71.91**		59.39	
(f) Other current assets	**21.81**		15.52	
		884.27		774.34
TOTAL		**1291.50**		1149.98

Note: Closing exchange rate considered for 1 Euro as at 31st March, 2012 is ₹ 67.8675 and as at 31st march, 2011 is ₹ 63.3825.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-12		2010-11	
	Euro million	Euro million	Euro million	Euro million
INCOME:				
Sales and services	**1755.18**		1707.33	
Less: Excise duty	**55.39**		53.91	
Revenue from operations		**1699.79**		1653.42
Other income		**9.48**		18.73
TOTAL REVENUE		**1709.27**		1672.15
EXPENSES:				
Cost of raw materials and components consumed and construction materials	**973.65**		855.08	
Purchases of stock-in-trade	**191.23**		196.69	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(3.59)**		(15.79)	
Employee benefits	**221.56**		195.19	
Finance costs	**8.57**		5.68	
Depreciation and amortisation	**39.28**		32.00	
Other expenses	**195.50**		200.18	
TOTAL EXPENSES		**1626.20**		1469.03
PROFIT BEFORE EXTRAORDINARY ITEM AND TAX		**83.07**		203.12
Extraordinary item (net of tax expenses EURO nil)		**-**		(6.30)
PROFIT BEFORE TAX		**83.07**		196.82
TAX EXPENSES:				
Current tax	**32.76**		48.44	
Deferred tax	**(5.23)**		2.79	
		27.53		51.23
PROFIT AFTER TAX		**55.54**		145.59
Minority interest in income		**0.10**		(0.06)
Share of profit / (loss) in Associate companies		**0.81**		1.33
PROFIT AFTER TAX, MINORITY INTEREST AND SHARE OF PROFIT/(LOSS) IN ASSOCIATE COMPANIES		**56.45**		146.86
Earnings per share before extraordinary item (basic and diluted) (in EURO)		**0.09**		0.24
Earnings per share after extraordinary item (basic and diluted) (in EURO)		**0.09**		0.23

Note: Average exchange rate considered for 1 EURO for 2011-12 is ₹ 66.1764 and for 2010-11 is ₹ 60.5116.

Products & Services

POWER SYSTEMS

TRANSFORMERS: CG, INDIA

- Auto Transformers (up to 1200 kV)
- Distribution Transformers
- Energy Efficient Transformers
- Dry Type Transformers (Cast Resin & VPI)
- Locomotive Transformers
- Traction Transformers
- Furnace Transformers
- Rectifier Transformers
- Shunt Reactors (upto 800 kV)
- Generator Transformers (up to 800 kV)
- Systems Transformers
- Phase Shifting Transformer
- Mobile- Substation
- Earthing Transformers
- Isolation Transformers

SWITCHGEAR: CG, INDIA

- OIP – Instrument Transformers (CTs and IVTs) upto 550 kV
- Current Transformers upto 550 kV
- Capacitive Voltage Transformer – 1200 kV
- Inductive Voltage Transformers up to 420 kV
- OIP – Condenser Bushings upto 420 kV (IEC) and upto 230 kV (ANSI)
- Coupling/Grading Capacitors upto 420 kV
- Vacuum Circuit Breakers upto 36 kV
- Indoor GIS upto 36 kV
- Gas Circuit Breakers upto 800 kV
- Lightning Arresters upto 1200 kV
- Disconnectors upto 420 kV
- Vacuum Interrupters upto 72.5 kV, 40 kA, 3150 A
- LV & MV Vacuum Contactors upto 12 kV, 630 A
- LT STATCOM for Reactive Power Compensation
- LT STATCOM for Active Harmonic Filtering
- LT STATCOM for Voltage Phase Balancing
- HT APFC – 12 kV
- LT APFC – LT
- 12 kV Automatic Vacuum Capacitor Switches
- Unitised Substation upto 12 kV
- Numerical Relays
- SF6 Insulated Vacuum Ring Main Units upto 24 kV
- Oil Ring Main Units upto 12 kV
- 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 765 kV
  - Turnkey Gas Insulated Substation upto 220 kV
  - Control and Automation Projects

POWER AUTOMATION SYSTEMS: CG, INDIA

- Protection Scheme for Line Distance Protection for Lines
- Protection scheme with Differential Relays for Transformer and Busbar
- Backup Protection scheme for Line and Transformer
- Control and 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

CG HOLDINGS BELGIUM NV:

TRANSFORMERS

- Power Transformers (up to 500 kV)
- Distribution Transformers (up to 34.5 kV)
- Oil Filled Distribution Transformers
- Single phase transformers up to 100 kVA and 36 kV
- 3 phase tranformers up to 5 MVA and 38 kV, filled with mineral oil, silicone oil, synthetic ester oils and vegetable oil
- Cast Resin Dry Type Transformers
- SLIM Transformers (up to 34.5 kV)
- Phase Shifting Transformers
- Traction Transformers
- Mobile Transformers (up to 230 kV)
- HVDC Converter Transformers
- Special Purpose Transformers
- Compact Substations
- Reactors
- Unit Substations, Micro Substations, Trafo box
- Modular Distribution Transformer (up to 34.5 kV)

SWITCHGEAR

- 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 and other brands
- Site intervention Services and Dedicated Workshop
- Oil and SF6 treatment
- Condition Bases 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

Systems Division

- High Voltage Transmission Systems Engineering
- Engineering Consultancy for transmission grid operators.
- Turnkey AIS and 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 and underground cable transmission projects up to 220 kV
- Transmission project asset leasing and renting.
- Transmission MV and HV SCADA projects
- Substation refurbishment projects.

CG POWER SYSTEMS IRELAND LIMITED:

Distribution Transformer Division

- Distribution Transformers (up to 34.5 kV)
- Oil Filled Distribution Transformers
- Single phase transformers up to 100 kVA and 36 kV

- 3 phase transformers up to 5 MVA and 38 kV, filled with mineral oil, silicone oil, synthetic ester oils and vegetable oil
- SLIM Transformers (up to 34.5 kV)
- Special Purpose Transformers
- Compact Substations: Concrete, Metal & GRP
- Unit Substations, Micro Substations, Trafo box & PRCS
- Three Very Low Loss Transformers
- Refurbishment of Transformers

CG ELECTRIC SYSTEMS HUNGARY ZRT.:

Transformers Division

- High Voltage Power Transformers (up to 800 kV),
- Power Transformers filled with mineral oil (up to 500 MVA)
- Power Transformers filled with bio-degradable liquid
- Track side Transformers
- Locomotive Transformers
- Traction Transformers
- Mobile Transformers
- Furnace Transformers
- Rectifier Transformers
- Special Purpose Transformers
- Phase Shifting Transformers

Switchgear Division

- SF6 Gas Circuit Breakers
- Gas Insulated Switchgear (GIS) up to 300 kV
- Dead Tank Breaker 72.5 kV

Systems Division

- GIS and AIS Substations up to 750 kV
- Industrial and Generation HV & MV Substations Installations up to 765 kV
- Transmission Line Projects up to 400 kV
- Submarine and 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: SERVICES

- Engineering and EPC Projects for Transmission & Distribution Systems (5 – 765 kV)
- 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 SYSTEMS CANADA INC.

- HVDC Converter Transformers (up to 500 kV DC and 350 MVA)
- Generator Step-Up Transformers (up to 525 kV and 575 MVA)
- Power Transformers (up to 525 kV and 575 MVA)
- Auto Transformers (up to 525 kV and 700 MVA)
- Voltage Regulating Transformers (up to 230 kV and 450 MVA)
- Phase Shifting Transformers (up to 230 kV and 450 MVA)
- Grounding Transformers (up to 69 kV and 15 MVA)
- Mobile Substations (up to 230 kV and 60 MVA)
- Installation and Erection Services
- Customer Training Services

CG POWER SOLUTIONS UK LIMITED: PRODUCTS & SERVICES

- 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
- Manufacture of Protection & Control panels

INDUSTRIAL SYSTEMS

HT MOTORS: INDIA

- 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 24 pole, voltage upto 13.2 kV,
- Synchronous Generators power from 1 MVA upto 70MVA, Voltage upto 13.2 kV, Polarity upto 48 pole
- A.C & D.C Traction Motors
- Traction Alternators
- Generator refurbishment and overhaulung at site and factory upto 300 MVA.
- Stator and rotor rewinding, balancing, testing and complete diagnostic at site

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 & Auxxiliary 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
- 25 kVA under slung Inverter for AC Coaches
- BLDC Carriage Fan for Railway Coaches

BATTERY POWERED VEHICLE

- Brushless DC Motors
- Controller

INDUSTRIAL DRIVES & AUTOMATION

- LV Drives Systems upto 5 MW, Voltage upto 690VAC
- MV Drives upto 10MW, Voltage upto 11 kV
- LV Softstarters upto 1.6 MW, upto 690V
- DC Drives System upto 5400 KW, 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): Eff1, IE2 efficiency standards
- 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 5 kVA to 82.5 kVA

COMMERCIAL MOTORS

- B42 , B48 Frame- 30 - 370 Watts - 2 /4 /6 Pole Sheet Metal Body Motors
- M50 Frame- 187 - 1500 Watts - 2/4 Pole Sheet Metal Body Motors
- 100S Frame- 1125 - 2250 Watts - 4 / 6 Pole Sheet Metal Body Motors
- 80 to 132 Metric Frame: 370 to 3750 Watts – 4 Pole CI Body Single Phase Motors
- Flame Proof: 370 - 750 Watts - 4 Pole Motors
- 63 to 80 Metric Frame - 370 - 750 Watts - 2/4 Pole Aluminum Body Single Phase Motors
- Domestic Appliance- Open Construction: 20 to 187 Watts- 4/6 Pole Motors.

STAMPINGS & LAMINATION

- 0.5 mm, 0.65 mm thick lamination from 65mm (2.6 inches) to 1300mm (51 inches) diameter in CRNGO and CRCA material.
- Single blow (Gang slotting) up to 480 mm diameter
- High speed up to 425 mm diameter with additional features like air gap cutting, auto stacked stators and stacked & skew rotors
- Notching operation up to 1300mm (51 inches) diameter by single point notching (3 operations in one stage, like OD, Slot & ID) and skip notching operation
- Compound blanking and segmental lamination blanking up to 1050 mm diameter/ width.
- Heat treatment to laminations up 450 mm diameter for improving watts/ kg & permeability
- Pack building operation with riveting , cleating & welding operation for skew stators
- Electrical lamination-ST & RT for LT Motors - 80 to 500 fr.
- Circular & Segmental Electrical Laminations for HT Motors
- Punching & pack building (TIG welding) for Alternators
- Die cast Rotors for motors
- Segmental lamination for Hydro, Turbo & Wind Mill Alternators
- Auto Stitch & Auto Skewed packs for fan
- E&I punching

CONSUMER PRODUCTS

LIGHTING

Lamps

- Incandescent Lamps
- Fluorescent Tubular Lamps
- Compact Fluorescent Lamps
- Mercury Sodium & Metal Halide Lamps
- Halogen Lamps
- LEDs

Luminaires & Accessories

- Domestic Luminaires
- Retail Lighting
- Office Lighting
- Street Lights
- Flood Lights
- Landscape Lighting
- LED Street and Indoor Commercial Range
- High Masts
- Lighting Electronics & Gear
- Wiring Accessories
- Lighting Management Systems
- Lighting Projects
- Integrated Security Systems & Home Automation

FANS

- Ceiling: Luxury Under Light, Premium Fans, Decorative & Generic Fans
- Table, Pedestal and Wall Mounting Fans in metal and 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 & Farrata

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, Air Cooler, Torches

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: Horizantal Split case Pumps and End Suction Pumps
- Fire Fighting Pumps
- Pressure Boosting Pumps

INTERNATIONAL

Exports of all Crompton Greaves manufactured and factored products.

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POWER SYSTEMS

TRANSFORMER DIVISION

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SWITCHGEAR DIVISION

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S6 & POWER QUALITY

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SWITCHGEAR (S2 EM) – ENERGY METERS UNIT

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ENGINEERING PROJECTS DIVISION

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INDUSTRIAL SYSTEMS

MACHINES 7 DIVISION

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DRIVES & AUTOMATION DIVISION

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RAILWAY SIGNALLING DIVISION

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STAMPINGS DIVISION

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COMMERCIAL MOTORS DIVISION

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