Smart solutions
Strong relationships

WE_PUT_
ALL_OUR
ENERGY_
INTO___
SAVING_
YOURS__

CROMPTON GREAVES LIMITED ANNUAL REPORT

2012 – 2013

AVANTHA
GROUP COMPANY

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CONSOLIDATED FINANCIAL HIGHLIGHTS

CONSOLIDATED NET SALES
of business units

IN RS CRORE

7,336
POWER SYSTEMS

2,593
CONSUMER PRODUCTS

1,835
INDUSTRIAL SYSTEMS

NET SALES AND SERVICES

IN RS CRORE

12,094

EBIDTA
Earnings before interest, depreciation and amortisation, taxes & exceptional item

IN RS CRORE

459

PROFIT BEFORE TAXES
& exceptional Item

IN RS CRORE

185

PROFIT / (LOSS)
After exceptional item, minority interest and share of associates (NET)

IN RS CRORE

(36)

ROCE
Return on capital employed, calculated excluding exceptional item

IN PERCENT

4.7

RONW
Return on net worth

IN PERCENT

(1.1)

AS GLOBAL ENERGY DEMAND GROWS,

Our customers are looking for greater energy efficiency and more use out of their assets. Governments are looking to reduce emissions and consumers their bills.

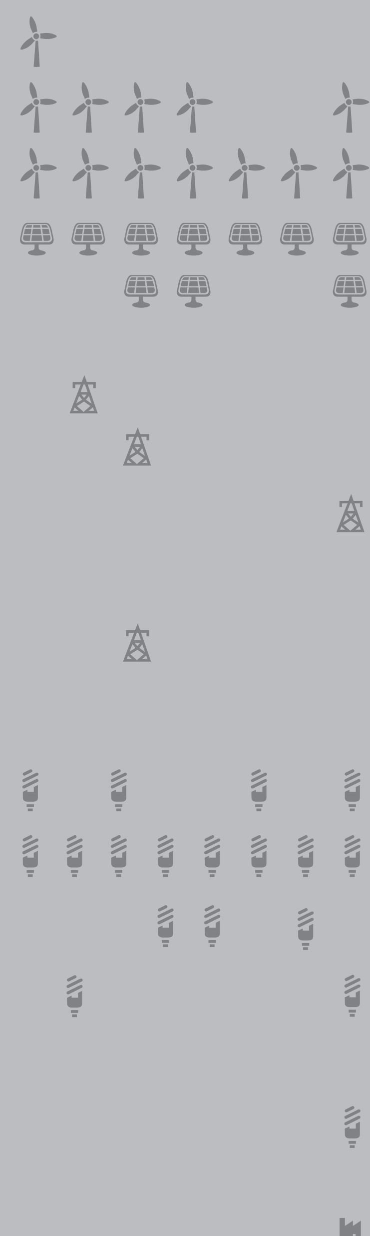
THE MOST VISIBLE SOLUTIONS demonstrate that there is a global push to make alternative sources of power more viable, while also giving consumers more efficient ways to use it. Picture a wind farm producing green energy at one end and a hyper-efficient motor or an LED lamp that uses minimum power at the other.

BUT THERE'S A THIRD, LESS VISIBLE OPPORTUNITY, that of connecting the supply sources and users in more efficient ways. Systems that can sense the fluctuating energy needs of a township, industrial complex or a home and…

ADJUST AUTOMATICALLY + SLASH LOSSES

(IT'S A MORE INTELLIGENT WORLD)

and it is time for an intelligent system.



CG'S 9,500-STRONG TEAM in offices around the world has been hard at work on all three fronts. Investing in innovative technologies that help our customers do more with less in a sustainable manner.

CONSUMERS + GOVERNMENTS + INDUSTRIES + MARKETS

(ARE ALL PART OF THE SOLUTION)

CG KNOWS WHAT IT TAKES TO CREATE A MORE SUSTAINABLE WORLD.

CG works at several levels, from an everyday use product such as an advanced light bulb or the best-in-class water heater, to high-end technologies such as offshore wind substations (where CG is Europe's leading supplier). CG's power automation teams are working with utilities in Spain and the UK to make the smart grid a reality. In India, our energy management solutions division delivers what's needed first—efficiency and a reliable supply.

This year's Annual Report presents this spectrum of projects and products that underline our current capabilites and hint at the future. For it's clear that the worldwide demand for energy-conserving solutions is the start of a new reality.

WE PUT ALL OUR ENERGY INTO

NEW LED TECHNOLOGY

SO THAT A ZERO-WATT BULB IS REALLY A ZERO-WATT BULB.

The country that gave the world the concept of 'zero', now gets a zero-watt bulb.

Well, almost. The new SMART deco lamp takes a miserly 0.5W and is as bright as a 10W bulb.

Why does this matter? It's an open secret that so-called 'zero-watt' bulbs are really 10W or 15W bulbs. And when you add up the cost of energy consumed, *that* can take the colour out of a celebration. With CG's LED technology, you can use, say, a 100 bulbs to light up a five-day wedding, and save 1.45 units per hour or 50 units in all!

Consider too, the SMART's unique features. First, the 50,000 hours of life—enough to light up diwalis and weddings for a generation. Next, a 3-year *replacement warranty*. The best part is that it looks like a decorative incandescent bulb instead of a tiny LED and, with five colours on offer, it's time to celebrate. Economically.

AND STREETLIGHTS GET SMART.

Indian municipalities are going green.

And CG shows the way. Municipalities in Thane, Chandigarh, Ahmedabad, Nasik and Pune have opted for CG solutions for LED streetlighting. In Puducherry, CG's Street Smart systems can switch on and off, or dim automatically at sunrise and sunset, saving huge amounts of energy. This new technology reports the faults by SMS, thus reducing the turnaround time, and lowering the total cost of ownership.

50,000hrs

LIFE OF THE DECO/FROSTED LED LAMP

3years

REPLACEMENT GUARANTEE OFFERED

FIRST LAMP IN THE MARKET TO DO SO

WE PUT ALL OUR ENERGY INTO
FIGURING OUT HOW TO

STOP, START, SLOW DOWN SPEED UP

SO THAT HALMSTAD'S WATER SUPPLY DOESN'T HAVE TO.

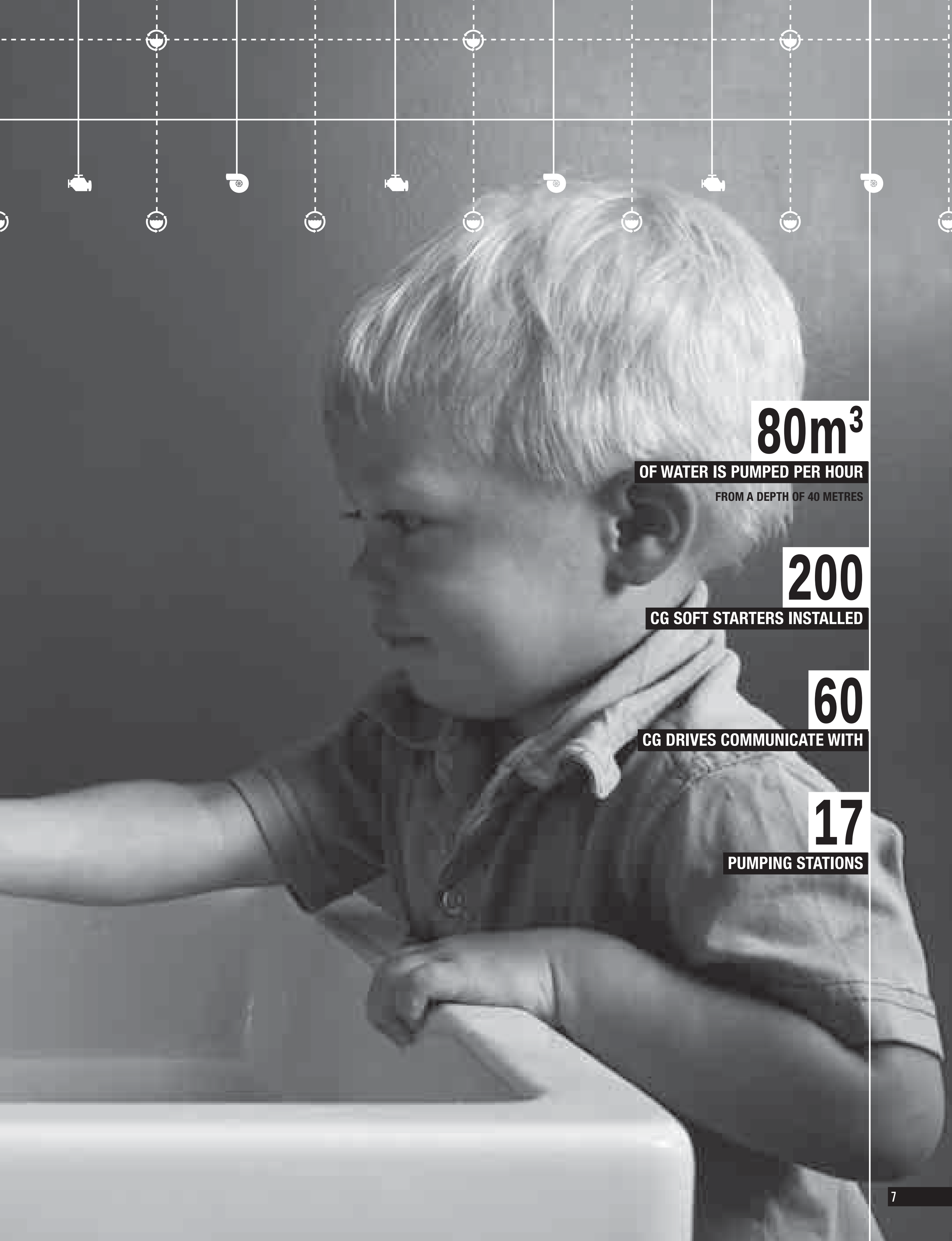
Clean, constant water for Halmstad needs just eskers, sodium—and communication.

Halmstad, on the Swedish west coast, enjoys a natural supply of pure water from eskers, a geological water-bearing formation.

But managing the pumping stations is another matter.

CG's drives start and stop the pumps smoothly and in a timely manner to minimize wear and save energy. As the water demand varies, 60 of CG's drives automatically set the required speed of the pumps, thus saving a lot of energy. Without these drives, all the pumps would run at a constant speed, wasting a lot of energy.

And finally, the 17 pumping stations at Halmstad are connected to industrial networks that draw water. A communication module manages this supply-demand information link, so that the drives 'know' at what speed to run the pumps and to vary them as needed.



$80m^3$

OF WATER IS PUMPED PER HOUR

FROM A DEPTH OF 40 METRES

200

CG SOFT STARTERS INSTALLED

60

CG DRIVES COMMUNICATE WITH

17

PUMPING STATIONS

WE PUT ALL OUR ENERGY INTO

SERVING 7.5 LAKH PEOPLE IN JALGAON

105 mn
UNITS OF POWER SAVED*

8,000
NEW CONNECTIONS*

45,000
CITIZENS BENEFITED*

SO THAT LOSSES ARE CUT BY 43%. AND BREAKDOWNS BY EVEN MORE.

It takes more than good engineering to engineer an electrical supply network.

Few understand this better than CG. We are a distribution franchise in Jalgaon—an area with a typical mix of towns, farms and factories. When we took over, the area's distribution system was losing one unit in every three units received, billing and collection was inefficient, and breakdowns rife.

We started by understanding the drastically varying needs of Jalgaon's consumers, from the bulb in the household, to the pumpset in the village and the high-tension motor in the factory. Then, we started custom-designing for Jalgaon by mapping the needs to the equipment and technology required. A critical aspect was routing of energy sensibly so as to minimise losses, prevent breakdowns, and keep the wires humming 24 x 7.

Finally, we undertook the crucial hard work of repairing 12,000 defective meters, installing new lines and new transformers, and repairing older ones. In parallel, we were training a service workforce and handling customer grievances. All of this given the scenario where sweeping replacement wasn't an option and time was limited.

A big chunk of India's growing power needs could come from areas like Jalgaon. Sustaining the story is everything. Lower energy losses and increased profitability along with less generation (and thus lower emissions) are things the government and citizens of every part of India need.

*Figures are for the period between November 2011 and March 2013

2,27,000
METERS INSTALLED

4,10,000
INHABITANTS PROVIDED SERVICE

WE PUT ALL OUR ENERGY INTO
FIGURING OUT HOW TO

BALANCE VOLTAGES

SO THAT WIND AND SOLAR POWER CAN JOIN THE GRID

Making the smart grid a reality takes more than a windmill

CG is working to integrate new energy sources. Imagine a high-speed expressway with trucks and cars speeding past in an orderly stream. Now add a hundred or so bicycles, pedalling onto the tarmac every few hundred meters. In a modern electricity grid, the trucks and cars are thermal and nuclear plants; the bicycles are the renewable (wind and solar) sources. It's chaos and waste if not efficiently managed.

In the UK, we are assisting the distribution company North West in its LoVIA project, helping connect low voltage wind and solar sources to the grid and using software algorithms instead of creating new infrastructure, thereby saving millions of pounds.

In Spain, CG provides the intelligent infrastructure that is the backbone of smart power—electricity that adapts automatically to consumption patterns, enhancing efficiency and lowering costs. Our charging stations (shown above) help drive electric cars in the country.

In this new world, smart meters, algorithms, and systems communicate with control rooms which respond to systemic imbalances. Renewable energy sources like wind and solar are the future, and at CG we work towards making the grid smarter.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
G Thapar

Vice Chairman
SM Trehan

CEO and Managing Director
L Demortier

Non-Executive Directors
S Apte
O Goswami
B Hariharan
S Labroo
C Lewiner
M Pudumjee
S Prabhu
V von Massow

Chief Financial Officer
M Acharya

Company Secretary
W Henriques

Auditors
Sharp & Tannan

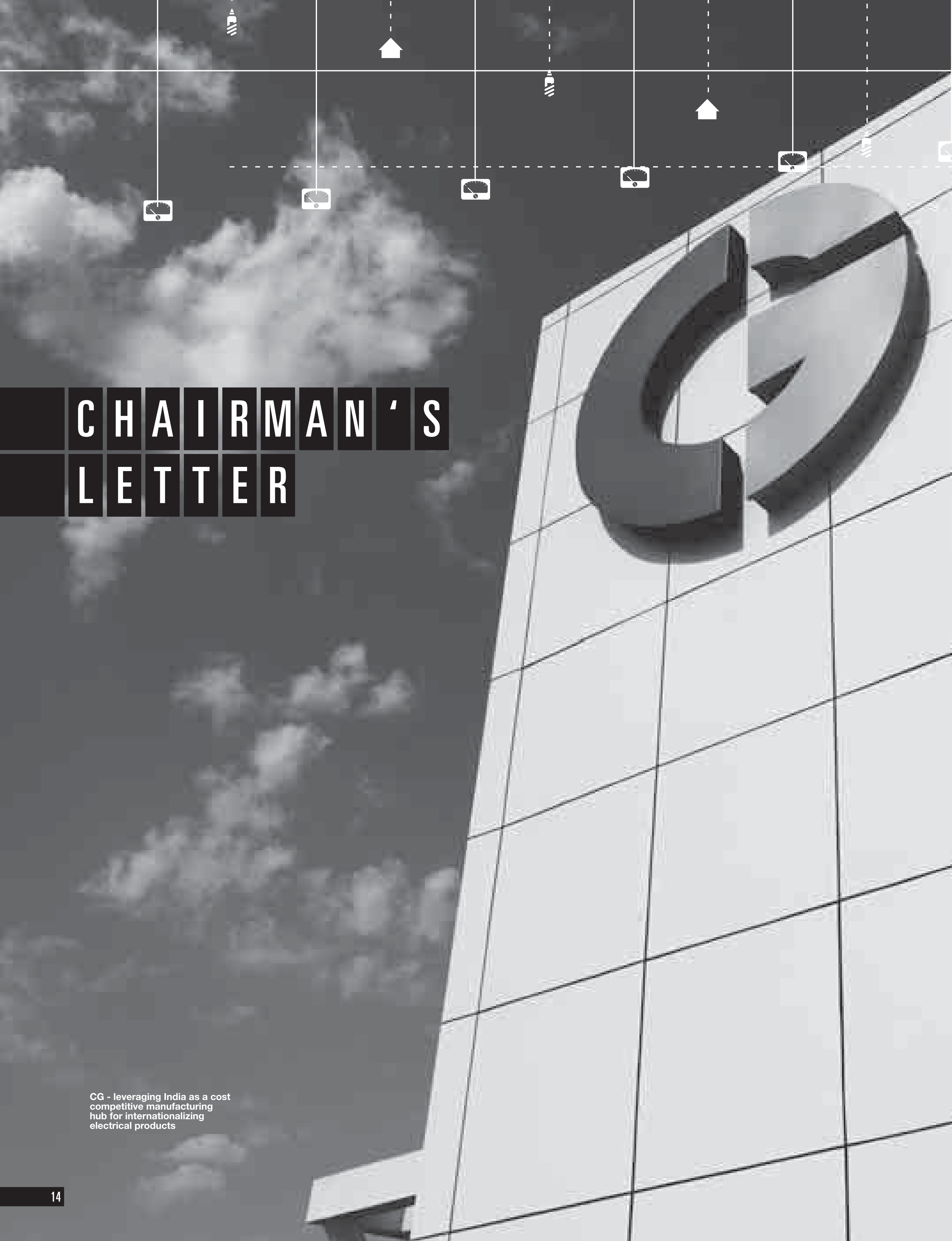
Solicitors
Crawford Bayley & Co

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 Laurent Demortier

CHAIRMAN'S LETTER



CG - leveraging India as a cost competitive manufacturing hub for internationalizing electrical products

A MAJOR, FULL FLEDGED RESTRUCTURING FOR CREATING A GREATER AND MORE EFFICIENT GLOBAL FOOTPRINT TAKES TIME

Dear Shareholder

In my letter to you last year, I had begun with the following words: “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.”

Thereafter, I had explained why this break had occurred, and what the management was proposing to do to address the issues.

The turnaround continues and is part of an on-going process of globalisation of CG’s transmission and distribution (T&D) and the Industrial Systems business.

There have been different challenges for these two businesses. For T&D, with its global manufacturing and customer footprint, we need to organise and run it as one global entity—encompassing design, manufacturing, sourcing and creating power systems and solutions for our customers. For Industrial Systems, with its more domestic footprint, the challenge is to leverage India as a competitive hub for internationalising significant parts of the business.

These are significant challenges. Meeting these and restructuring operations in an environment of much slower global economic and investment activity have led to a muted financial performance for your Company.

Let me start with the results.

- Net sales and services grew by 7.5%—from Rs.11,249 crore in FY2012 to Rs.12,094 crore in FY2013. This was a positive, with your Company’s net turnover rising to above US$ 2.2 billion.
- Greater pricing pressure for power sector products, higher materials-to-sales ratios and operational issues in some overseas locations led to a 52% decline in earnings before interest, depreciation, taxes and amortisation (EBIDTA) excluding other income—from Rs.804 crore in FY2012 to Rs.383 crore in FY2013.
- Including exceptional items, which involved a one-time cost of Rs.121 crore for restructuring and right-sizing operations at Mechelen, Belgium, profits before tax (PBT) for FY2013 was Rs.64 crore. Also embedded under the various operational heads are incidental costs involved in the Belgium restructuring, aggregating to Rs.108 crore, which are also one-time in nature, thus resulting in total restructuring costs of Rs.229 crore (€ 33 million).
- Profit after taxes net of minority interests and share of profit/loss of associate companies (or PAT) declined from Rs.374 crore in FY2012 to a loss of Rs.36 crore.

You deserve to ask “Why so?” And get an honest answer, which is what this letter and the chapter on Management Discussion and Analysis are all about.

Simply put, your Company’s T&D division’s overseas power business—CG

High voltage winding process for Slim Transformers in CG's Distribution Transformer factory

Power Overseas, which accounts for 65% of Crompton Greaves' Power Systems and 39% of its consolidated sales—performed below par. Despite a significant growth in its unexecuted order book and a slight growth in net sales, CG Power Overseas closed FY2013 with a loss of Rs.244 crore at the EBIDTA level. PAT of the overseas legal entity, in which CG Power Overseas accounts for the lion's share, was down to (-) Rs.475 crore.

There are external and internal reasons for such a performance. On the external front, global transmission and distribution (T&D) markets became even more competitive, especially in advanced countries as well as in Middle East and North Africa. Suppliers continued to offer low prices to secure orders and maintain capacity utilisation. As I write, it is difficult to predict when prices will return to more healthy levels across key global markets.

Second, while raw material prices softened in the second half of FY2013, their beneficial effects are yet to show up in costs. This is because most of the orders in the pipeline across CG Power's overseas manufacturing locations were taken in FY2012 or the early part of the FY2013—and the material cost structures have been locked in at higher prices. Going forward, the T&D global structure will mitigate this by commodity price hedging and supply chain efficiencies. I look forward to greater traction on this account in FY2014.

Third, FY2013 has seen the continuation of a trend that showed up in the previous year—where many customers delayed taking physical delivery of their transformers or substations. This, in turn, blocked scarce factory space, slowed down production lines, prevented timely revenue recognition, locked up working capital and reduced ROCE.

The fourth cause is internal to CG Power Overseas. Throughout FY2012 and much of FY2013, production of several power transformers overseas got delayed on account of various operational factors. On occasions, these delays led to imposition of liquidated damages by customers.

The Company correctly opted to right-size operations at Mechelen due to its high costs, overcapacity of power transformers in western Europe and a continuous price drop for power transformers in the EMEA region. This was carried out in the third quarter of FY2013 at a one-time cost of Rs.121 crore. It also meant shifting a large part of the order book from Belgium to Hungary, which led to some teething troubles. As I mentioned earlier, also embedded under various operational heads are incidental costs involved in the Belgium restructuring, which amount to Rs.108 crore, and are also one-time in nature, thus resulting in total restructuring costs of Rs.229 crore (€ 33 million). However, the restructuring in Belgium should result in an annual savings of €14 million—of which €1.5 million was visible in the fourth quarter of FY2013.

Let me stress that the financial problems of your Company were almost exclusively on account of CG Power Overseas.

- CG Power India has done well, despite facing a difficult economic environment. In FY2013, it earned an EBIDTA of Rs.260 crore; and EBIT of Rs.231 crore and an ROCE of 29.5%. CG's plant T3 at Mandideep, near Bhopal, has produced and tested and dispatched 108 power transformers since September 2011. Most of these were in the high technology 765 kV category. In addition, the T1 plant at Kanjur (Mumbai) profitably produced and despatched 260 units during the year under review.
- Similarly, on a net sales of Rs.1,835 crore, CG's Industrial Systems (India and overseas) earned an EBIDTA of Rs.251 crore; an EBIT of Rs.214 crore; and an ROCE of almost 25%. It also commissioned and started production at the new manufacturing facility for large motors and synchronous generators at Mandideep. This 9,284 square metres plant is equipped with world class machines and process technologies and has a capacity to produce 250 large motors and synchronous generators. This is the first facility we have built at CG with global markets in mind. It is our first step in the globalisation of our Indian manufacturing capability. Going forward, we will build on its success in other areas.
- CG's Consumer Products business, too, did well. It notched a 21.5% growth in the top line to Rs.2,593 crore; earned an EBIDTA of Rs.287 crore; and EBIT of Rs.278 crore; and still clocked an enviable three-digit ROCE of 252%.

How does the management propose to effect the globalisation of CG Power and thus bring about the turnaround?

Four factors are paramount. The first is productivity, which has to do with first-time-right design, correct slotting of transformers in the product lines, and faster throughput. A major global initiative has been launched on this front with a focused team at the helm. It has shown results in India; and is beginning to get traction in Indonesia, the USA and Hungary. However, such changes will take time to be fully operational. It is in the nature of a transition to being globally world class.

The second factor relates to bringing about significant and consistent improvements in global raw material sourcing and supply chain efficiencies which, without a global business structure, cannot deliver visible gains. The process has begun. But we have a long way to go. As your chief fiduciary, I shall carefully watch this development.

The third has to do with Europe and the Middle East, and relates to how Hungary will take up the challenge. We took a conscious decision to right-size an expensive facility in Belgium, and significantly raise capacities in a more competitive plant at Tapioszele in Hungary. The plant has already expanded capacity from 7,500 MVA per year to 10,000 MVA; and a further expansion to 12,500 MVA is going on. It proved its mettle in successfully producing and despatching several transformers that were transferred from Mechelen. Hungary must now consistently demonstrate that the Company's faith in its capabilities are well founded.

The fourth has to do with the quality of the order book—not just for power transformers and allied products but also for systems revenues. As I mentioned in two of my earlier letters to you, CG Power has to become an end-to-end solutions provider by offering full fledged power systems and substations instead of standalone equipment. Several successful projects in continental Europe as well as the Humber Gateway project in the UK have demonstrated that CG can tap into this growing market.

We must be careful in choosing the right projects. These should come with attractive prices and a good pull-through for CG's T&D equipment as well as power automation. Moreover, we need to further strengthen project execution skills, so that we complete the work on, or before, time; and at costs that in line with, or less than, budgeted. I look forward to seeing more of the systems and solutions business, and to earning larger profits through this value added consolidation.

Let me now touch upon ZIV, which your Company acquired in FY2013 for an enterprise value of €147 million. We purchased ZIV to complete the front end offerings in the smart grid segment of the T&D market—where we neither had a suite of products and solutions nor the technology. Without this most basic building block, we would have been shut out of some of the most promising areas of growth in the coming years, especially in our Indian markets.

In the eight months of FY2013 post-acquisition, ZIV's top-line was less than what its management believed was possible for the year. This was due to a massive slowdown in orders, especially in Spain.

I expect ZIV to do better in FY2014. There has been a tremendous work done in integrating the existing automation offerings of ZIV in CG's suite. Given a new focus on globalisation outside west Europe, and the integration of its various products with other automation products and solutions, CG power automation would sell these offerings as solutions—both for Power and for Industrial Systems worldwide.

If you will recall, I was hopeful last year. So am I today. The process of globalising a major business such as T&D does not get completed in a single year. A major, full fledged restructuring for creating a greater and more efficient global footprint takes time.

Excellent people across CG have got together and focused on doing what is needed. We have seen this in action. When I ask our employees at CG, "What would make us successful in completing this restructuring?", the response is always "We are ordinary persons committed to doing an extraordinary job!" Recall that Industrial Systems had problems last year; it has turned around. So too Consumer Products. CG Power India continues doing well; as does Indonesia. And we have secured tremendous orders throughout the world.

There is no reason why your Company's global management team cannot effect the turnaround in FY2014, and deliver better results for the shareholders. I am hopeful of seeing definite signs of steady progress and improved financial results.

This Company had an outstanding decade. We need to get back to another decade of superior performance. It is possible. The management exists. And we will get there.

As always, thank you for your support.

Yours sincerely,

Gautam Thapar
Chairman

EXECUTIVE COMMITTEE

From left to right:

Jayant Kulkarni
Executive Vice President &
President
(Power Business Unit)

Dileep Patil
Executive Vice President &
Chief Technology Officer

Sanjay Jorapur
Executive Vice President &
Global Head
(Human Resources)

Wilton Henriques
Executive Vice President &
Global Head
(Legal, Governance & Risk)

Madhav Acharya
Executive Vice President,
Chief Financial Officer &
Chief Information Officer

Norberto Santiago Elustondo
Executive Vice President &
President
(Automation Business Unit)

Laurent Demortier
CEO & Managing Director

Ash Gupta
Executive Vice President &
President
(Consumer Business Unit)

Anil Raina
Executive Vice President &
President
(Industrial Business Unit)

MANAGEMENT DISCUSSION AND ANALYSIS

Spanning 9284 sq.mtrs. the plant in Mandideep has a capacity to produce 250 large motors and synchronous generators

Rs.1 crore is Rs.10 million. | FY2013 stands for fiscal year 2012-13, i.e. from 1 April 2012 to 31 March 2013. Analogously, FY2012 and other fiscal years. | All figures in US$ for FY2013 are translated at an average exchange rate of US$1 = 54.4316. For FY2012, these are translated at US$1 =Rs.48.1233. | All figures in € for FY2013 are translated at an average exchange rate of €1 = Rs.70.1028. For FY2012, these are translated at €1 = Rs.66.1764.

THOUGH A SET OF DIVERSIFIED AND DIFFERENTIATED MULTI-NATIONAL, MULTI-PRODUCT AND MULTI SOLUTIONS ENTERPRISES, CROMPTON GREAVES IS UNIFIED BY THE PHILOSOPHY OF 'ONE CG'

Crompton Greaves Limited ('CG' or the 'the Company') is a global enterprise with manufacturing, solutions and services facilities in Belgium, Brazil, Canada, Hungary, Indonesia, Ireland, France, Saudi Arabia, Spain, Sweden, the United Arab Emirates, the UK and the USA, in addition to over 15 manufacturing and design locations in India. With approx 9,500 employees world-wide, CG's gross sales and income from services in FY2013 stood at US$ 2.3 billion.

Though a set of diversified and differentiated multi-national, multi-product and multi-solutions enterprises, Crompton Greaves is unified by the philosophy of 'One CG'—a cohesive entity that leverages global best practices to interface with the different businesses and create customer satisfaction by offering superior products, solutions and services across the world.

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

In addition, after its acquisition of ZIV in Spain in July 2012, it has created a new business vertical to provide across-the-board power automation solutions for power utilities, rapid transport services and other businesses. Though not yet a reportable segment in financial and accounting terms at present, CG expects Power Automation Solutions to play an increasingly significant role in the years to come.

Before getting into a description of each of the businesses, it is useful to touch upon the ZIV acquisition.

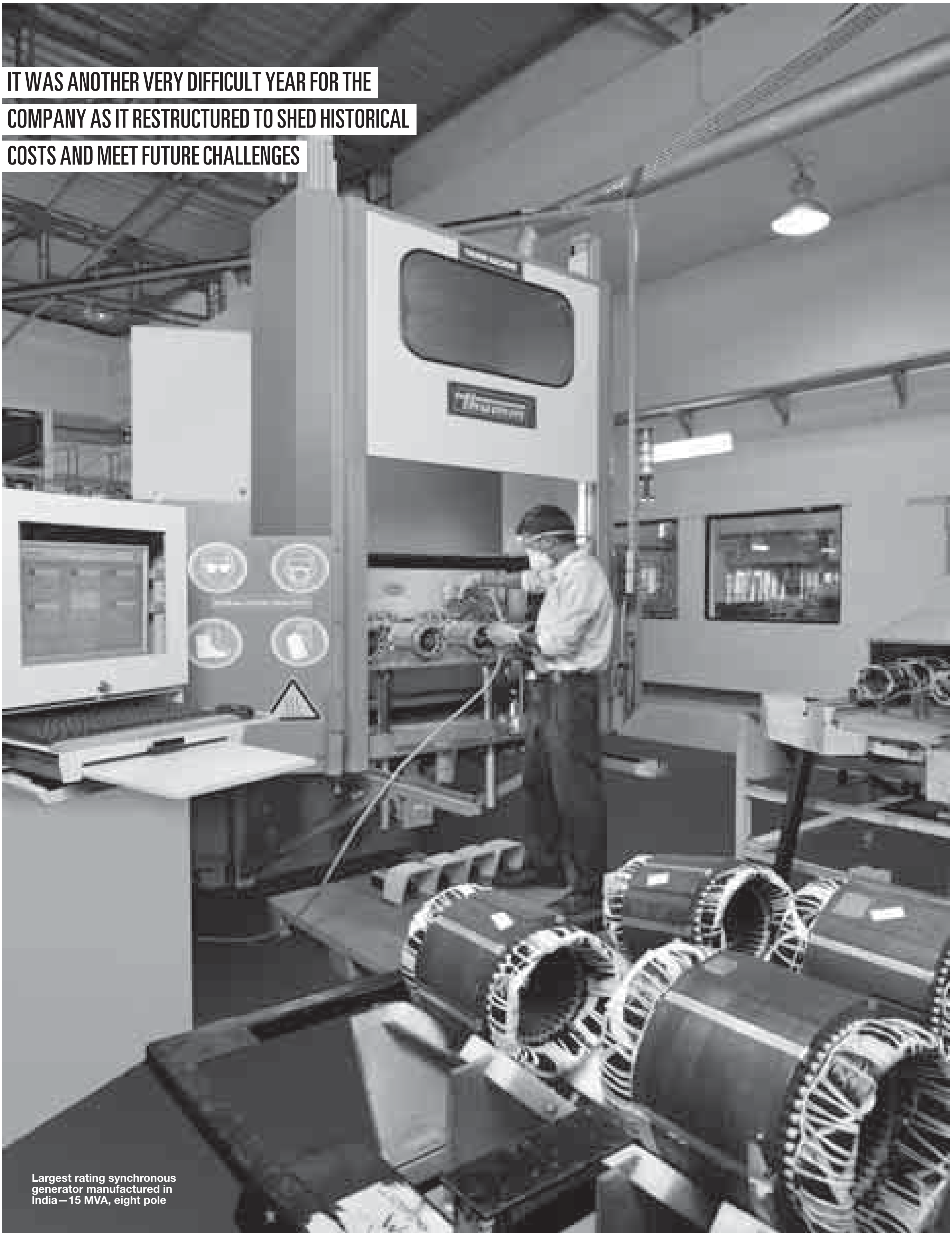
ACQUISITION OF ZIV

On 27 July 2012, CG acquired 100% of ZIV, a leader in the high value smart grid and power automation solutions segments for utilities and industrial applications, for an enterprise value equivalent to €147 million. A provider of digital equipment for grid automation and advanced metering infrastructure, ZIV operates in over 50 countries, with major presence in Spain (Madrid, Barcelona, Bilbao), Brazil (Rio de Janeiro), and the USA (Chicago). It also has a facility at Bangalore in India.

Created in 1993, ZIV designs, manufactures and markets digital equipment and systems in the areas of protection, control, metering, system engineering, services and communication for substation applications in the generation, transmission and distribution of electrical energy. It has installed more than 1.4 million devices for utilities and industries across the world.

CG is a leader in electrical transmission and distribution equipment with significant market share in the Americas, Europe, the Middle East, India and South East Asia. Over the last few

IT WAS ANOTHER VERY DIFFICULT YEAR FOR THE COMPANY AS IT RESTRUCTURED TO SHED HISTORICAL COSTS AND MEET FUTURE CHALLENGES



Largest rating synchronous generator manufactured in India—15 MVA, eight pole years, CG has been expanding into systems—to provide end-to-end integrated solutions for utilities and industries. It is expected that ZIV will strengthen CG's offering for grid automation, and so add to the Company's differentiated solutions in its core businesses.

In addition, the ZIV smart grid platform can be the basis for rapid expansion across Europe, India and the Americas. ZIV has cost-effectively delivered one of the largest smart grid projects in Europe, involving over 500,000 connection points and providing integrated solutions ranging from smart metering innovative distribution automation through a two-way communication infrastructure.

By 2020, according to the Boston Consulting Group, the global smart grid market is estimated to be in the region of €90 billion. The Company expects ZIV's equipment and R&D to play a key role in capturing a share of this business.

THE THREE BUs: LOCATIONS AND FACILITIES

Power Systems including Power Automation

- Has overseas facilities at Mechelen and Charleroi (Belgium),Rio Grande do Sul and Rio de Janeiro (Brazil), Winnipeg (Canada), St. Leonard (France), Tapioszele (Hungary), Bogor and Jakarta (Indonesia), Cavan and Dublin (Ireland), Moscow (Russia), Saudi Arabia, Bilbao, Madrid and Barcelona (Spain), Singapore, the United Arab Emirates, Jarrow and Stockport (UK), Washington (Missouri, USA), Springfield (New Jersey, USA), Albany and Rochester (New York, USA), Connecticut, Florida, Idaho, Illinois, Maryland, Pennsylvania and Rhode Island (USA).
- Has Indian facilities at Kanjur Marg (Mumbai), Malanpur and Mandideep (Madhya Pradesh), Nashik and Aurangabad (Maharashtra), Bangalore (Karnataka) and Gurgaon (Haryana). It also has a electricity distribution franchisee business at Jalgaon (Maharashtra).

Industrial Systems

- Has facilities at Tapioszele (Hungary), Helsingborg (Sweden), Mandideep and Pithampur (Madhya Pradesh), KanjurMarg (Mumbai, Maharashtra), Ahmednagar (Maharashtra) and Colvale and Kundaim (Goa).

Consumer Products

- Has facilities at Bethora and Kundaim (Goa), Baddi (Himachal Pradesh), KanjurMarg (Mumbai), Ahmednagar (Maharashtra), and Vadodara (Gujarat).

CONSOLIDATED FINANCIAL HIGHLIGHTS

AS ON 31 MARCH

UEOB
IN RS CRORE

FY2012	FY2013	PERCENT
8,368	9,126	↑ 9

The unexecuted order book (UEOB) as on 31 March 2013 stood at Rs.9,126 crore. This was up by 9% over the previous year.

PBT
IN RS CRORE

FY2012	FY2013	PERCENT
550	185	↓ 66

Profit before taxes excluding exceptional items fell by 66%, from Rs.550 crore in FY2012 to Rs.185 crore in FY2013. Including exceptional items—which was a one-time cost of Rs.121 crore for restructuring and right-sizing operations at Mechelen, Belgium—PBT for FY2013 was Rs.64 crore. Also embedded under the various operational heads are the incidental costs involved in Belgium restructuring, aggregating to Rs.108 crore, which are also one-time in nature, thus resulting in total restructuring costs of Rs.229 crore (€ 33 million).

NET SALES AND SERVICES
IN RS CRORE

FY2012	FY2013	PERCENT
11,249	12,094	↑ 7.5

Net sales and services grew by 7.5%—from Rs.11,249 crore in FY2012 to Rs.12,094 crore in FY2013. Thus, the Company's net turnover rose to above US$ 2.2 billion.

PAT
IN RS CRORE

FY2012	FY2013	PERCENT
374	(36)	↓ 109.7

Profit after taxes net of minority interests and share of profit/loss of associate companies (or PAT) declined from Rs.374 crore in FY2012 to a loss of Rs.36 crore.

EBIDTA
IN RS CRORE

FY2012	FY2013	PERCENT
856	459	↓ 46

Primarily on account of increased pricing pressure for power sector products, higher average materials-to-sales ratios and operational issues in some of the overseas locations, earnings before interest, depreciation, taxes, and amortisation (EBIDTA) excluding other income, excluding exceptional item, reduced by 52% to Rs.383 crore in FY2013. Including other income, EBIDTA fell from Rs.856 crore in FY2012 to Rs.459 crore in FY2013, or a drop of 46%.

ROCE
IN PERCENT

FY2012	FY2013	PERCENT POINTS
12.9	4.7	↓ 8.2

Return on capital employed (ROCE) calculated excluding exceptional item, reduced by 8.2 percentage points from 12.9% in FY2012 to 4.7% in FY2013.

PBIT
IN RS CRORE

FY2012	FY2013	PERCENT
596	256	↓ 57

Profits before interest and taxes (PBIT) reduced by 57%, from Rs.596 crore in FY2012 to Rs.256 crore in FY2013. The reasons that affected EBIDTA were the ones that determined the fall in PBIT.

EPS
IN RS

FY2012	FY2013	PERCENT
5.82	(0.56)	↓ 109.7

Earnings per share (EPS), fell from Rs.5.82 in FY2012 to EPS of (-) Rs.0.56 in FY2013.

Note: All figures in US$ for FY2013 are translated at an average exchange rate of US$1 = 54.4316. For FY2012, these are translated at US$1 = Rs.48.1233. Figures for FY2012 have been regrouped wherever necessary in order to make them comparable with those of FY2013.

Business Performance FY2013

The key performance highlights of the Company for FY2013 are given below. It was another very difficult year for the Company as it restructured to shed historical costs and meet future challenges. The story is straightforward. While the top line grew by over 7%, profits continued to fall—mostly on account of power sector performance in key overseas locations and a substantial one-time pay-out to facilitate much needed restructuring and re-sizing at the Company's manufacturing location in Mechelen, Belgium. To a lesser extent, demand pressures on Industrial Systems and investment in brand building and distribution infrastructure in Consumer Products also contributed to the decline in profitability.

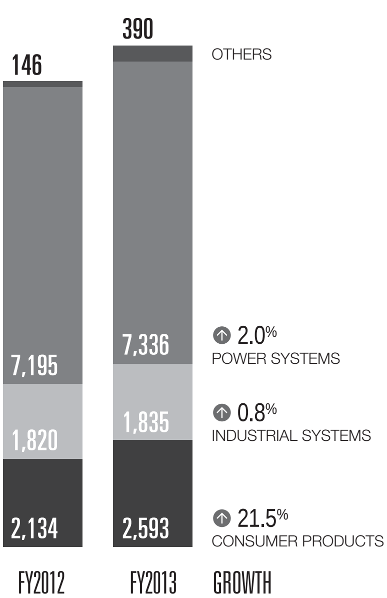
Chart A plots the change in net revenues of the three key businesses plus 'others' which, for FY2013 also includes Power distribution.

CG's Power Systems' net revenues grew by 2%—to Rs.7,336 crore in FY2013.

Net revenue from Industrial Systems increased marginally by 0.8%—to Rs.1,835 crore in FY2013.

Net revenue from Consumer Products rose by 21.5% to Rs.2,593 crore in FY2013.

CHART A NET REVENUE FROM KEY BUSINESSES
IN RS CRORE



CG POWER SYSTEMS

CG Power Systems (or CG Power) is the Company's largest BU and focuses on power transmission, distribution, power solutions and associated services businesses. It manufactures a wide range of power transformers, distribution transformers, extra high voltage (EHV) and medium voltage (MV) circuit breakers, switchgears, EHV instrument transformers, lightning arrestors, isolators and vacuum interrupters.

In addition, CG Power offers turnkey solutions for transmission and distribution (T&D) through custom-made substation projects, engineering, procurement and construction (EPC) as well as other end-to-end contracts that involve the entire value chain—solutions, design, products, procurement, construction, erection and servicing. A detailed list of CG Power's products, solutions and services as well as its associated facilities across the globe is given at the end of this Annual Report.

Consolidated Financial Performance

The consolidated performance of CG Power is given in Table 1 below. As touched upon earlier, it shows that while the business as a whole benefited from a healthy growth in net sales and a significant increase in the unexecuted order book (UEOB), its profitability was affected in FY2013—more so compared to the earlier year.

- There has been a rise in the UEOB—by 8.8% in FY2013. The UEOB as on 31 March 2013 was Rs.8,525 crore
- Net sales of CG Power grew by 2% in FY2013 to Rs.7,336 crore.
- EBIDTA has fallen sharply—to Rs.34 crore in FY2013.
- There was a loss at the EBIT level in FY2013 of Rs.110 crore.
- There was a 32.4% rise in capital employed to Rs.3,382 crore. Much of this was on account of additional investments in India and abroad, as well as longer cycle times which, when it occurred, tied up the BU's working capital.
- The return on capital employed (ROCE) fell to (-)3.3% in FY2013.

There are clear reasons for the drop in operating performance—most of which have to do with CG Power's plants and operations outside India. These will be discussed after outlining the performance of CG Power's overseas and Indian operations.

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 CG Power's India operations. As Table 3 suggests, while CG Power India has faced a decline in both net sales for FY2013 and UEOB as on 31 March 2013, it has remained profitable. To be sure, both EBIDTA and EBIT declined in FY2013 compared to a year earlier. However, it earned an EBIDTA margin of 9.5% of net sales, and an EBIT margin of 8.5% despite lower sales and pricing pressures. Moreover, at 29.5%, CG Power India's return on capital employed (ROCE) is not only creditable but also ranks among the best in the world.

The problems have arisen out CG Power Overseas. As Table 2 shows, despite double-digit growth in the UEOB and a modest increase in the top-line, overseas operations have incurred losses.

Why has this occurred? It needs careful explanation, given that 65% of the Company's consolidated power business and 39% of its consolidated sales depend upon the efficiency and health of its overseas operations.

- As expected, there are external and internal factors. On the external front, the global T&D markets have become fiercely competitive. This started in FY2011, intensified in FY2012 and remained at a high pitch throughout FY2013. Suppliers are offering hitherto unheard of prices to bag orders and so maintain throughput across their production lines. At the end of last year, CG believed that the period of intense competition was finally playing out. Unfortunately, it has not.
- Second, while key raw material prices somewhat softened in the second half of FY2013, the beneficial effects of these have yet to show up in costs. This is because much of the orders in the pipeline across CG Power's overseas manufacturing locations have been taken in FY2012 or the early part of the year under review and the material cost structures have been locked in at the higher prices. Having said so, the Company expects to mitigate some of this by commodity price hedging and supply chain efficiencies. These initiatives have been launched. There should be more visibility on this account in the course of FY2014—not only

because of lower raw material prices but also due to global procurement efficiencies.

- Third, FY2013 has seen the continuation of a trend which appeared in the previous year—that of many customers delaying taking physical delivery of their transformers or substations. As mentioned in last year's Annual Report, it typically involves pushing back the date of testing at the bay. This, in turn, blocks scarce factory space, prevents timely revenue recognition, locks up working capital and, all else being equal, reduces ROCE. Suppliers often have to yield to key customers to maintain long term relationships.
- The fourth set of causes are internal to CG Power Overseas. In the course of FY2013, the production of several power transformers got delayed due to various operational problems at different overseas sites. On occasions, these delays led to imposition of liquidated damages by some customers. Thus, many power transformer orders were at relatively low margins combined with production constraints to result in higher than budgeted unit costs and higher inventories.
- Additionally, the Company took a correct view to right-size operations at Mechelen on account of its persistently high costs, overcapacity of power transformers in western Europe and a continuous price drop for power transformers in the EMEA region. This was carried out in the third quarter of FY2013 at a one-time cost of Rs.121 crore. Although this was in the nature on extraordinary expenses, it caused teething troubles and delays in the production of several transformers that were transferred from Belgium to Hungary. Embedded under the various operational heads are incidental costs involved in Belgium restructuring, aggregating to Rs.108 crore, which are also one-time in nature, thus resulting in total restructuring costs of Rs.229 crore (€ 33 million). On the positive side, the Mechelen restructuring should result in an annual savings of €14 million—of which €1.5 million was visible in the fourth quarter of FY2013.
- What is CG Power doing to overcome these problems? There are several, of which three are worth mentioning here. The most important initiative is a single point focus on increasing productivity and line throughput. This involves

TABLE 01 CONSOLIDATED FINANCIAL PERFORMANCE OF CG POWER

FY2012 VERSUS FY2013

	FY2012	FY2013	Change
UEOB as on 31 March (in Rs crore)	7,832	8,525	↑8.8 percent
Net Sales (in Rs crore)	7,195	7,336	↑2.0 percent
EBIDTA (in Rs crore)	410	34	↓(91.7) percent
EBIT (in Rs crore)	248	(110)	↓(144.4) percent
Capital Employed (in Rs crore)	2,554	3,382	↑32.4 percent
ROCE (in percent)	9.7	(3.3)	↓(13.0) percent points

Note: Figures have been regrouped whenever necessary to make them comparable

TABLE 02 FINANCIAL PERFORMANCE CG POWER OVERSEAS

FY2012 VERSUS FY2013

	FY2012	FY2013	Change
UEOB as on 31 March (in Rs crore)	4,397	5,195	↑18.1 percent
Net Sales (in Rs crore)	4,493	4,753	↑5.8 percent
EBIDTA (in Rs crore)	64	(244)	↓(480.9) percent
EBIT (in Rs crore)	(69)	(352)	↓(410.6) percent
Capital Employed (in Rs crore)	1,789	2,514	↑40.5 percent
ROCE (in percent)	(3.9)	(14.0)	↓(10.1) percent points

TABLE 03 FINANCIAL PERFORMANCE CG POWER INDIA

FY2012 VERSUS FY2013

	FY2012	FY2013	Change
UEOB as on 31 March (in Rs crore)	3,435	3,330	↓(3.1) percent
Net Sales (in Rs crore)	2,747	2,725	↓(0.8) percent
EBIDTA (in Rs crore)	348	260	↓(25.2) percent
EBIT (in Rs crore)	320	231	↓(27.9) percent
Capital Employed (in Rs crore)	838	780	↓(6.8) percent
ROCE (in percent)	38.2	29.5	↓(8.7) percent points

IT TAKES TIME FOR PRODUCTION FACILITIES TO RECALIBRATE THEMSELVES AS MANUFACTURING LINES WITH BEST-IN-CLASS PROCESSES

Commissioned and started production for large motors and synchronous generators at Mandideep, India optimisation of design, methodical slotting of production across the various lines, regular validation and proper testing procedures and the use of 'go-no go' gateways.

- Good production practices is not rocket science. It is about discipline and there has been a notable example of success. This is at CG's T3 plant at Mandideep in Madhya Pradesh where, despite producing highly complex transformers, 108 units have been tested and despatched since September 2011 on time. In the process, T3 has been earning an EBIT margin in excess of 10% of net sales.
- This production initiative, anchored by a fully focused and empowered team, is expected to deliver results. However, it takes time for production facilities to recalibrate themselves as manufacturing lines with best-in-class processes. For the overseas power transformer operations, it is anticipated to take three to four quarters before the full effects of this initiative come into play.
- A second initiative involves creating a cost efficient global supply chain for the sourcing of critical raw materials. The process has begun for key commodities. Going forward, this is a programme that the CG management will be monitoring very carefully.

CG Power: Key Developments in FY2013

Notwithstanding the issues explained above, there have been many positives in CG Power. Some of these are listed below.

POWER TRANSFORMERS AND SWITCHGEARS

Despite difficulties witnessed in the manufacture of power transformers (PTs) in some locations, FY2013 has seen several key successes. Given below are some examples.

World class operational breakthrough at CG's plant T3 (Mandideep, near Bhopal). As mentioned earlier, T3 has produced and tested 108 PTs since September 2011. Even more notable is the fact that most of these transformers and reactors in the 'high technology' 765 kV category. As a PT plant, T3 exceeded its growth targets with world class financial performance. It executed key orders for:

- The Power Grid Corporation of India Limited (PGCIL) for 765 kV transformers and reactors.
- The Madhya Pradesh Power Transmission Company Limited (MPPTCL) for 315 MVA transformers.
- The Chittaranjan Locomotive Works (CLW) for locomotive transformers.

CG designed, developed, tested and delivered its first indigenous 1,200 kV class auto-transformer to the Power Grid Corporation of India Ltd (PGCIL) in Bina, Madhya Pradesh. It is in operation from 26 May 2012. Globally, the 1,200 kV class of transformers is limited to a few countries like Russia (1,200 kV), Japan (1,100 kV), Italy (1,050 kV) and China (1,100 kV).

Since 2010, T1 plant at Kanjur (Mumbai) has been India's largest power transformer manufacturing unit and the largest contributor to maintaining CG's leadership position in India. In FY2013, T1 produced and despatched 181 transformers and 79 reactors. Moreover, T1:

- Successfully developed and tested 500 kV single phase shunt reactors and auto transformers for the power grid in Peru.
- Upgraded a 353 MVA three-phase generator step-up (GSU) for Kapar Energy in Malaysia.
- Upgraded three-phase 400 kV three-phase auto transformers to 500 MVA for the Punjab State Transmission Corporation Limited (PSTCL) and the Uttar Pradesh Power Transmission Corporation Limited (UPPTCL).
- Manufactured the largest 500 kV auto transformer (300 MVA, single phase, 500/275/33 kV) for Sarawak in Malaysia.

The Bogor PT plant in Indonesia (called PT ID) successfully designed, manufactured and tested the first six units of 500 kV power transformers. This is first of its kind in ASEAN Region, and will play a key role in widening the footprint of PT ID in South East Asia and the Pacific region. It also delivered the first batch of four 30 MVA mobile substations to PLN, Indonesia. This is out of an order of 16 such units. In addition, PT ID received its highest ever orders worth US$ 36 million from TNB, the utilities provider in Malaysia, for PTs and switchgears.

CG Power signed its first alliance agreement with PLN— Indonesia's national utility stretching across the archipelago. Received the first contract from PLN worth US$ 30 million.

PT Hungary's (PT HU) plant at Tapioszele has been approved by an increasing number of European, North Africa and Middle East customers, which has facilitated incremental order intake after the transfer of orders from Mechelen to Hungary. Among others, the plant has secured orders from -

- SONELGAZ in Algeria.
- KAR in Iraq.
- The Saudi Electric Company in Saudi Arabia.
- EON in the UK.
- ELIA in Belgium.
- SNCF in France.
- Statnett in Norway.

It has also manufactured and delivered a 1,200 kV test transformer for T3 as a part of PGCIL's requirements; successfully designed an advanced form of a 800 kV transformer. It supported PT ID in the initial phases of its manufacture of the 500 kV transformers. PT HU has completed a much needed capacity expansion from 7,500 MVA per annum to 10,000 MVA; the second phase of expansion to 12,500 MVA per year is going on at present.

The power transformer plant at Winnipeg, PT Canada or PT CA received some major orders in FY2013. These were:

- 13 units of 42 MVA transformers for Hydro One, a major utility, to be delivered in FY2015.
- Two units of a 300 MVA auto transformer for Saskatchewan Power.
- Three units of a 85 MVA GSU transformers for Coast Mountain Hydro, which is a new customer.
- A mobile substation for Newfoundland Power, also a new customer.
- Introducing CG's surge arrestors to Saskatchewan Power.
- In addition, the Canada business played a key role in successfully bringing anti-dumping charges against Korean manufacturers of ≥ 60 MVA transformers. Consequently, Canada has imposed a minimum of 15% up to a maximum 118% duty on such transformer deliveries for the next five years—thus improving the competitiveness of Canadian manufacturers, including PT CA.

The medium power transformer plant at Missouri, USA (PT US) had some key manufacturing and order book successes. The plant manufactured:

- Its first 50 MVA automatic load tap changing (LTC) transformer for Eaton, a diversified power management company in the US.
- An 84 MVA oil natural air forced (ONAF) transformer for WE Energies, which provides

power supply for Wisconsin and parts of Michigan.

- A 161 kV – 750 Basic Impulse Level (BIL) transformer for Cedar Falls Utilities, which provides electricity in parts of Iowa.
- Its first zigzag winding transformer for Jungbunzlauer in Canada.
- Its first transformer with LTC and low voltage current greater than 5,000 amperes for South Texas.

In addition, PT US received some key orders during FY2013, such as:

- From Global Foundries for 75 MVA/115 kV transformers.
- From WE Energies for an 83 MVA transformer. This is the first large power transformer order for PT US from an independently owned utility in North America.
- From Concord Municipal Light Plant for an 83 MVA/115 kV transformer—the first large PT order for PT US from a municipality in North America. ZIV's power automation products are to be integrated with this transformer.
- From Brookfield Renewable Power for a 39 MVA/69 kV transformer—the first produced in PT US with an oil directed air flow (ODAF) cooling system.

Regarding extra high voltage (EHV) and medium voltage (MV) switchgears, the Company enjoyed several successes in India and abroad. Some of these were:

- Successfully launched a 400 kV 'spring-spring' gas circuit breaker (GCB) from India in May 2012.
- Secured major orders for sulphur hexafluoride 6 (SF6) GCB in India from key users.
- PT HU supplied 145 kV GIS for its first offshore installation for the Humber Gateway project, UK, and also completed installation of its first offshore 245 kV GIS in Denmark for Energinet. In addition, PT HU bagged significant orders from Kuwait for 145 kV GIS; re-started supplies of its 170 kV model to Indonesia; and its GIS was re-instated approval by TNB, the utilities major in Malaysia.
- The switchgear facility in India has manufactured and launched a range of 66 kV to 145 kV of GIS—and is the first Indian entity to do so. It has also bagged order from major state owned utilities.
- The MV switchgear division developed new markets and segments in India, Africa and the Middle East. In India, for nuclear and solar power utilities for 12 kV 44 kA and 36 kV 26.3 kA indoor vacuum circuit breaker (VCB) panels; and in Africa for 36 kV 26.3 kA indoor GIS and numerical communicable relays. It developed new products such as 36kV 25kA GIS and 36 kV 40 kA outdoor GIS for CIS countries which are capable of operating at (-) 40º centigrade. In addition, the division has also manufactured 17.5 kV and 24 kV VCBs.

DISTRIBUTION TRANSFORMERS

Although sales and order intake remained more of less flat in FY2013 compared to the previous year, there were some key developments which are listed here.

DT Belgium (DT BE) obtained certification from Électricité Réseau Distribution France (ERDF)—France's low and medium voltage distribution system spanning 1.2 million km of lines—for a full range of auto transformers (5-10-20-30 MVA). It also designed and produced its (i) first low noise small power transformers, (ii) first hazardous area ATEX certified transformers (Zone 2) for the oil and gas industry, and (iii) first 20 MVA and 30 MVA mobile transformers for CG's Power Systems business. In addition, Gamesa, a global technological leader in the wind industry with 27,000 MW installed in 42 countries, validated and accepted DT BE's 5.56 MVA wind turbine transformers. Some major wins in FY2013 were:

- An Enercon frame contract.
- A Siemens Wind Power contract.
- A CLP Group (Hong Kong) contract.
- An Elia contract.

DT Ireland (DT IE) developed a competitive 'low loss' design for the German market, and a new wind substation for the UK renewables market which was described by customer as 'best in class'. It also obtained CREDAC, the local utility standard approval for Algeria; started deliveries for General Electricity Company of Libya (GECOL); and passed all tests for the supply of distribution transformers to EANDIS, the electricity and gas distributor in Flanders.

The DT plant in Washington, Missouri, USA (called DT US) successfully designed a three-winding transformer which was successfully type-tested through KEMA in the Netherlands. It also designed a low-high-low (LHL) three-winding transformer for the renewables market. DT US has received orders from Eaton and Siemens. It plans to utilise EPC relationships to build references for DTs in the oil and gas.

POWER SYSTEMS AND SOLUTIONS

Readers of last year's Annual Report may recollect that CG in Europe was involved in four major power systems and solutions projects. These were:

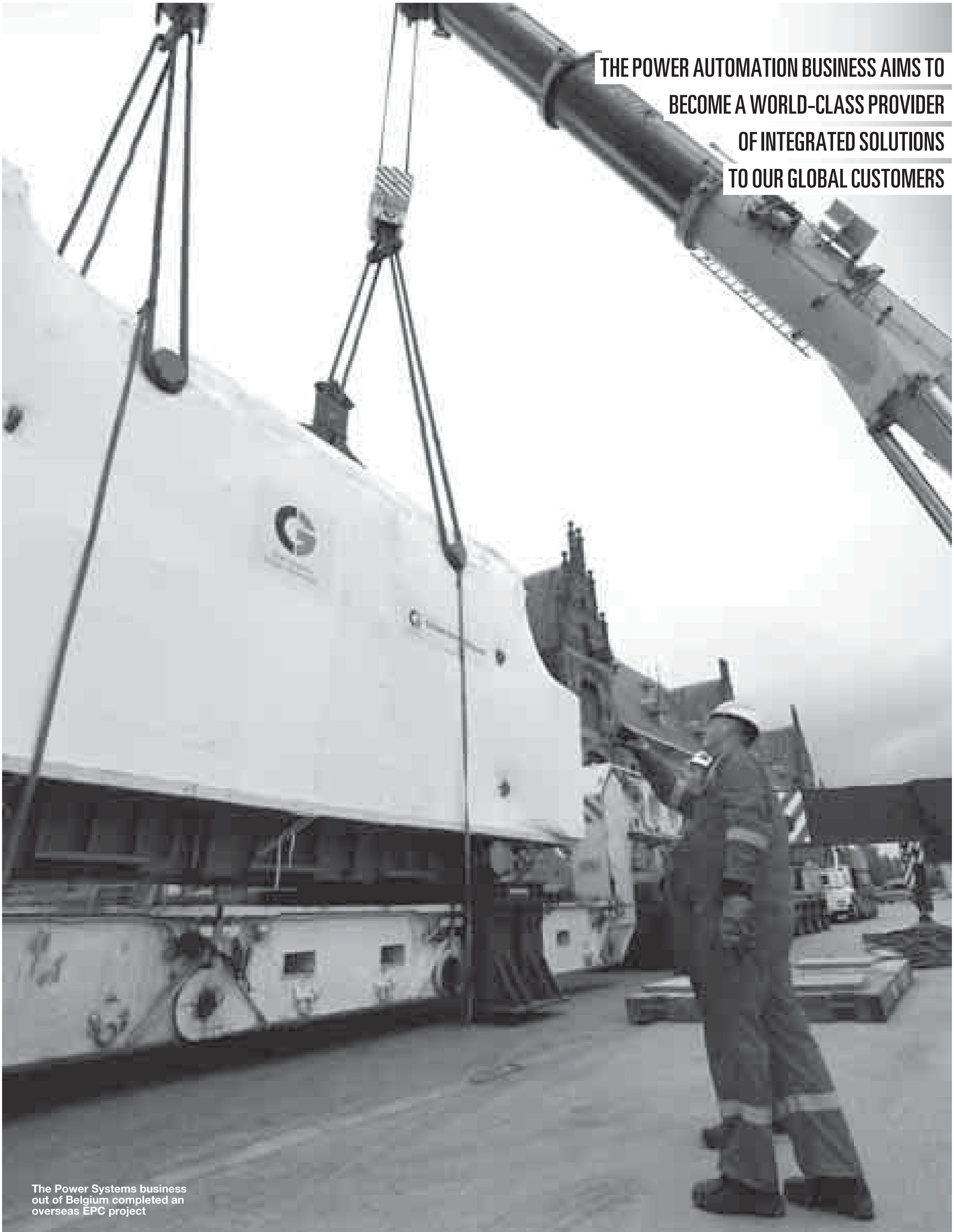
Eon's Humber Gateway Wind-farm Project
CG Power Solutions UK and CG Systems Belgium together secured the order for setting up the offshore and onshore substations at the Humber estuary, off the coast of Yorkshire in the UK. Eight km off the Yorkshire coast, the substation was to connect 73 offshore wind turbines of 3 MW each, or 219 MW in total, with power of 280 MVA. A 132 kV sub-sea cable was to connect the offshore substation to the onshore facility, which was then to be hooked up to the UK's National Grid connection. The project was worth £46 million—£22.7 million for setting up the onshore facilities, and £23.3 million for the offshore. CG products to be used in the project were:

i. power transformers, reactors and distribution transformers for onshore and offshore.
ii. 132 kV GIS switchgears for offshore and
iii. CG power automation and control systems for both onshore and offshore. Two of the transformers were supplied by PT HU, and the other two from PT BE. The UK and Belgian systems businesses continue to work closely together with the objective to deliver the project successfully and on time for Eon.

Northwind, in North Sea, 40 km offshore from Belgian coast. Valued at €3.4 million, the full project scope of CG, including the overall grid integration compliance study, has been completed on time and the HV substation will be installed on its seabed foundation in August 2013.

Two other European off-shore wind projects were:
i. WPD Butendiek, on the German North Sea, some 35 km off the coast of Schleswig-Holstein, valued at €10 million, and
ii. EON Amrumbank West, 35 km off shore from Helgoland in the German North Sea, valued at €10.7 million. Both these projects are for construction of 2 x 155 kV offshore

THE POWER AUTOMATION BUSINESS AIMS TO BECOME A WORLD-CLASS PROVIDER OF INTEGRATED SOLUTIONS TO OUR GLOBAL CUSTOMERS



The Power Systems business out of Belgium completed an overseas EPC project


Assessing assembly processes at CG's Distribution Transformer factory

substations, and are proceeding according to schedule.

The Power Systems business out of Indonesia (SY ID) did an on-time completion of its first overseas EPC project—the design, procurement, erection and commissioning of a 132 kV switchyard, including 2 x 60 MVA generator step-up transformers, control and protection system, set up in an open cycle gas turbine in a 120 MW power plant at Merrdin, Western Australia. The project was worth $6.2 million.

SY ID also received an EPC contract—which involved design, engineering, procurement, installation and commissioning of a 275 kV substation in Kalimantan, Indonesia including civil, automation and grid connection to Sarawak, Malaysia on high voltage side, and to the PLN grid in Indonesia on low voltage side. The project was worth $18.5 million.

The systems and solutions business in Europe and the Middle East (Systems and Services, EMEA) won some key orders, such as:

- The Ministry of Energy, Iraq, for 4 turnkey GIS substations valued at €47 million.
- GECOL, Libya, for various high voltage packaged HV transformers and equipment estimated at €23 million.
- GridCo, Ghana, also a turnkey substation project valued at €13.5 million.

Key contracts delivered by Systems and Services, EMEA were:

- Electricidade de Moçambique (EDM), Mozambique for a mobile substation and substation upgrades, valued at €3 million.
- Kenya Power and Lighting Company (KPLC), for 132 kV turnkey substations, at €12 million.
- EDM in Malta: the turnkey supply and installation of the Kapara132 kV substation, at €10 million.

Key contracts delivered by the Engineering Projects Division (EPD) of CG Power India were:

- Delivering its first 765 kV substation, for PGCIL, charged eight months prior to schedule. The contract value was Rs.145 crore. The project will lend strength and stability to the Central Grid of India and facilitate bulk power transmission across states.
- Successfully erecting Phase II of the first 765 kV substation project of UPPTCL at Unnao, at Rs.302 crore. Readers may recall that Phase I of this substation has been commissioned and put into service by EPD in January 2012.
- Commissioning a 400 kV switchyard for Korba power plant of Avantha Power and Infrastructure Limited, for its 2x600 MW thermal power plant at Raigarh, India. This order, valued

at Rs.29 crore, is also the first 400 kV credential for CG Power Automation division, executed in India.

- Successfully charging the Chhattisgarh State Power Transmission Company's first 400/220 kV substation at Raipur in Chhattisgarh. This project, valued at Rs.125 crore, is playing a vital role in strengthening the state grid.
- EPD also received some big orders. These were: (i) an order worth Rs.144 crore from PGCIL for 400/220/132 kV new substations and extension projects in Jharkhand, India; (ii) various 400 kV extension packages from PGCIL for multiple locations in north India, worth Rs.100 crore; (iii) 220 kV gas insulated substation (GIS) turnkey projects worth Rs.118 crore from various customers like the Haryana Vidyut Prasaran Nigam Ltd. and the Power Transmission Corporation of Uttarakhand Ltd.; and (iv) the first EHV turnkey substation for 220/132 kV substations and extensions from Madhya Pradesh Power Transmission Company Limited for multiple locations, valued at Rs.54 crore.

TABLE 04 PERFORMANCE OF THE CG INDUSTRIAL SYSTEMS BUSINESS

FY2012 VERSUS FY2013

UEOB AS ON 31 MARCH (IN RS CRORE)

FY2012	FY2013	PERCENT
534	601	↑12.5

NET SALES (IN RS CRORE)

FY2012	FY2013	PERCENT
1,820	1,835	↑0.8

EBIDTA (IN RS CRORE)

FY2012	FY2013	PERCENT
266	251	↓(5.8)

EBIT (IN RS CRORE)

FY2012	FY2013	PERCENT
210	214	↑1.6

CAPITAL EMPLOYED (IN RS CRORE)

FY2012	FY2013	PERCENT
823	866	↑5.2

ROCE (IN PERCENT)

FY2012	FY2013	PERCENT POINTS
25.5	24.7	↓(0.8)

ELECTRICITY DISTRIBUTION: JALGAON, MAHARASHTRA

From 1 November 2011, CG has been managing the Jalgaon, Maharashtra distribution franchise. At the time of takeover from the Maharashtra State Electricity Distribution Company, the Jalgaon area had distribution losses of over 35%. The failure rate of transformers and switchgear on both low voltage and high voltage was quite high. The billing efficiency was 69%, whereas collection efficiency was 81%.

During FY2013, CG carried out the following initiatives to improve the operational parameters:

- Commencement of a 24x7 call centre catering to both urban and rural areas, which has been a success story, since consumers in far flung areas do not have to travel to the CG offices to lodge a complaint.
- Establishing a Consumer Facilitation Centre (CFC) to attend to consumers.
- Replacing over 12,000 defective meters covering approximately 10% of the population.
- Releasing over 6,000 new service connections, thereby adding to the consumer base.
- Bifurcation of feeders to reduce technical losses.
- Regular maintenance of all power and distribution transformers and switchgear at the substation.

These initiatives have delivered results. Some of these are:

- Zero failure of power transformers
- Zero failure of switchgears
- Reduction in distribution transformer failure from 20% to 11%
- Improved billing efficiency of 86%
- Improved collection efficiency of 93%
- Most importantly, reduction of distribution losses to 20% over a six month sliding scale

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 and DC 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.
- Traction electronics & traction machines for railway transportation
- Railway signalling equipment
- Stampings

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

Industrial Systems' net sales remained more or less flat—rising by 0.8% over FY2012 to reach Rs.1,835 crore. A combination of higher material costs especially in the first half of the financial year and pricing pressures led to a 5.8% fall in EBIDTA to Rs.251 crore. Though EBIT increased by 1.6%, a rise in capital employed by 5.2% led to a marginal reduction in ROCE—from 25.5% in FY2012 to 24.7% in FY2013. It needs noting that though lower than FY2012, Industrial Systems' ROCE at 24.7% is still healthy, and among the best in the industry.

A good news is that the UEOB—which had reduced by 11% in FY2012 vis-à-vis the previous year—has again risen by 12.5%. As on 31 March 2013, it was at Rs.601 crore.Some of the key developments for FY2013 are given below:

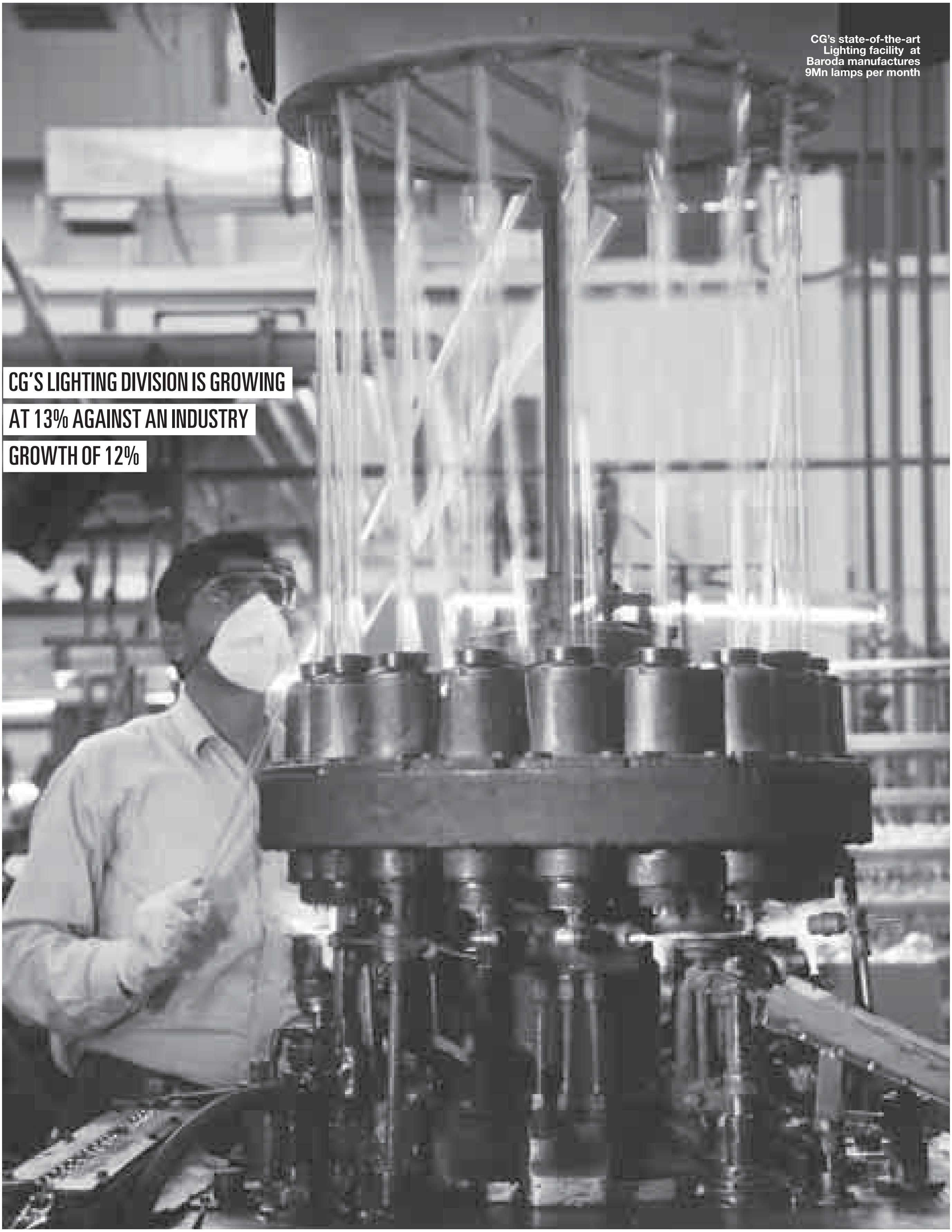
- **Launched the Apex™ Series of IE 2 LV motors up to 250kW in India** from June 2012.

- **Tested a prototype of an insulated gate bi-polar transistor (IGBT) power converter,** also in June 2012.

- **Launched brushless alternators for mini hydro projects** in July 2012.

- **Tested prototypes of IP21 AC drives** (frames C and D) in Q2, FY2013.

- **LT motors plant in Goa (unit 2) became a just-in-time (JIT) facility for 132 frame, with motors rolling out at the rate of one per 3**



CG'S LIGHTING DIVISION IS GROWING AT 13% AGAINST AN INDUSTRY GROWTH OF 12%

CG's state-of-the-art Lighting facility at Baroda manufactures 9Mn lamps per month

minutes and 30 seconds. This was achieved in September 2012, and maintained thereafter.

- **Lean manufacturing practices used in the LT motors plant in Ahmednagar (Maharashtra) released 104 square metres of shop floor area** for further production in Q2, FY2013.

- **Launched IE 3/NEMA Premium LV motors range up to 7.5 kW** in Q3, FY2013.

- **Commissioned and started production at the new manufacturing facility for large motors and synchronous generator at Mandideep.** Comprising 9,284 square metres, the plant is equipped with state-of-the-art machines and process technologies. It has a capacity to produce 250 large motors and synchronous generators. It has testing facilities for up to 12 MW MV motors and up to 25 MVA for synchronous generator. The winding and vacuum pressure impregnation (VPI) processes are automated—resulting in energy efficiency as well as high throughput. The plant has a green area of around 12,600 square metres; and the daylight panels provided on the roof and side walls have increased effective lighting and reduced energy use.

- **Largest rating synchronous generator manufactured in India—**15 MVA, eight pole.

- **Manufactured the largest rating MV motor for Sterlite India** (Vedanta Power, Orissa)—6 MW, eight pole, 11 kV in 1120 Fr (frame size).

- **IP21 LV AC drives manufacturing and test facilities established at the Drives and Automation facility at Mandideep in India in February 2013**. Pilot run of the C and D frames began in March 2013.

- **Some of the new products and offerings** during FY2013 were:

i. Large rotating machines: cylindrical rotor synchronous generators up to 3 MW, and high speed 3 MW, two-pole MV motors.
ii. Railways: Developed 3 x 130 kVA auxiliary converter for 6,000 HP, 25 kV AC locomotives.
iii. Stampings: Use of soft magnetic material (S0 grade) which leads to lower material loss in lamination for motors in fans, FHP and LV motors.
iv. Services business: A relatively new initiative, this involves the supply of spares and winding kits, repairs/rehabilitation and retro-fitting of motors and generators, and the commissioning of large rotating machines.

- **Frost & Sullivan Manufacturing Excellence** Gold Certificate was awarded to the M7 Division at Mandideep, and the Silver Certificate to LT Motors at Ahmednagar.

POWER AUTOMATION

Though not a reportable segment in financial terms, power automation deserves a commentary especially after the Company's acquisition of ZIV. The Power Automation business comprises three divisions:

- **SAS or the Substation Automation and Telecommunication Systems**. Products in this category are:

i. IEC 61850 protection and control systems,
ii. protection relays and panels,
iii. control devices,
iv. communications devices and
v. substation SCADA/data concentrators.

- **DAS or the Distributed Automation Systems.** The products are

i. distribution management systems,
ii. distribution automation solutions,
iii. smart meters and concentrators,
iv. communication devices, and
v. AMR (Advanced Meter Reading) and AMI (Advance Metering Infrastructure) solutions and EV (Electrical Vehicle) charging stations.

- **Transit automation and supervisory control for electric, transportation and water utilities.** These involve:

i. control room SCADAs,
ii. remote gateways and remote terminal units (RTUs),
iii. emergency trip systems,
iv. train tracking, and
v. fault detection.

This division largely consists of products, offering and services of QEI Inc. Located at Springfield, New Jersey, USA, CG acquired this profitable enterprise in May 2011. It is now called Automation Solutions US, or ASOL US.

The Power Automation business aims to become a world-class provider of integrated solutions to our global customers in the three domains mentioned above. In doing so, the clear positive relates to the quality of products and solutions that are offered by all three divisions. The difficulty faced at present is that Western Europe, particularly the Euro area, is de-growing. Given ZIV's footprint in Europe, there may be limits to how much two of the key divisions—SAS and DAS—can grow in the short run, based only upon European demand.

The challenge, therefore, is to rapidly globalise in Asia and Africa, where there are clear signs of the beginning of a huge incremental demand for such power automation.This requires the business to significantly increase its portfolio of homologated products to meet the requirements of key emerging market countries. Not surprisingly, the first task of all the three divisions of the Power Automation business is to do all that it takes to introduce its tested products and solutions to Asian and African markets.

In FY2013, for the eight months after acquisition, ZIV's top-line was less than what the management believed was possible at the time of the takeover. This was largely on account of a massive slowdown in orders, especially in Spain, which was ZIV's traditionally large market. There has been a tremendous work done in integrating the existing automation offerings of ZIV in CG's suite. Given its new found emphasis on globalisation, particularly outside Western Europe, and the integration of its various products and solutions, CG Power Automation would sell these offerings and solutions—both for Power and for Industrial Systems worldwide.

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, which is the Company's second largest business unit in terms of revenues and the largest cash generator, was back on the upswing. Net sales grew by 21.5% to Rs.2,593 crore in FY2013. EBIDTA grew by 5.8% to Rs.287 crore; and EBIT rose by 5.8% to Rs.278 crore. The business' ROCE fell by 34 percentage points. Even so, at 252%, it is by far the highest among all comparable competitors.

The business has significantly improved its service capabilities by establishing more than 400 exclusive authorised service centres.

All regions in India contributed to CG Consumer Product's top-line growth in FY2013. The northern region grew its business by 24%; while east, south and west each grew by 21%.

- **The fans division exceeded Rs.1,000 crore of sales during FY2013, making CG the first company in fans to cross this mark.** Top-line grew by 22% compared to a market growth of 15%. In-house production increased by 26% over the previous year. Despite serious pressure on cost due to an appreciation of the US$ and metal price increases, the division earned a double-digit EBIDTA to sales percentage. It maintained negative capital employed through controls on debtors and inventory. CG's fans continued to enjoy their 'Superbrand' status for seventh consecutive year. Some 50 new products/variants were developed and launched in FY2013; and new products accounted for over a third of the division's sales. A new premium range of ceiling fans called 'Avancer' was introduced during FY2013; it has been well appreciated by the market and alone accounted for approximately 5% of the division's sales.

TABLE 05 PERFORMANCE OF CG CONSUMER PRODUCTS

FY2012 VERSUS FY2013

	FY2012	FY2013	Change
NET SALES (IN RS CRORE)	2,134	2,593	↑21.5 PERCENT
EBIDTA (IN RS CRORE)	270	287	↑5.8 PERCENT
EBIT (IN RS CRORE)	263	278	↑5.8 PERCENT
CAPITAL EMPLOYED (IN RS CRORE)	92	110	↑19.9 PERCENT
ROCE (IN PERCENT)	286	252	↓(34) PERCENT POINTS

- **CG's lighting division is growing at 13% against an industry growth of 12%.** It holds an overall no.3 position in the Indian market, with leadership in high intensity discharge lamps used for public lighting, industrial lighting and flood lighting. CG's growth in rapidly growing products such as Compact Fluorescent Lamps (CFL), indoor commercial lighting and high mast have been 26%, 30% and 42%—versus market growth of 18%, 22% and 15%. On 11 January 2013, the Company acquired the CFL business of Karma Industries at Baddi, Himachal Pradesh, for an approximate value of Rs.145 million. The acquisition will double CG's capacity in the fast-growing CFL lighting segment and reinforce its presence in the rapidly growing Indian consumer market. Readers of last year's Annual Report may remember that the Company 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, which consumed only 5 watts of power to produce the light of a 40 watt bulb. While penetration of LED based lighting products today is 6% to 7% of total lighting, it is estimated to reach anywhere between 40% and 50% by FY2016. With this in mind CG has entered in to a technology licensing agreement with Bridgelux in the USA—one of the world's top five LED chip manufacturing companies. This collaboration will enable CG to deliver high performance, long-life, and cost-effective solid state lighting products to business, governments and mass market consumers, and thus replace traditional and inefficient technologies. It is worth mentioning that the division introduced its patented smart street panel to automatically control illumination levels depending on the need and time of day. Installed as a part of the smart city being developed by PGCIL in Puducherry, this allows municipalities to save energy up to 40%. CG lighting continued to retain its 'Superbrand' status for the sixth successive year.

- **In a market that grew by 6%, the pumps division increased its top-line by 17% in FY2013** CG retained its overall no.2 position in this business, with leadership in the domestic pumps segment, where it enjoyed a market share of 27%. New products like the Mini Samudra and Mini Ganga range contributed to the increase in domestic pump sales. It also successfully launched a new series of submersible pumps which were well received in the market. It successfully entered new segments—with vertical and horizontal multi-stage pumps, sewage submersible pumps for sewage and waste water treatment, sophisticated mini pressure boosting systems for domestic shower applications in multi-storeyed buildings, and stainless steel submersible pumps for use in sandy beds. Addition of a new assembly line at Ahmednagar has increased capacity by some 45,000 equivalent units. The pumps division was once again awarded the 'Superbrand' status in FY2013.

- **Though relatively small, the appliances division grew net sales by 75% in FY2013.** It supplies a wide range of domestic appliances in four major product categories: water heaters/geysers, small appliances, power solutions and air coolers/heaters. Now a significant player in geysers, FY2013 saw the successful commercialization of a patented polymer coated technology which will give consumers the benefit of long life, leak proof tanks. Launch of the Entice series—a premium range of appliances—was well accepted in the market. The appliances business is poised for greater growth through the introduction and marketing of a large number of newer and more innovative products.

Global Research & Development

This section outlines the key R&D achievements in FY2013.Given below is an illustrative list of new products developed or solutions introduced.

FOR CG POWER SYSTEMS

- **Distribution transformer** Developed a new generation of SLIM® transformers for Gamesa to be used for offshore windmill applications.
- **Distribution transformer** Successfully short-circuit, cold start and vibration tested

THE SIX SIGMA DRIVE WAS EXTENDED TO CG PLANTS IN USA, INDONESIA, IRELAND, AND HUNGARY. IN ADDITION, CG CONTINUED WITH ITS SUPPLIER QUALITY ASSESSMENTS IN FY2013

Test bay area of CG's Distribution Transformer facility on new Gamesa large wind turbine G11x 5.56 MVA. This follows G10x 5 MVA and leads to the development of G14x 8 MVA.

- **Distribution transformer** Largest Bio-SLIM® for offshore wind 6.5 MVA for Alstom Wind, targeting French offshore wind farms.
- **Distribution transformer** Product launch with special designs including successful short-circuit testing of 1400 kVA units for First Solar.
- **Small power transformers**Thanks to use of the PIANO toolbox—which is CG's low noise technology—the Company produced transformers for Eon (Germany) and Stedin (Netherlands) in the range of 20 MVA to 25 MVA with sound pressures by a reduction of about 25 dBA.
- **Gas insulated switchgear (GIS)** 72.5 kV VT for GIS. This is CG's first indigenously developed gas insulated product, and meets stringent accuracy requirements.
- **420 kV 50 kA spring-spring gas circuit breaker** Enhances the HV gas circuit breaker portfolio. Received orders for 25 such units.
- **36 kV,26.3 kA,1250A indoor GIS** Enhances the medium voltage GIS portfolio. Received orders from Nigeria.
- **800 kV current transformer and 800 kV surge arrester** Enhances CG's product package in 800 kV class.
- **123 kV current and inductive voltage transformers** Product developed for international market. Pilot batch of 51 CVTs and 15 IVTs have been dispatched to Ukraine
- **100 kVAR STATCOM** CG's first completely indigenously developed STATCOM; first prototypes despatched for field trials.
- **Load balancer** Power quality management solutions for low voltage, incorporating integrated analytics for alerts.

FOR CG INDUSTRIAL SYSTEMS

- **MTPF bilge pump** CG's reliable and efficient motor solution for the T71 tanks of the Indian Army.
- **IE3/NEMA motors** To meet European and American high efficiency norms for rotating motors. Targeted for OEMs, with an available range up to 10 HP.
- **180 kVA static inverter** Indigenous development using advanced power electronics, and enhances CG's association with Indian Railways.
- **Single section digital axle counter** Indigenous development of CG's first safety product, an electromagnetic sensor based axle counter.
- **Integrated power supply system** A custom-built solution to feed the power supply needs of the railway networks signalling system.

FOR CG POWER AUTOMATION

- **Puducherry PGCIL project** CG has partnered with PGCIL to showcase its capability in smart grid by providing (i) street lighting automation solutions, (ii) transformer condition monitoring system, and (iii) a smart metering solution.
- **Smart meters** Communicable smart meters, ready for 'smart grids' and part of CG's automated metering infrastructure solutions.
- **Electric vehicle charging stations** CG offers a complete portfolio of electric vehicle (EV) charging solutions ranging from 3.7 kW to 43 kW. These devices include advanced metering, communication and control functions.

CG focuses on the productivity of its blue collared employees through the implementation of the Crompton Greaves Production System (CGPS)

FOR CG CONSUMER PRODUCTS

- **Solar MPPT charge controller** Among the best-in-class in drawing maximum power from solar radiation. It has an intelligent algorithm to balance load needs with available energy sources.
- **Bus fans** Using less than 15W (brushless DC technology) against the conventional (brush type) 20 W.
- **Ceiling fans** Using 35W against the conventional 70 W.
- **'Street Smart' lighting automation** First of its kind in India with features to reduce energy bill like daylight sensing and LED dimming—integrated via an automated control algorithm. Will enhance the life of light sources.
- **Electronically controlled mixer,** with pre-sets for 'Shut–Select–Forget' operations.
- **Low energy consuming LED based lighting solutions** for indoor, outdoor commercial and industrial applications.
- **Solar based LED street lighting solutions**.
- **Sensora**, a remote device for fans: Does away with the need to point device to fan for operations; and one remote for multiple fans.
- **Aksh 1.0 (Video Surveillance)** State-of-the-art software for real time viewing, recording and playback from any network cameras—to position CG as an independent solution provider in security management.

In addition to these, there are new production processes that have been put to use which increase efficiencies. Two of these were:

- **Autoclave drying of coils in power transformers**. This reduces cycle time from eight hours to five.
- **Vacuum interrupter sintering process** Reduces cycle time from 19 hours to 12.

As far as patents go, FY2013 saw 19 applications made, with the cumulative count of applications awaiting grant standing at 694. Three patents were granted in the year.

Six Sigma and Supplier Quality Assessment

Six Sigma 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 Belts' and 'Green Belts' who are experts in these methods. Each Six Sigma project follows a defined sequence of steps and has quantified quality improvement targets and/or 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 FY2013.

- Within CG, there were 28 Black Belts (BBs) who implemented 75 Six Sigma projects in FY2013, versus 71 in the previous year.

- Similarly, 752 Green Belts (GBs) helped to execute 595 GB projects in the year—which were marginally less than in FY2012.

- The Six Sigma drive was extended to CG plants in USA, Indonesia, Ireland, and Hungary.

- In addition, CG continued with its supplier quality assessments in FY2013. Started in FY2008, critical to quality (CTQ) suppliers are evaluated every year by an assessor who is external to the purchasing division. This is based on an SQP Assessment form conducted via a web portal. This drive has significantly improved the incoming quality of supplies of critical parts.

Human Resources

At CG, our employees are our assets and having them organised correctly and in the right roles is as important for our business success as any other priority.

The Company focuses on building global process and policies and, through these, on enhancing the leadership quotient and talent development. The Human Resources (HR) function acts as a lever for driving CG's strategic initiatives and helps in integrating and aligning all people practices to the 'One CG's vision of the Company. In this, talent management, leadership development and succession planning have been identified as key focus areas.

Job Evaluation

CG has globally partnered with the HayGroup to develop a uniform work measurement that will enable robust implementation of CG's new organisation operating model through globally consistent rewards, talent management and organisation effectiveness processes.

Talent and Leadership Development

Recognizing the need for building a strong talent base and a robust leadership pipeline, new initiatives were deployed. Notable among these are the talent review process. Development programmes focusing on building global leadership acumen have been put in place to cater to CG's global footprint.

Performance management system

Performance is core to all our processes. A key challenge in ensuring consistency in assessing performance across businesses and locations was presence of multiple performance management processes. In FY2013, HR worked on building a uniform performance management process that integrates sub-processes of goal setting, mid-year review and annual appraisal. The tool is built on our online portal,CGHR4U, and is being made globally available to all employees across levels and businesses.

Reward and recognition

In an endeavour to build a culture that promotes and rewards performance this year, CG launched a comprehensive global programme called 'RECOGNIZE' which is applicable for all blue and white collar employees. This is a strong and flexible platform that allows peers, managers, and leaders to recognise efforts in diverse ways. It aims to engage the workforce by rewarding it– frequently and with meaningful awards – for behaviours, performance actions and attitudes that reflect the core values of CG.

CG @ Campus

At CG, we believe in nurturing young talent by bringing in fresh graduates from the local universities and colleges. It gives a chance for CG to connect with potential future employees. These students work in a range of departments from Engineering, Finance, Supply Chain to HR. In FY2013, CG re-energised the campus programme with the launch of 'ROADMAP' through which post-graduates from premier management schools were recruited for building the leadership pipeline.

Gram Vikas Bhavan, Nashik, centre for all community related initiatives

Crompton Greaves Production System

Along with these HR initiatives, CG focuses on the productivity of its blue collar employees through the implementation of the Crompton Greaves Production System (CGPS). In India, the thrust on productivity improvement continued throughout FY2013. Productivity norms in manufacturing units were suitably enhanced; and the non-permanent workforce was rationalised in some locations to improve manpower utilisation. Variable pay linked to productivity, quality, attendance and seniority has been re-designed for several units. While the norms have been made more stringent, we have given the workers opportunity to earn more through a modified incentive scheme. At a global level, CGPS implementation is nearing completion in the plants located in Ireland, Canada and the USA.

Global HR shared services

The global HR shared services framework will provide a foundation to achieve organisational excellence. This will enable CG to streamline its HR practices, policies and processes across multiple units worldwide, while maintaining customer focus. The details are being worked out, with a rollout in FY2014.

Industrial Relations

CG continues to have an excellent track record of cordial industrial relations. Our strategy of collective bargaining has helped us in ensuring mutually beneficial collaboration with unions globally. This has been done carefully and intentionally—because the inputs and expertise of unionised employees play key role in enhancing production efficiency.

Corporate Social Responsibility

FY2013 is the seventh year of CG's dedication to Corporate Social Responsibility (CSR). CG has believed that business can—and must—have a positive impact on the communities they serve and on the environment. CG is committed not just towards profitable growth, but also to leaving a deeper imprint on society as a whole. As CG expands its global footprint, the Company is matching its business growth with addressing societal needs wherever it operates.

In FY2013, the Company rolled out CSR initiatives on three themes: community outreach, education and skills development, and sustainable energy or energy management. The focus is to make efforts across all geographies to align CSR activities under these three themes.

CSR IN INDIA

Community Outreach Initiatives

- Skills training to self help groups from Kanjur village under the aegis of the Ministry of Labour and Empowerment.
- Insurance schemes for the unorganised sector, especially women involved in domestic work.
- Community library in Nimgaon Wagha.
- Construction of a Gram Vikas Bhavan and a community gymnasium at Nandur Vaidya, Nashik. The Gram Vikas Bhavan will serve as a centre for all community related initiatives such as village meetings, training programmes and cultural get-togethers.
- Health camps organised by the T2 division, Malanpur, the village of Rithora; and by Unit II in Goa in the village of Parpoli.

CG Power Systems US implemented a clean-up drive to keep the highway clean

- Renovation of the Primary Health Centre in the village of Kural by the Lighting Division, Baroda.
- Education and Skills Development.
- Bridge classes for 50 children from Kanjur Village.
- Global R&D conducted refresher course in Maths for 250 students preparing for their board exams.
- Scholarships were awarded to needy children across eight units.
- Upgrading basic facilities for the Deaf and Dumb school in Ahmednagar.
- Sponsoring a batch of 25 students for ITI and four students for a nursing course from Kanjur. Upgrading ITI with electrical panels customised by CG engineers.

Sustainability

- LT Motors, Ahmednagar, took up rainwater harvesting as part of sustainable management at their Unit. An underground water sump has been created to collect rain water accumulated from the terraces of all buildings. The underground sump has a capacity to hold 278.85 cubic metres of water. This initiative has helped reduce the dependency on the Maharashtra Industrial Development Corporation (MIDC).
- The M7 Division, Mandideep, recycled its factory scrap and converted barren land into garden space.

CSR IN THE REST OF THE WORLD

Community Outreach

- CG Power Systems Canada worked with needy families to build homes for them through Habitat for Humanity.
- Awareness programmes and fund-raising events were conducted by CG Power Systems Canada and CG Power Systems Belgium to help those suffering from chronic illnesses.
- Employees of CG Power Systems US participated in a three week mission to provide education and basic first aid supplies in Ghana.

Education and Skills Development

- CG Electric Systems Hungary conducts English speaking classes for the local youth in Tapioszele and Budapest.
- CG Power Systems Canada provides engineering scholarships to the local university with preference for female students.
- CG Power Systems Canada engineers volunteer in mentoring students taking up engineering courses in the University of Manitoba.
- ZIV Spain has tied up with Fundación Novia Salcedo, a non-profit organisation to promote employment among youth. It looks at providing scholarships and industrial exposure to such students.

Sustainability

- CG Power Systems US adopted a part of the highway leading to the CG industrial building and implemented a clean-up drive where volunteers take turns to keep the highway clean.
- CG Electric Systems Hungary initiated the 'Save Heating Energy Project' at the plant site by using solar energy.
- CG Power Systems Ireland secured a government grant for €114,000 under the Better Energy Workplace Scheme for Energy Improvement Projects. Through this, it undertook projects to reduce annual energy spend by €320,000.
- 'Carless Day' is commonly implemented across the units at different intervals to help reduce the carbon emissions and promote healthy lifestyles.

Financial Performance

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

CG: STANDALONE FINANCIAL PERFORMANCE

The standalone results of CG for the year ended 31 March 2013 and 2012 are given in Table 6. Table 7 shows the key ratios (profitability, assets efficiency and leverage ratios) of the entity for FY2013 and FY2012.

- Gross sales, or revenue from operations grew by 10.5% to Rs.7,571 crore in FY2013. Net sales and services increased by 10% to Rs.7,135 crore.
- Raw material costs as a share of net sales increased from 72.9% in FY2012 to 74.8%. In absolute terms, this head of cost increased by 12.9%—which was 2.9 percentage points more than the growth in net sales.
- This played a significant part in the 17.5% drop in EBIDTA excluding OI—from Rs.721 crore in FY2012 to Rs.595 crore in FY2013.
- PBT excluding OI reduced by 13.3% to Rs.543 crore in FY2013.
- PAT decreased by 11.7% to Rs.446 crore.
- The ratio of operating EBIDTA to net sales reduced from 11.1% in FY2012 to 8.3% in FY2013.
- RONW reduced by 4.1 percentage points to 14.6% in FY2013. Though less than the historical ratios of CG, this remains strong vis-à-vis other players in the industry.
- Given the fall in EBIT and some increase in capital employed, ROCE declined by 6.2 percentage points to 18.5% at the end of FY2013. While lower, this still remains the highest ROCE among all significant competitors in the sectors that CG India operate.

TABLE 06 STANDALONE PERFORMANCE OF CG

RS. CRORE, YEAR ENDED 31 MARCH

Particulars	FY 2012	FY 2013
Revenue from operations	**6,850**	**7,571**
Less: excise duty	365	436
Net sales and services	**6,485**	**7,135**
Cost of raw materials and components consumed and construction material	4,726	5,334
Employee benefits	363	411
Other expenses	675	795
EBIDTA excluding OI	**721**	**595**
Other income (OI)	50	53
EBIDTA Including OI	**771**	**648**
Finance costs	3	(20)
Depreciation and amortisation	91	72
PBT excluding OI	**627**	**543**
PBT including OI	**677**	**596**
Less: tax expenses		
Current tax	193	143
Deferred tax	(21)	7
PAT	**505**	**446**

TABLE 07 STANDALONE PERFORMANCE OF CG—KEY RATIOS

YEAR ENDED 31 MARCH

Particulars	FY 2012	FY 2013
PROFITABILITY RATIOS		
EBIDTA excluding OI / Net Sales	11.1%	8.3%
EBIDTA including OI / Net Sales	11.9%	9.1%
PBT / Net Sales	10.4%	8.4%
RONW	18.7%	14.6%
ROCE (at year-end capital employed)	24.7%	18.5%
Cash ROCE	28.0%	20.8%
EPS (Rs. per share)	7.87	6.95
Cash EPS (Rs. per share)	8.96	8.17
LEVERAGE RATIOS		
Total Debt To Equity	0	0
Interest Coverage Ratio	209.5	NA*
ASSET EFFICIENCY		
Net Sales To Gross WC (times)	2.0	1.8
Net Sales To Net WC (times)	4.2	3.9

Note: *with credits, the interest payout was (-)Rs20 crore for FY2013 (see Table 6 above). Thus the interest coverage ratio has no meaning.

CG: OVERSEAS FINANCIAL PERFORMANCE

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

For the CG overseas entities

- Net sales compressed by 6% to US$ 936 million. However, thanks to a 13.1% depreciation of the rupee, net sales increased by 6% to Rs.5,097 crore in FY2013.
- EBIDTA excluding OI decreased sharply from Rs.68 crore in FY2012 to (-)Rs.227 crore in FY2013; and in US$, from US$15 million in the previous year to (-)US$42 million in FY2013. As mentioned earlier in this chapter, this fall in EBIDTA excluding OI was largely on account of CG Power Overseas. To a lesser extent, it also reflected ZIV delivering poorer results than anticipated at the time of the acquisition—which the Company hopes will reverse in FY2014.
- PBT excluding OI continued to drop, and remained in negative territory: from a loss of Rs.143 crore (US$ 29 million) in FY2012, it increased to a loss of Rs.442 crore (or US$ 81 million in FY2013.
- Losses at the level PAT also increased from Rs.136 crore (loss of US$ 28 million) in FY2012 to Rs.475 crore (US$ 87 million) in FY2013. Of the latter, Rs.121 crore was on account of the Mechelen restructuring and rightsizing. Net of this, PAT was at a loss of Rs.354 crore (US$ 65 million) in FY2013.
- Also embedded under the various operational heads are the incidental costs

involved in Belgium restructuring, aggregating Rs.108 crore, which are also one-time in nature.

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, it grew by 7.5% to Rs.12,094 crore in FY2013. In US$, it reduced by 4.9% to US$ 2.2 billion. FY2013 was the third successive year when CG's net sales and services exceeded the US$ 2 billion mark.
- For reasons mentioned earlier, EBIDTA excluding OI reduced by 52.3% in FY2013 to Rs.383 crore; and fell by 57.8% to US$ 70 million.
- PBT excluding OI reduced in FY2013 to Rs.109 crore, or US$ 20 million.
- In FY2013, PAT (after accounting for minority interests and share of associated companies, but before the exception one-time cost on account of restructuring operations at Mechelen) was Rs.85 crore, or US$ 16 million. After accounting for this cost, CG posted a PAT of (-)Rs.36 crore, or (-) US$ 7 million.
- Embedded under the various operational heads are incidental costs involved in the Belgium restructuring, aggregating Rs.108 crore which are also one-time in nature.

75 Six-Sigma projects were implemented in FY 12-13

Risk Management

Crompton Greaves continues to deploy a well articulated risk management framework. This is based upon a three-tiered approach encompassing (i) enterprise risks, (ii) process risks, and (iii) compliance risks.

Enterprise risk identification and mitigation initiatives are managed through an on-going action agenda between the corporate risk department and each of the businesses, as well as for the Company as a whole. The coverage extends to all key business exposures as well as to lost opportunities—both internal and external—that are identified in conjunction with the businesses. After getting a measure of each such enterprise risk, the corporate risk department tracks the mitigation actions.

Process risk management involves assurances by the Company's internal audit department regarding the effectiveness of business and financial controls and processes

TABLE 08

CONSOLIDATED FINANCIAL PERFORMANCE OF THE OVERSEAS ENTITIES

YEAR ENDED 31 MARCH

	FY 2012		FY 2013	
Particulars	Rs. Crore	US$ Million	Rs. Crore	US$ Million
Revenue from operations	4,794	996	5,097	936
EBIDTA excluding OI	**68**	**15**	**(227)**	**(42)**
Other income (OI)	16	3	39	7
EBIDTA including OI	**84**	**18**	**(188)**	**(35)**
Finance cost (net of exchange gain/loss)	42	9	90	16
Depreciation and amortisation expenses	169	35	125	23
PBT excluding OI (before exceptional item)	**(143)**	**(29)**	**(442)**	**(81)**
PBT including OI (before exceptional item)	(127)	(26)	(403)	(74)
Exceptional Items*	-	-	121	22
PBT (after exceptional item)	**(127)**	**(26)**	**(524)**	**(96)**
Less: tax expenses				
Current tax	23	5	40	7
Deferred tax	(14)	(3)	(90)	(16)
PAT	**(136)**	**(28)**	**(474)**	**(87)**
Minority interest	0	0	1	0
Share of profit / (loss) of associates	0	0	(2)	0
PAT carried forward to the Balance Sheet	**(136)**	**(28)**	**(475)**	**(87)**
Exchange rate for US$1		**48.1233**		**54.4316**

Note: The exceptional item in FY2013 was the one-time restructuring and rightsizing costs incurred in Mechelen, valued at Rs.121 Crore

TABLE 09

CONSOLIDATED FINANCIAL PERFORMANCE

YEAR ENDED 31 MARCH

Particulars	FY 2012 Rs. Crore	FY 2012 US$ Million	FY 2013 Rs. Crore	FY 2013 US$ Million
Gross sales and services	**11,615**	**2,414**	**12,533**	**2,303**
Less: excise duty	366	76	439	81
Net Sales and Services	**11,249**	**2,338**	**12,094**	**2,222**
Cost of raw materials and components consumed and construction material	7,685	1,597	8,346	1,533
Employee Benefits	1,466	305	1,740	320
Other Expenses	1,294	269	1,625	299
EBIDTA excluding OI	**804**	**167**	**383**	**70**
Other Income (OI)	52	11	76	14
EBIDTA including OI	**856**	**178**	**459**	**84**
Finance Costs	46	10	71	13
Depreciation and Amortisation	260	54	203	37
PBT excluding OI	**498**	**103**	**109**	**20**
PBT including OI (before Exceptional Item)	550	114	185	34
Less: Exceptional Item	-	-	121	22
PBT after Exceptional Item	**550**	**114**	**64**	**12**
Less: Tax Expenses				
Current tax	217	45	185	34
Deferred tax	(35)	(7)	(84)	(15)
PAT (before Exceptional Item)	**368**	**76**	**84**	**15**
PAT (after Exceptional Item)	**368**	**76**	**(37)**	**(7)**
Minority Interest	1	0	1	0
Share of profit /(loss) of associate companies	5	1	0	0
PAT after minority interest and share of associate companies	**374**	**77**	**(36)**	**(7)**
Exchange rate for US$1		**48.1233**		**54.4316**

TABLE 10

CG'S CONSOLIDATED FINANCIAL PERFORMANCE—KEY RATIOS

YEAR ENDED 31 MARCH

Particulars	FY 2012	FY 2013
PROFITABILITY RATIOS		
EBIDTA excluding OI / Net sales	7.1%	3.2%
EBIDTA including OI / Net sales	7.6%	3.8%
PBT / Net sales (excluding exceptional item)	4.9%	1.5%
RONW	10.5%	(1.1%)
ROCE (terminal)*	12.9%	4.7%
Cash ROCE (terminal)*	18.5%	8.4%
PER SHARE RATIOS		
EPS	5.8	(0.6)
Cash EPS	9.3	1.3
LEVERAGE RATIOS		
Total debt to equity	0.2	0.4
Interest coverage ratio	18.5	6.5
ASSETS EFFICIENCY RATIOS		
Net sales to gross working capital (times)	1.9	1.9
Net sales to net working capital (times)	6.0	6.7

*Calculated excluding exceptional item

in all key activities across the various businesses.

Compliance risk management comprises a detailed mechanism of assurances with respect to adherence of all laws and regulations in every country, with a comprehensive reporting process that cascades upwards from the accountable business line executives to CG's fiduciary Audit and Risk Committee (ARC) and then on to the Board of Directors.

The outcomes of business review meetings conducted by management and internal audit regarding processes and their compliance, as well as observations of the ARC and the Board of Directors are continuously incorporated to capture new risks and update the existing ones.

All three dimensions of CG's Risk Management framework are reviewed annually for their relevance and modifications, as required. The businesses and internal audit make regular presentations to the ARC for detailed review. The risk management process, including its tracking and adherence, is substantially e-enabled for greater consistency and better reporting capabilities.

Internal Controls and their Adequacy

CG believes that a strong internal controls framework is an essential pre-requisite of growing its businesses. To that end, it has an effective and efficient internal control system to conduct the audit of various divisions, sales offices, corporate headquarters and overseas operations. The internal audit team focuses primarily on operational and systems audits that monitor compliance with defined Rules of Procedure (RoP) of the Company.
Annual internal audit plan covers key areas of operations. This is vetted by Board-level ARC, which is updated every quarter—and occasionally between successive quarters—of the significant internal audit observations, compliance with statutes, risk management and control systems. The ARC assesses the adequacy and effectiveness of inputs given by internal auditor and suggests improvement for strengthening internal controls from time to time.

CG's internal controls have been designed to provide a reasonable assurance with regard to maintaining of proper internal controls, monitoring of operations, protecting assets from unauthorised use or losses, compliances with regulations for ensuring reliability of financial reporting. The Company uses SAP as its key data and analytics tool—which has over the years considerably enhanced the internal control mechanism.

As recommended by ARC, internal audit has developed and extended an internally coded Risk Control Framework (RCF) software across the Company. This helps in understanding the risk and control environment from the perspective of each unit—be it a division or a marketing/sales office. The ARC periodically reviews the findings of RCF and suggests improvements where needed.

As mentioned in the previous section, CG also has a comprehensive risk management policy, which conducts risk assessment, reports to the Board-level ARC and simultaneously suggests mitigation procedure to the Company's management.

Outlook

The global economic scenario for 2013 remains depressed. According to data from the International Monetary Fund (IMF) in April 2013, real GDP for the world as a whole is expected to grow at 3.3% in 2013. Matters are worse in the developed nations. Growth for the G7 countries is expected to decline from 1.4% in 2012 to 1.3% in 2013. For the Euro area, it is poorer still: its real GDP is expected to contract by 0.3%. The only beacons of hope are the emerging markets. Thanks to the heft of China, developing Asia is expected to grow at 7.1% in 2013; and sub-Saharan Africa by 5.6%.

If one keeps Asia and Africa aside for the moment, it is clear that any company specialising in power and industrial systems for the western world will be hard-pressed to generate healthy growth with sufficient profits in the short to medium term. Therefore, for both power and industrial systems, CG will have to single-mindedly focus on improving productivity and throughput, and reducing material and conversion costs. These are non-negotiable elements of building a global T&D organisation.

In addition, the Company needs to secure more orders for end-to-end power systems and solutions and for integrated motors-cum-power automation packages—not only from utilities but also from other sectors such as oil and gas. Moreover, the systems and solutions orders must be well executed, so that these end up generating the budgeted margins and cash.

Furthermore, CG will have to seriously leverage the offerings that ZIV brings to power automation to increase this business and its profitability across developing Asia and sub-Saharan Africa. This may take some time. But it will have to be done.

Industrial systems, too, will be under pressure from competition. Its salvation lies in upgrading products and in combining rotating motors with power automation systems to give customers superior offerings. There are early signs of this occurring within the business. But it needs to be hard-wired and efficiently executed.

As far as consumer products go, the markets are also being contested. CG must create a nimble, customer-focused, go-to-market consumer products organisation in rapid time.

Through all this there must be a singular theme: 'One CG' across all its locations, markets and businesses. CG must leverage capacities, engineering skills, R&D, as well as cost and quality synergies to be a profitable supplier of choice across its key markets—with a clear bias in favour of the faster growing emerging countries.

Initiatives are now in place to make these moves happen. There will be more efforts to align, cooperate and create an organisation with increasing returns to scale—where 'One plus One Exceeds Two'.

However, these will take time to deliver their results. Thus, for FY2014, the Company's outlook remains subdued. It expects higher growth and better performance. But it also recognises that the path to a better tomorrow is hard. We hope to do better in FY2014. But in the present environment, it is difficult to say by how much.

Laurent Demortier
CEO and Managing Director
Mumbai, 24 May 2013

CAUTIONARY STATEMENT

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

TEN YEARS' HIGHLIGHTS

STAND-ALONE
CONSOLIDATED

EARNINGS

YEAR ENDED 31ST MARCH, IN RS. CRORE

	2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011	2012	2012	2013	2013
TOTAL INCOME	1888	2180	2200	2771	4412	3695	6039	4290	7247	4940	9090	5585	9469	6356	10430	6901	11668	7624	12609
GROSS SALES AND SERVICE	1861	2153	2172	2739	4346	3660	5934	4223	7181	4904	9031	5516	9376	6277	10331	6850	11615	7571	12533
NET SALES AND SERVICE	1711	1973	1989	2521	4127	3368	5640	3876	6832	4611	8737	5284	9141	5951	10005	6485	11249	7135	12094
EBIDTA*	185	190	194	265	390	377	588	553	811	674	1054	927	1371	1012	1443	771	856	648	459
PBT	90	125	128	195	277	307	436	486	615	614	867	870	1189	927	1229	677	550	596	185
PAT **@	71	115	120	163	233	192	282	314	407	397	560	617	860	694	889	505	374	446	(36)
DIVIDEND PAY-OUT	37	37	37	37	37	47	47	59	59	73	73	81	81	141	141	90	90	77@@	77@@

WHAT THE COMPANY OWNED

YEAR ENDED 31ST MARCH, IN RS. CRORE

	2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011	2012	2012	2013	2013
GROSS BLOCK (INCL. CAPITAL WIP)	801	819	825	861	1733	959	2335	1078	2733	1124	3083	1204	3099	1651	3890	1424	4558	1560	5539
NET BLOCK (INCL. CAPITAL WIP)	368	351	354	364	541	433	1087	515	1245	523	1379	567	1376	923	1941	675	2258	775	3066
INVESTMENTS	70	77	83	102	65	135	65	195	93	266	167	688	553	782	675	1053	786	1055	791
NET CURRENT ASSETS	246	295	297	331	571	414	708	361	759	570	969	620	1085	1139	1603	1552	1887	1825	1795
NET ASSETS EMPLOYED	684	723	734	797	1177	982	1860	1071	2097	1359	2515	1875	3014	2458	3875	2802	4463	3173	5176

* EBIDTA = Earnings before Interest, Depreciation, Amortisation, Tax, and Exceptional Item ** Profit after tax, Minority Interest and Share of Associate Companies for Consolidated Profit and Loss Account @ After exceptional/extraordinary items @@ Includes proposed dividend.

WHAT THE COMPANY OWED

YEAR ENDED 31ST MARCH, IN RS. CRORE

	2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011	2012	2012	2013	2013
BORROWINGS	334	315	315	250	422	270	904	88	842	54	718	27	501	13	470	8	1044	14	2029
TOTAL LIABILITIES	982	912	915	1052	1970	1317	3139	1383	3484	1570	3919	1627	3518	1712	3874	1826	5003	2163	6435

NET WORTH OF THE COMPANY

YEAR ENDED 31ST MARCH, IN RS. CRORE

	2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011	2012	2012	2013	2013
SHARE CAPITAL	52	52	52	52	52	73	73	73	73	73	73	128	128	128	128	128	128	128	128
RESERVES & SURPLUS	288	356	367	484	733	601	896	858	1229	1169	1758	1637	2376	2176	3146	2573	3483	2929	3433
SHAREHOLDERS' FUNDS	340	408	419	536	785	674	969	931	1302	1242	1831	1765	2504	2304	3275	2701	3611	3057	3561
TANGIBLE NET WORTH***	340	408	419	536	742	674	927	931	1243	1242	1783	1765	2504	2304	3275	2701	3560	3057	3393

RATIOS

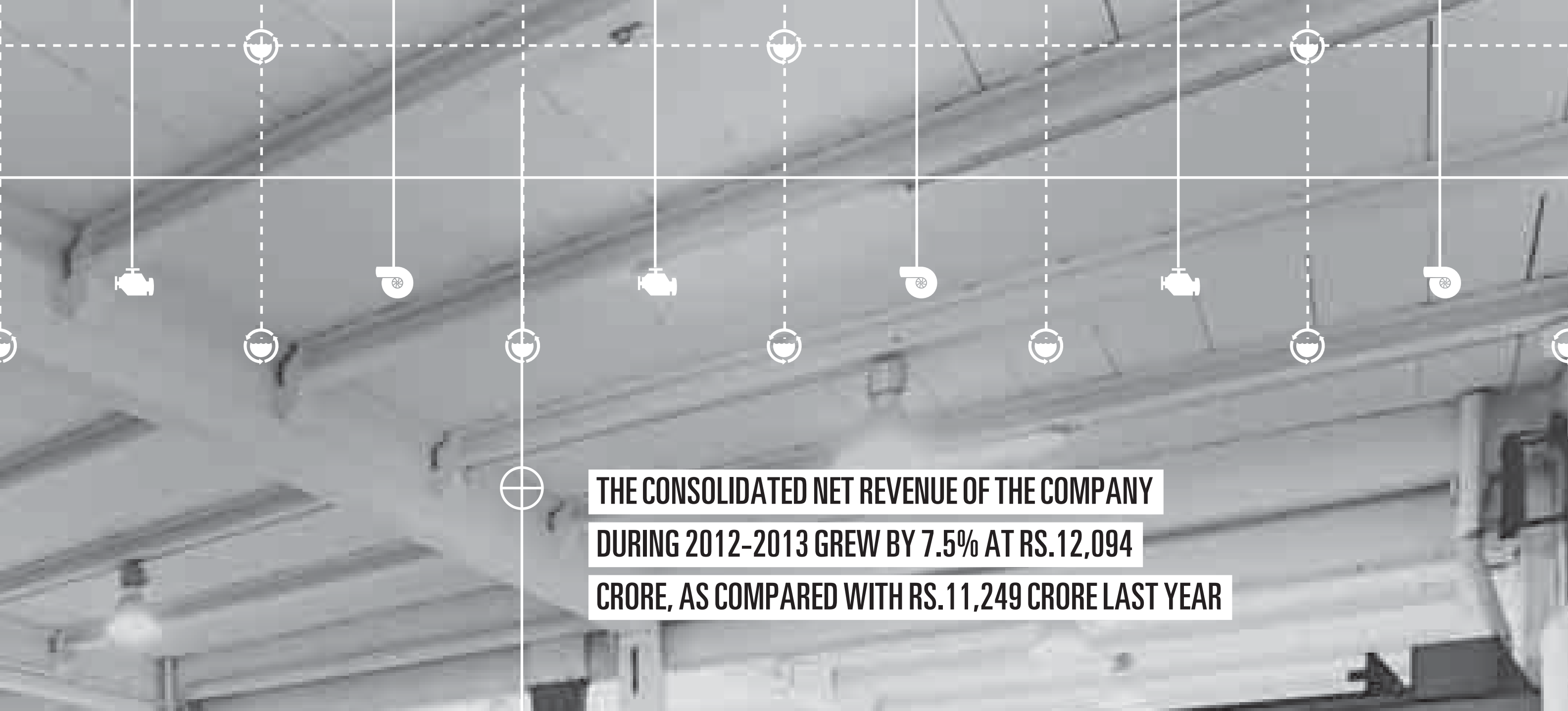
YEAR ENDED 31ST MARCH

	2004	2005	2005	2006	2006	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011	2012	2012	2013	2013
BOOK VALUE PER SHARE (IN RS.)	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	47.7	52.9
EARNINGS PER SHARE @ (IN RS.)	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	6.95	(0.56)
CASH EARNINGS PER SHARE @ (IN RS.)	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	8.17	1.30
CURRENT RATIO	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	1.88	1.46	1.87	1.39
DEBT EQUITY RATIO	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	0.00	0.44
EBIDTA / NET SALES (IN %)	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	9.1	3.8
RETURN ON TANGIBLE NET WORTH (IN %)	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	14.6	(1.1)
FIXED ASSETS TURNOVER RATIO (IN TIMES)	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	9.2	3.9
NO OF PERMANAENT EMPLOYEES	5470	5256	8174	4916	7801	4912	7972	5002	8307	5094	8564	5116	8647	5214	8702	5365	8966	5575	9575

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

DIRECTORS' REPORT

Distribution Transformers, Belgium, obtained certification from Electricite Reseau Distribution, France (ERDF) for a full range of auto transformers



To The Members,

Your Directors are pleased to present their Seventy Sixth Annual Report on the business and operations of the Company and the accounts for the financial year ended 31 March 2013.

THE YEAR IN RETROSPECT

The consolidated net revenue of the Company during 2012-2013 grew by 7.5% at Rs.12,094 crore, as compared with Rs.11,249 crore last year. The Company has achieved a stand-alone net turnover of Rs.7135 crore, during the year under review, as compared with Rs.6485 crore during the previous year, a rise of 10%.

Consolidated profit before tax (after exceptional item) decreased to Rs.64 crore, as compared with Rs.550 crore in the previous year, a decrease of 88.4% over last year. Stand-alone profit before tax decreased from Rs.677 crore to Rs.596 crore, a decrease of 11.9%.

Consolidated loss after tax (after exceptional item) was Rs.36 crore as compared with consolidated profit after tax of Rs.374 crore in the previous year, a decrease of 109.7%. The Company recorded a stand-alone profit after tax of Rs.446 crore, a decrease of 11.7%.

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.

ACQUISITION

On 27 July 2012, the Company acquired ZIV Group based in Spain, engaged in the design, engineering, manufacturing and support of Intelligent Electrical Devices (IEDs) and power automation systems for Utilities and Industries, for an Enterprise Value of €147 million. ZIV's offerings span from Substation and Distribution Automation, to Advanced Metering Infrastructure (AMI). ZIV has installed more than 1.4 million IEDs for Utilities and Industries across the world. This acquisition expands the CG portfolio for power system automation and protection and creates a strong platform for CG in the smart grid arena.

On 11 January 2013, the Company acquired the Compact Fluorescent Lamps (CFL) business of Karma Industries at Baddi, Himachal Pradesh, for an approximate value of Rs.145 million. The acquisition will double the Company's capacity in the fast-growing CFL lighting segment and reinforce its presence in the rapidly growing Indian consumer market.

DURING THE YEAR, CG HAS FORMED A CORE GROUP FOR EXCHANGE OF KNOWLEDGE AND TO STANDARDIZE THE SYSTEMS AND PROCEDURES ACROSS ALL CG LOCATIONS WORLDWIDE

First hazardous area ATEX certified transformers designed and despatched for the oil and gas industry

AMALGAMATION

CG-ZIV Power Automation Solutions Ltd (CG-ZIV) is a Joint Venture Company between the Company and ZIV Spain. Post acquisition of ZIV Group, for simplification of the shareholding structure and operational synergies, the Board of Directors at their Meeting held on 18 April 2013, approved the amalgamation of CG-ZIV with the Company. A Scheme of Amalgamation will shortly be filed with the High Court of Judicature at Bombay.

JOINT VENTURE

On 2 May 2013, the Company entered into a Joint Venture Agreement with PT Prima Layanan Nasional Enjinring (PLNE) of Indonesia, for the manufacture of high voltage (HV) and extra high voltage (EHV) switchgear ranging from 70kV to 500kV in Indonesia. The Joint Venture will be owned 51% by CG and 49% by PLNE.

RATIONALIZATION

The Company has been progressively evaluating opportunities for improving operational viability of the various businesses of CG. The transformer market in Western Europe is facing both over capacity and price pressure. Therefore, in order to have globally competitive and sustainable business operations in Europe, it was decided that CG's Belgium operations be optimised for cost advantages, through administrative cost reduction measures and a right-sizing of its workforce at its Mechelen, Belgium site.

This rationalisation program was concluded on 14 December 2012 with the separation of approximately 200 employees. Job Search and other employee help programs were implemented to assist separated employees to find new jobs. Post the project, a "Fresh Start" program comprising communication and engagement initiatives was launched to reinforce Company's strategy, vision and expectations, monthly updates on the business situation and weekly department meetings. Senior Management is actively involved through a Fresh Start Steering Committee which oversees the overall communication and employee involvement processes to sustain employee productivity commitment and morale after the rationalization.

DIVIDEND

The Company declared two interim dividends during the year :

- Rs.0.40 per equity share (20%) aggregating to a total dividend payout of Rs.30 crore (including dividend tax) declared on 20 July 2012; the Book Closure for this purpose was 28 July 2012 to 3 August 2012 and the Interim Dividend was paid on 8 August 2012.
- Rs.0.40 per equity share (20%) aggregating to a total dividend payout of Rs.30 crore (including dividend tax) declared on 2 November 2012; the Record Date for this purpose was 8 November 2012 and the Interim Dividend was paid on 20 November 2012.

The above mentioned dividend payout as a percentage of the share capital works out to 40%.

The Board of Directors have recommended a Final Dividend of 20%, declared on 24 May 2013; the Book Closure for this purpose is Monday, 29 July 2013 to Tuesday, 6 August 2013, both days inclusive.

RESERVES

The Reserves, on stand-alone basis, at the beginning of the year were Rs.2,573 crore. The Reserves at the end of the year are Rs.2,929 crore.

DIRECTORATE

Mr B Hariharan was appointed as an Additional Director on the Company's Board of Directors with effect from 1 November 2012. Dr (Mrs) C Lewiner was appointed as an Additional Director on the Company's Board of Directors with effect from 28 January 2013. Mr S Apte was appointed as an Additional Director on the Company's Board of Directors with effect from 18 April 2013. Mr Hariharan, Dr Lewiner and Mr Apte hold office upto the date of the forthcoming annual general meeting, and considering that the Company will benefit from their continuance as a Director, their appointments are being recommended.

Mr S Bayman, Independent Director stepped down from his directorship of the Company, with effect from 1 April 2013. The Board places on record its gratitude and appreciation for Mr Bayman's guidance to the Company during his tenure as Director.

TABLE 01 — SALES AND PROFIT BEFORE INTEREST AND TAX (PBIT)

IN RS CRORE

Segment	Measure	2011-2012	2012-2013
Power Systems (CG Stand-alone)	Sales	2,747	2,725
	PBIT	320	231
Industrial Systems (CG Stand-alone)	Sales	1,520	1,499
	PBIT	225	213
Consumer Products	Sales	2,134	2,593
	PBIT	263	278
Power Systems (Including International Operations)	Sales	7,195	7,336
	PBIT	248	(110)
Industrial Systems (Including International Operations)	Sales	1,820	1,835
	PBIT	210	214

TABLE 02 FINANCIAL HIGHLIGHTS

RS. CRORE FOR THE YEAR ENDED 31 MARCH 2013 AND 31 MARCH 2012

	Particulars	CG Stand-alone 2013	CG Stand-alone 2012	CG Non-India Consolidated *@ 2013	CG Non-India Consolidated *@ 2012	CG Consolidated** 2013	CG Consolidated** 2012
A	Gross Sales	7,571	6,850	5,097	4,794	12,533	11,615
B	Less: Excise Duty	436	365	-	-	439	366
C	Net Sales	7,135	6,485	5,097	4,794	12,094	11,249
D	Less: Operating Expenses	6,540	5,764	5,324	4,726	11,711	10,445
E	Operating Profit	595	721	(227)	68	383	804
F	Add: Dividend and Other Income	53	50	39	16	76	52
G	Profit before Interest, Depreciation, Amortisation and Taxes	648	771	(188)	84	459	856
H	Less: Finance costs	(20)	3	90	42	71	46
I	Profit before Depreciation, Amortisation and Taxes	668	768	(278)	42	388	810
J	Less: Depreciation, Amortisation	72	91	125	169	203	260
K	Profit before exceptional items and taxes	596	677	(403)	(127)	185	550
L	Less: Exceptional Items	-	-	121	-	121	-
M	Profit Before Tax	596	677	(524)	(127)	64	550
N	Less: Provision for Current Year Tax	143	193	40	23	185	217
O	Less: Provision for Deferred Tax	7	(21)	(90)	(14)	(84)	(35)
P	Profit After Tax	446	505	(474)	(136)	(37)	368
Q	Minority Interest	-	-	1	0	1	1
R	Share of Profit of Associate Companies (net)	-	-	(2)	0	0	5
S	Profit available for distribution	446	505	(475)	(136)	(36)	374

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


Second phase of expansion to 12,500 MVA per year in progress at CG's Power Transformer facility, Hungary

TABLE 03 FINANCIAL HIGHLIGHTS

EURO MILLION FOR THE YEAR ENDED 31 MARCH 2013 AND 31 MARCH 2012

	Particulars	CG Stand-alone 2013	CG Stand-alone 2012	CG Non-India Consolidated *@ 2013	CG Non-India Consolidated *@ 2012	CG Consolidated** 2013	CG Consolidated** 2012
A	Gross Sales	1,080	1,035	727	724	1,788	1,755
B	Less: Excise Duty	62	55	-	-	63	55
C	Net Sales	1,018	980	727	724	1,725	1,700
D	Less: Operating Expenses	933	871	759	714	1,670	1,578
E	Operating Profit	85	109	(32)	10	55	122
F	Add: Dividend and Other Income	7	8	6	2	10	8
G	Profit before Interest, Depreciation, Amortisation and Taxes	92	117	(26)	12	65	130
H	Less: Finance costs	(3)	1	13	6	10	7
I	Profit before Depreciation, Amortisation and Taxes	95	116	(39)	6	55	123
J	Less: Depreciation, Amortisation	10	14	18	26	29	39
K	Profit before exceptional items and taxes	85	102	(57)	(20)	26	84
L	Less: Exceptional Items	-	-	17	-	17	-
M	Profit Before Tax	85	102	(74)	(20)	9	84
N	Less: Provision for Current Year Tax	20	29	6	3	26	33
O	Less: Provision for Deferred Tax	1	(3)	(13)	(2)	(12)	(5)
P	Profit After Tax	64	76	(67)	(21)	(5)	56
Q	Minority Interest	-	-	0	0	0	0
R	Share of Profit of Associate Companies (net)	-	-	0	0	0	1
S	Profit available for distribution	64	76	(67)	(21)	(5)	57

* Consolidated Accounts of CG International BV (CGIBV), the holding company for CG's international operations. ** Includes results of CG Stand-alone and Indian Subsidiaries, Crompton Greaves Holdings Mauritius Limited, CG International Holdings Singapore PTE Ltd and CGIBV consolidated @ Figures have been regrouped for the purposes of consolidation. Note: Average exchange rate considered for 1 EURO in 2012-13 is Rs.70.1028 and in 2011-12 is Rs.66.1764

Mr SP Talwar, Independent Director stepped down from his directorship of the Company, with effect from 24 May 2013. The Board places on record its gratitude and appreciation for Mr SP Talwar's guidance to the Company during his tenure as Director.

Dr O Goswami, Ms M Pudumjee and Mr S Prabhu 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 appointment and 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, one of India's leading business conglomerates, led by Chairman Mr Gautam Thapar. With a global footprint, the Avantha Group operates in 90 countries with more than 25,000 employees worldwide.

As required by the 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's continues its commitment and increased focus on R&D, since these efforts are important drivers for global competitiveness and growth.

Our business units were consolidated globally to reflect "One CG", and the offerings of CG have been re-aligned along "Global Product Lines". This has necessitated realignment of R&D initiatives globally. SBU R&D units and the Global R&D Centre have been suitably integrated to create internal and external synergies and extract better value from the new model for R&D.

Energy efficiencies and cost reduction were the main triggers for product innovation during the year. Extended range of IE3 motors, motors with regenerative drives, low loss, low noise transformers, extended range of LED based light sources, low energy consuming fans & appliances, lighting management systems for small buildings are salient examples in our drive to reach out to the market.

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 worldwide. CG continues to have a strong presence and has commercialized production of its 1200 kV offerings in India – Capacitive Voltage Transformer, Surge Arrester and Power Transformer. R&D continues to facilitate the indigenous design, development and manufacturing of 800 kV Power transformers, gas circuit breakers, instrument transformers and surge arresters.

CG's R&D efforts have resulted in 15 R&D units which have received recognition from the Department of Scientific & Industrial Research, Ministry of Science & Technology, India. These recognitions further support CG in its quest for building a stronger foundation for innovativeness in development of technology as an important driver towards a stronger global presence, in future.

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

TABLE 04 FINANCIAL HIGHLIGHTS

USD MILLION FOR THE YEAR ENDED 31 MARCH 2013 AND 31 MARCH 2012

	Particulars	CG Stand-alone		CG Non-India Consolidated *@		CG Consolidated**	
		2013	2012	2013	2012	2013	2012
A	Gross Sales	1,391	1,424	936	996	2,303	2,414
B	Less: Excise Duty	80	76	-	-	81	76
C	Net Sales	1,311	1,348	936	996	2,222	2,338
D	Less: Operating Expenses	1,202	1,198	978	981	2,152	2,171
E	Operating Profit	109	150	(42)	15	70	167
F	Add: Dividend and Other Income	10	11	7	3	14	11
G	Profit before Interest, Depreciation, Amortisation and Taxes	119	161	(35)	18	84	178
H	Less: Finance costs	(3)	1	16	9	13	10
I	Profit before Depreciation, Amortisation and Taxes	122	160	(51)	9	71	168
J	Less: Depreciation, Amortisation	13	19	23	35	37	54
K	Profit before exceptional items and taxes	109	141	(74)	(26)	34	114
L	Less: Exceptional Items	-	-	22	-	22	-
M	Profit Before Tax	109	141	(96)	(26)	12	114
N	Less: Provision for Current Year Tax	26	40	7	5	34	45
O	Less: Provision for Deferred Tax	1	(4)	(16)	(3)	(15)	(7)
P	Profit After Tax	82	105	(87)	(28)	(7)	76
Q	Minority Interest	-	-	0	0	0	0
R	Share of Profit of Associate Companies (net)	-	-	0	0	0	1
S	Profit available for distribution	82	105	(87)	(28)	(7)	77

* Consolidated Accounts of CG International BV (CGIBV), the holding company for CG's international operations. **Includes results of CG Stand-alone and Indian Subsidiaries, Crompton Greaves Holdings Mauritius Limited, CG International Holdings Singapore PTE Ltd and CGIBV consolidated @ Figures have been regrouped for the purposes of consolidation. Note: Average exchange rate considered for 1 USD in 2012-13 is Rs.54.4316 and in 2011-12 is Rs.48.1233

Limited (CGPS).

In addition to the above, the Company has 41 foreign subsidiaries as under :

- Crompton Greaves Holdings Mauritius Ltd
- CG International Holdings Singapore PTE Ltd
- CG International B.V.
- PT. CG Power Systems Indonesia
- CG Holdings Belgium N.V.
- CG Power Holdings Ireland Ltd
- CG Power Systems Belgium N.V.
- CG Automation Systems UK Ltd
- CG Power Systems USA Inc
- CG Automation Solutions USA Inc
- CG Power Systems Ireland Ltd
- 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
- 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 Drives & Automation Germany GmbH
- Emotron Latin America Inc
- CG Industrial Holdings Sweden AB
- Crompton Greaves Holdings Sweden AB
- CG Drives & Automation Sweden AB
- CG Drives & Automation Netherlands BV
- ZIV I +D Smart Energy Networks
- ZIV Aplicaciones y Tecnologia SL
- ZIV Communications SA
- ZIV Metering Solutions SL
- ZIV USA Inc
- ZIV Grid Automation SL
- ZIV do Brasil Ltda

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 41 foreign subsidiaries, for the year ended 31 March 2013. 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.

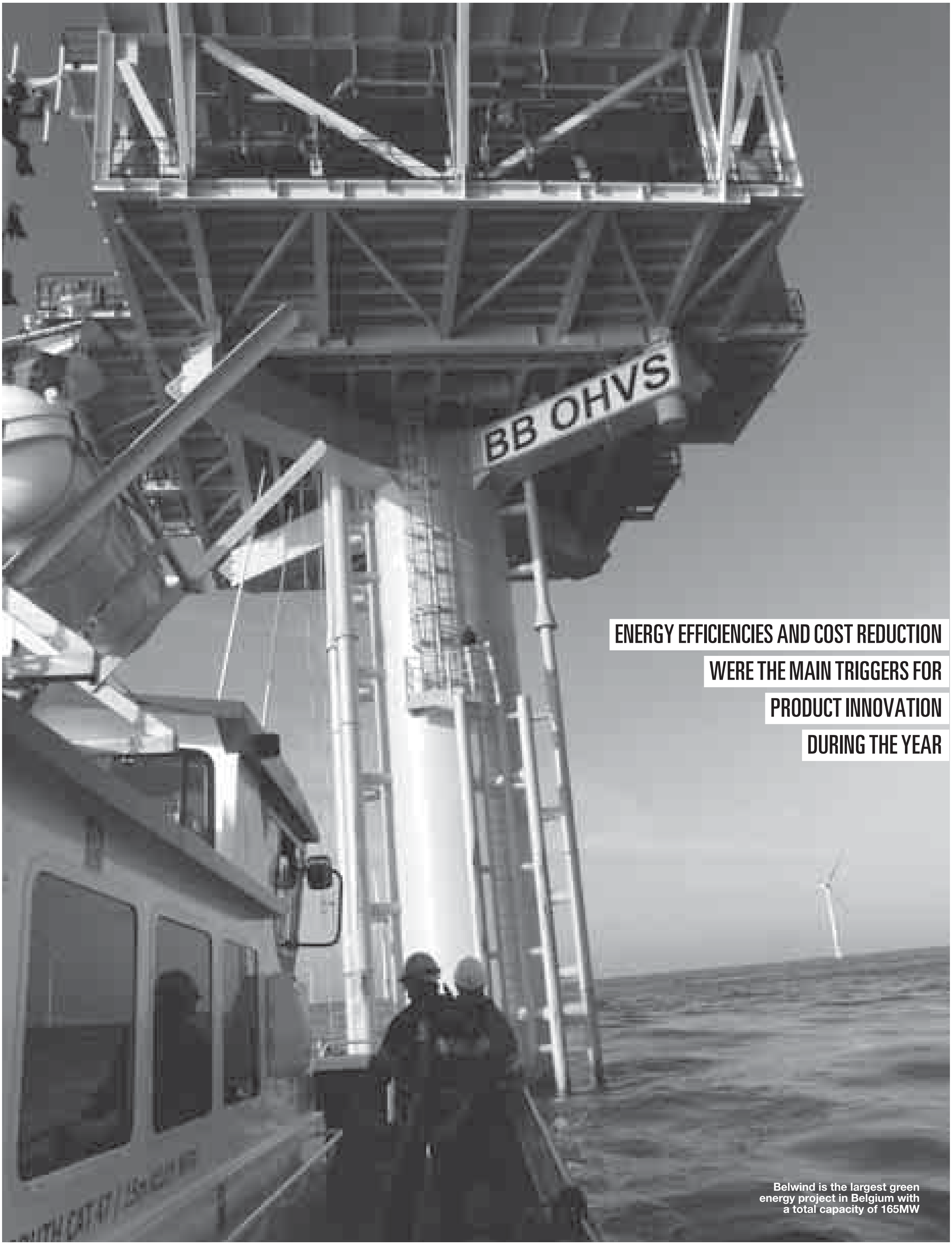
The details of each subsidiary with respect to capital, reserves, total assets, total liabilities, details of investment (except in case of investment in subsidiaries), turnover, profit before taxation, provision for taxation, profit after taxation and proposed dividend as prescribed by the Ministry of Corporate Affairs, are detailed in Information in respect of subsidary companies in the accounts section of this Report.

BRANCH OFFICE

The Company has established a branch office at Poland. The stand-alone financial statements of the Company includes the financial statements 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



ENERGY EFFICIENCIES AND COST REDUCTION WERE THE MAIN TRIGGERS FOR PRODUCT INNOVATION DURING THE YEAR

Belwind is the largest green energy project in Belgium with a total capacity of 165MW

Competitive low loss design for distribution transformers developed for the renewables market in the UK

Accountants of India, the financial statements of the Company reflect the consolidation of the Accounts of the Company, its 45 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 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 for 2011-2012. The due date for filing the above cost audit reports was 28 February 2013; the actual date of filing was 27 December 2012. The Company has re-appointed Ashwin Solanki & Associates as Cost Auditors, for the financial year 2012-2013.

FIXED DEPOSITS

The Company has discontinued acceptance of fresh deposits and also renewal of existing deposits. One person has not claimed repayment of his matured deposit amounting to Rs.10,000 as at 31 March 2013. At the date of this Report, an amount of Rs.4,27,000 has been claimed and repaid, or transferred to the Investor Education Protection Fund, on completion of seven years.

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

SHARE REGISTRAR & TRANSFER AGENT

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

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

ENVIRONMENT, HEALTH & SAFETY

CG's 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 Environment, Health & Safety (EHS) scorecard is progressing well. Targets assigned to each division/entity to reduce the resource consumption for next year is regularly monitored through an EHS scorecard and reviewed at monthly business review meetings. The improved awareness for EHS and also the Key Performance Indicators identified by each division/entity for improvements has helped CG to reduce the number of accidents significantly. Water consumption has reduced by 15% and paper consumption has reduced by 17%.

To strengthen this initiative further, a new Key Performance Indicator of material waste reduction has been added for 2013-2014. All units have budgeted targets for reduction in material waste. This initiative of optimum utilization of materials will be an important contribution from CG, for environment protection activities.

During the year, CG has formed a core group for exchange of knowledge and to standardize the systems and procedures across all CG locations worldwide. This core group also assesses the various Units on safety and environment protection improvement activities. Audits were conducted by this core group twice during the year.

CG has implemented several company-wide processes at its Units, 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 EHS track record. Safety Week was observed across all Units from 4 March 2013 to 10 March 2013 to create continuing awareness on safety.

28 manufacturing plants of CG worldwide have achieved certifications for ISO 14001- Environmental Management Systems and OHSAS 18001- Occupational Health & Safety Assessment series. CG is pursuing similar Certification for its other remaining locations. Certifying authorities 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 at all its locations worldwide for their tremendous 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 other business associates for their continued support extended to the Company and the Management.

On behalf of the Board of Directors

G Thapar
Chairman
Mumbai, 24 May 2013

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 accelerated momentum on energy conservation initiatives continued this year at manufacturing plants worldwide, with further efforts towards substitution of traditional sources of energy with renewable energy, measures for heat control and additional equipments for saving of electricity.

The illustrative measures taken towards energy conservation at Units are:

- Installation of solar systems, solar lights and biogas plants in canteens
- Replacement of oven control panels with thyristor controlled panels that are more energy efficient
- Introduction of shop floor fans with timers for more centralized controls
- Change of centrifugal compressors to energy efficient screw compressors
- Usage of LED (Light Emitting Diode) types of lighting
- Replacement of On-Off controller of furnace heater with PID controller
- Reduction of cycle time in autoclave and usage of compressed air
- Installation of Bio natural gas plants for the purpose of heating ovens which replace existing electrical heating

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

The following processes are under implementation for further reducing energy consumption:

- Installation of draft cooling towers to control heat capacities
- Rain water harvesting
- Conversion to LED lighting in manufacturing locations
- Usage of Active Power Factor Correction panels
- Modification of gas fired ovens in CFL manufacturing
- Installation of waste heat recovery unit
- Usage of screw compressors and compressor load balancing
- Lighting management in office

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

The measures at (a) and (b) above have resulted in saving in electricity by 6.5%, saving in water by 15%, saving in paper usage by 17%, resulting in reduction in cost of production.

B. TECHNOLOGY ABSORPTION

Research and Development

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

CG's R&D efforts are aligned with its strategic business objectives. The main areas of focus are innovative products and platforms at competitive costs, energy efficiency, UHV class products, renewable and smart grid ready products.

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

NEW PRODUCT COMMERCIALISED

POWER SYSTEMS

- 100 kVaR STATCOM
- 75A Active harmonic filter
- 126 kV Current and Inductive voltage transformers
- 72.5 kV Voltage Transformer (VT) for gas insulated switchgear
- 12 kV 31.5 kA & 40 kA compact series Vacuum Interrupters (VIs) for oil and gas market
- 420 kV 50 kA spring-spring gas circuit breaker
- 36 kV, 26.3 kA,1250A indoor gas insulated switchgear
- 52 kV 3150A condenser bushings for 765 kV transformer
- 550 kV transformer bushings
- 550 kV Surge Arrestors
- 800 kV Current transformer
- 800 kV & 1200 kV Surge Arrester
- Communicable Smart Meter
- Upgraded Distance Relays: New High Speed High Current distance relay
- Electric Vehicle Charging Stations
- Analog Power Line Carrier (PLC) with built-in analog teleprotection system (OPL_1T)
- Medium Voltage PLC (NDLC-1)
- "Load Balancer" for automotive manufacturing set up which reduces energy bill by fast load compensation
- Phase 1 of native IEC61850 Substation Central Unit (UCX)
- 6.5 MVA Bio-SLIM transformers for offshore wind
- 20–25 MVA low noise technology based transformers
- 245 kV gas insulated switchgear
- Small power transformers with low noise
- Neutral point reactor coils
- ATEX transformers (zone 2) for oil and gas applications
- 20 MVA and 30 MVA mobile transformers for the Systems business
- G11 x 5.56 MVA wind turbine transformer
- Multiwinding transformers for solar application: double-stock and low-high-low concepts
- 6.5 MVA KFWF offshore wind turbine transformer
- "Simplified Compact Rural Substation" distribution transformers for France

INDUSTRIAL SYSTEMS

- IE2 High efficiency LV motors up to 250 kW
- IE3/NEMA range extended up to 10 HP
- LV alternators for mini hydro market
- Cylindrical rotor synchronous generator up to 3 MW
- High speed (3 MW, 2 Pole) MV motors
- 2 x 3000 HP Power Converter
- IGBT based 3 x 130 kVA Auxiliary Converter
- Soft magnetic material S0 grade – Low loss processes lamination for Fans, FHP & M1 Range Motors
- Energy efficient motor for pump application for defence
- Single section digital axle counter for railways
- Integrated power supply system
- Electronically commutated motor
- IP20/21 version of 11–132 kW LV drives
- 3 MW 2-pole squirrel cage motor
- Profinet IO communication option
- LV soft starter 16 to 100A
- Regenerative drive with active front end of 1500A
- 1080 kW 40 Pole, 690V Synchro Generator for Hydro

TABLE 05

EXPENDITURE ON R&D

RS. CRORE FOR THE YEAR ENDED 31 MARCH 2013

		Stand-alone
A	Capital	44.38
B	Revenue	41.56
C	Total (A+B)	**85.94**
D	Total R&D expenditure:	
	as a percentage of net turnover	1.20%
	as a percentage of profit before tax	14.42%

TABLE 06

FOREIGN EXCHANGE EARNED & USED

RS. CRORE

	Total
Total Foreign Exchange Earned	877.16
Total Foreign Exchange Used	829.05

CONSUMER PRODUCTS

- 3 kW solar charger controller with best in class efficiency
- 35W ceiling fan with lower energy consumption
- 18W bus fan
- "Street Smart" range of street light management systems with reduced energy consumption and features which enhanced reliability of operations.
- "Controlite" Management Solutions
- "NEOLA" Electronically Controlled Mixer with "Shut-Select-Forget" features
- "VYOM" series LED Based Lighting Solutions with contemporary styling for street light and flood lighting solutions
- "Sensora" remote control for Fans
- "Aksh 1.0" Video Surveillance systems

NEW PROCESSES IMPLEMENTED AND PROCESSES IMPROVED

- Paint technology for fans
- Autoclave drying in power transformer
- Improved sintering process for vacuum interrupters

TECHNOLOGY COMPETENCY ACHIEVED

- Acoustic Partial Discharge location for power transformer
- Design for low weight power transformer
- Transformer designed for renewable energy
- Power Quality solutions
- Power Line communications
- Smart meters
- Efficient battery charging through trickle charging
- MV GIS technologies
- Reliable mechanism for switchgears

INTELLECTUAL PROPERTY

During FY2013, three patents have been granted. CG now has 35 active patents in its portfolio. During FY2013, CG has additionally filed 19 patent applications. 694 of CG's patent applications are pending with the Patent Registrar.

During FY2013, 180 designs have been registered. CG now has 1004 designs registered in its portfolio. During FY2013, CG has additionally filed 154 design applications.

3. Future plan of action

The Company's future R&D efforts will comprise consolidating its efforts towards development of innovative products at lower cost with higher energy and overall efficiencies. R&D will focus on developments in energy efficiency, smart and intelligent products, renewable energy, and product range extensions.

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 Company is in progress of absorption and integration of ZIV technologies for smart metering, substation automation and distribution automation. The Company has indigenously developed technology for spring-spring Circuit Breaker.

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

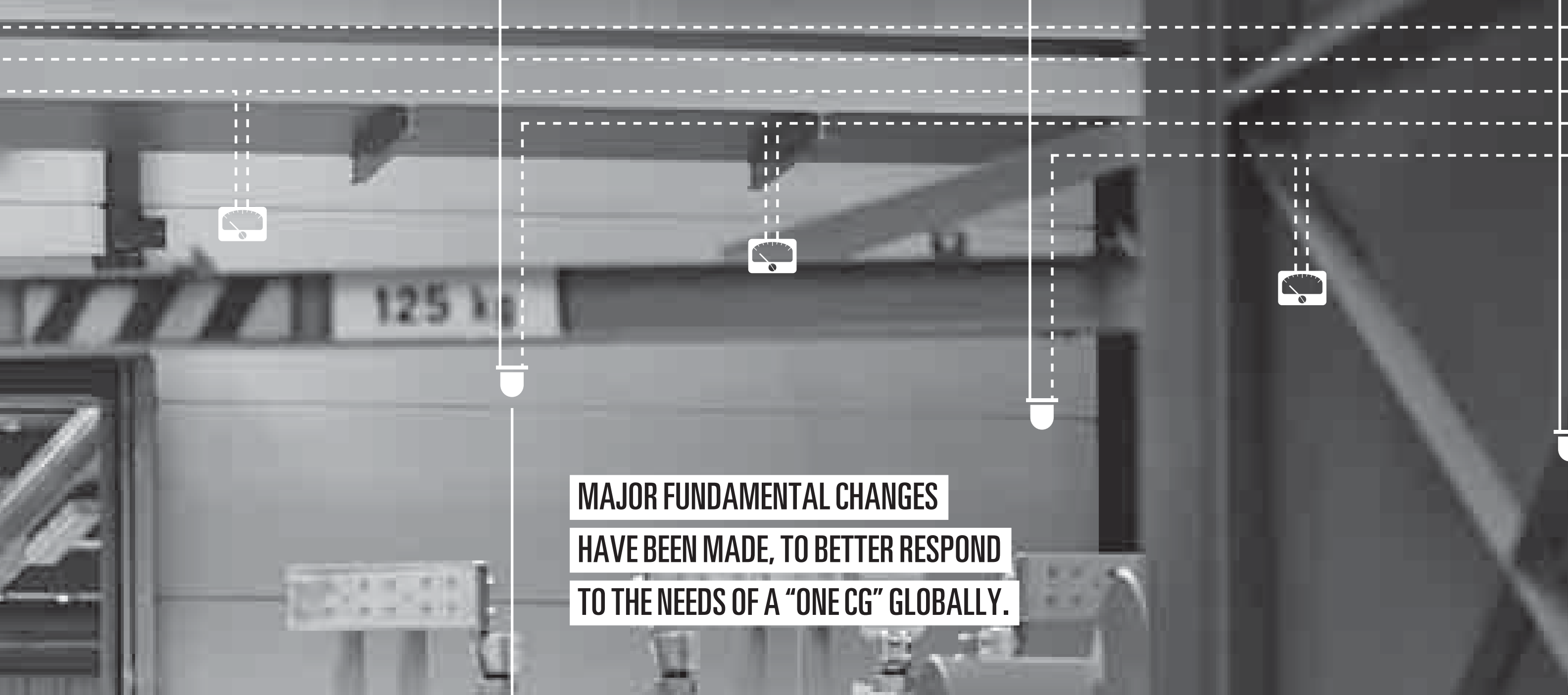
The total foreign exchange earned and used by the Company is given in Table 6.

On behalf of the Board of Directors

G Thapar
Chairman
Mumbai, 24 May 2013

CORPORATE GOVERNANCE

Transformers for large multi-megawatt wind turbines



MAJOR FUNDAMENTAL CHANGES HAVE BEEN MADE, TO BETTER RESPOND TO THE NEEDS OF A "ONE CG" GLOBALLY.

The Company's Philosophy on Corporate Governance Over the past decade, the Company's Board has progressively strengthened Organizational Structures and Processes to fulfill the Board's responsibilities of creating sustainable value for its various stakeholders. Corporate Governance is a journey; and, the Company continues its pursuit of Excellence in this area.

The Board regularly reviews and advises Management on the strategic direction of the Company, as well as its priorities and plans to achieve these objectives in the short, medium and long-term. In addition, through periodic interactions with the Senior Management, the Board also reviews and monitors deployment of action plans, in its endeavour to support Management in achieving the Company's strategic objectives.

Accountability and transparency are two important tenets of Corporate Governance; and, during the year, further actions have been taken to strengthen the Company's systems and processes in these areas. With the Company's increasing global footprint across new geographies and expansion in new business areas, there is an increased thrust of the Company's Corporate Governance initiatives at a unified level globally, to better deliver the concept of "One CG". The Global Organisational Structure has been designed and, the Global Authority-Responsibility Matrix-CG Global Rules of Procedure for Management has been further upgraded and continues to be deployed worldwide. These major fundamental changes have been made, to better respond to the needs of a "One CG" globally, moving in one direction, with enhanced accountability and transparency.

CG's Code of Business Practices continues to be the benchmark for business standards that govern all employees of CG, both internally and externally across the world; providing principles in various business situations, to guide decision-making and actions, with integrity and discipline.

External communication to its various stakeholders on developments related to the Company continues to be an important channel for better transparency. Through greater dissemination of information, the Company continues to work and improve its communication. This objective is achieved through regular and detailed media releases, postings on the Company's website and

TABLE 01 COMPOSITION OF THE BOARD

AS ON 24 MAY 2013

Name	Particulars	Other Board Representations: Directorships (a)	Committee Memberships (b)	Committee Chairmanships (b)
Mr Gautam Thapar	Non-Executive; Chairman; Promoter	9	2	0
Mr Sudhir Trehan	Non-Executive; Vice-Chairman	3	0	0
Mr Laurent Demortier	Executive; CEO and Managing Director	3	0	0
Mr Shirish Apte*	Non-Executive; Independent	0	0	0
Dr Omkar Goswami	Non-Executive; Independent	11	6	3
Mr B Hariharan**	Non-Executive	15	5	3
Mr Sanjay Labroo	Non-Executive; Independent	16	2	0
Dr (Mrs) Colette Lewiner***	Non-Executive; Independent	0	0	0
Mr Suresh Prabhu	Non-Executive; Independent	3	0	0
Ms Meher Pudumjee	Non-Executive; Independent	6	1	0
Dr Valentin von Massow	Non-Executive; Independent	1	0	0

(a) Includes private limited companies, but excludes alternate directorships and foreign bodies corporate. (b) Of only public limited companies. *Appointed on 18 April 2013. **Appointed on 1 November 2012. ***Appointed on 28 January 2013.

disclosures in its Annual Report and other Regulatory filings far in excess of prescribed norms.

BOARD OF DIRECTORS

Composition

As on the date of this Report, the Company has an eleven member Board of Directors. The Chairman, Mr Gautam Thapar is a Non-Executive Director and represents the Promoter Group. The Vice-Chairman, Mr SM Trehan is a Non-Executive Director. Mr Laurent Demortier is the CEO and Managing Director.

Two new Independent Directors—Dr (Mrs) Colette Lewiner and Mr Shirish Apte, as well as Mr B Hariharan, Avantha Group Director – Finance, were inducted on the Board, each bringing with them rich business experience and professional expertise.

Mr B Hariharan is a Non-Executive Director on the Board. Mr Hariharan is a qualified Chartered Accountant, Cost Accountant and Company Secretary, having over 29 years experience in finance. As Group Director-Finance, he drives the financial and growth strategy of the Avantha Group, the Promoter Group of CG. Mr Hariharan has been instrumental in the success of key M&A and turnaround projects for CG and other Avantha Group Companies and has played a pivotal role in the Group's transformation and successful foray in the international capital markets.

Dr (Mrs) Colette Lewiner is a PhD in physics and has over 35 years of experience as a researcher, academician and as an industry expert in fossil fuel (oil and gas), nuclear and renewable energies. Dr Lewiner joined Electricité de France (EDF) in 1979, and has thereafter worked in senior capacities with reputed multinationals, including as EDF's first woman Executive Vice President, Chairwoman of the Board & CEO of SGN Eurisys Group and Executive Vice President and Global Leader of the Energy, Utilities and Chemicals Sector in Capgemini. Dr Lewiner is presently the Energy Advisor to the Chairman and CEO of Capgemini. She has been honored with two significant French civilian awards; she is "Commandeur" in the Legion of Honour and in the Order of Merit.

Mr Shirish Apte is the Chairman of Asia Pacific Banking for Citigroup and has been with Citigroup for more than 30 years. He has held various assignments in Corporate Banking, Risk Management, Corporate Finance and Investment Banking during this tenure. Mr Apte was responsible for Citibank's acquisition of Bank Handlowy in the year 2000 and led its merger and integration with Citibank. Mr Apte is a Chartered Accountant from the Institute of Chartered Accountants of England & Wales; and, also holds an MBA degree from the London Business School.

Mr Scott Bayman, Non-executive Independent Director stepped down from his directorship of the Company w.e.f. 1 April 2013 due to his other personal commitments.

Mr SP Talwar, Non-executive Independent Director stepped down from his directorship of the Company w.e.f. 24 May 2013 due to his other personal commitments.

Five other Non-Executive Directors – Dr Omkar Goswami, Mr Sanjay Labroo, Mr Suresh Prabhu, Ms Meher Pudumjee and Dr Valentin von Massow – are independent in terms of Clause 49 of the Listing Agreement with Stock Exchanges.

Thus, as at 24 May 2013, the Board of Crompton Greaves presently comprises of one Executive Director and ten 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 six Board Meetings held during FY 2013: on 24 April 2012, 25 May 2012, 20 July 2012, 3 August 2012, 1–2 November, 2012 and 28-29 January 2013. The Company's last Annual General Meeting was held on 3 August 2012. Table 2 gives the attendance record of the Directors.

DIRECTORS' COMPENSATION

CEO & Managing Director's Compensation

The annual remuneration package of Mr Laurent Demortier, CEO and Managing Director comprises a fixed salary component, 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

Successfully designed and manufactured a low-high-low three winding transformer for the renewables market

service, including remuneration, notice period, severance compensation, etc, as approved by the Remuneration Committee and the Board of Directors, from time to time, within the overall limits approved by the shareholders, as mentioned above.

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

TABLE 02

ATTENDANCE RECORD OF THE DIRECTORS

FOR THE FINANCIAL YEAR 2013

Name	Attendance	
	Board Meetings	Last AGM
Mr Gautam Thapar	6	Yes
Mr Sudhir Trehan	6	Yes
Mr Laurent Demortier	6	Yes
Mr Shirish Apte*	NA	NA
Mr Scott Bayman**	2	No
Dr Omkar Goswami	6	Yes
Mr B Hariharan***	2	NA
Mr Sanjay Labroo	4	Yes
Dr (Mrs) Colette Lewiner****	1	NA
Mr Suresh Prabhu	6	Yes
Ms Meher Pudumjee	5	No
Mr Satya Pal Talwar*****	6	Yes
Dr Valentin von Massow	5	No

* Appointed on 18 April 2013. ** Resigned on 1 April 2013.
*** Appointed on 1 November 2012. **** Appointed on 28 January 2013.
*****Resigned on 24 May 2013.

TABLE 03 COMPENSATION OF THE DIRECTORS

FOR THE FINANCIAL YEAR 2013 (IN RUPEES)*

	Salary	Perquisites, Allowances, Reimbursements	Commission	Retirement Benefits	Others	Sitting Fees	Total
Mr Gautam Thapar			4,50,28,000			2,40,000	4,52,68,000
Mr Sudhir Trehan			11,00,000			1,20,000	12,20,000
Mr Laurent Demortier	1,20,00,000	4,10,28,671	2,78,17,520	47,78,102	44,00,000	0	9,00,24,293
Mr Scott Bayman**			3,34,000			40,000	3,74,000
Dr Omkar Goswami			37,37,000			2,40,000	39,77,000
Mr B Hariharan***			5,43,000			40,000	5,83,000
Mr Sanjay Labroo			7,42,000			1,40,000	8,82,000
Dr (Mrs) Colette Lewiner****			6,02,000			20,000	6,22,000
Mr Suresh Prabhu			13,00,000			2,00,000	15,00,000
Ms Meher Pudumjee			8,34,000			1,00,000	9,34,000
Mr Satya Pal Talwar*****			13,00,000			2,20,000	15,20,000
Dr Valentin von Massow			46,68,000			1,00,000	47,68,000

*Since Mr Shirish Apte was appointed on 18 April 2013, he was not entitled to any compensation during FY2013.
**Resigned on 1 April 2013. ***Appointed on 1 November 2012. ****Appointed on 28 January 2013 *****Resigned on 24 May 2013

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 2013, Mr B Hariharan held 657 equity shares of Rs 2/- each and 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 commercial transactions during FY2013. As required by Clause 49 of the Listing Agreement, Mr Laurent Demortier, as the Company's CEO and Managing Director, has signed and confirmed adherence to this Code of Conduct, which is annexed to this Report.

COMMITTEES OF THE BOARD

Audit and Risk Comtmittee

During FY2013, the Audit and Risk Committee comprised 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)

*Mr SP Talwar resigned on 24 May 2013.

The CEO and Managing Director, Chief Financial Officer, Chief of Internal Audit and representatives of the Statutory Auditors attend the meetings of Audit and Risk Committee. The Company Secretary is the Secretary to this Committee.

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

During the year, the Audit functions of India and overseas locations were fully unified into a single Audit team to further the concept of a "One CG" Organisation. A single global audit team ensures greater oversight and control of worldwide audit activities, efficient resource management and a better prioritisation of audit coverage. During the year, the team focused on intensive audits of operational systems & processes in the areas of revenue recognition, order-to-cash and procure-to-pay cycles as well as systems audits. Nearly 50% of the audits planned during the year took place at overseas locations. Key audit findings of Indian as well as overseas locations are reported to the Audit and Risk Committee at each meeting.

The Risk Based Internal Auditing (RBIA) process which commenced two years ago has been firmly embedded into audit processes. This ensures that the risk profile of a business/division is always considered, whilst determining audit priorities. The RBIA software facilitates comparison of audit findings across functions/divisions/companies, and provides inferential management dashboards, in important areas.

Standard process manuals for managing operating cycles of Order to Cash, Procure to Pay and Plan to Deliver were compiled last year for the Consumer BU and Industrial BU. These ensure that similar processes rendered by different divisions of a BU are more consistent and predictable. This project is being progressively extended to the other BUs as well.

In addition, the Avantha Risk Management Policy is deployed at all locations. The mitigation plans proposed by the businesses are reviewed periodically by the Audit and Risk Committee.

During FY 2013, four Audit and Risk Committee meetings were held: on 25 May 2012, 20 July 2012, 1 November 2012 and 28 January 2013. The attendance record is given in Table 4.

TABLE 04 **AUDIT AND RISK COMMITTEE MEETINGS**
FOR THE FINANCIAL YEAR 2013

Director	Status	Meetings Attended
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	3

TABLE 05 **REMUNERATION COMMITTEE MEETINGS**
FOR THE FINANCIAL YEAR 2013

Director	Status	Meetings Held	Meetings 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	2

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)

As part of its remit, the Committee reviews the remuneration paid to the CEO and Managing Director.

During FY 2013, two Remuneration Committee Meetings were held on 3 August 2012 and 28 January 2013. 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.

In the context of CG's increasing global footprint, its many entities outside India, and to align with CG's Corporate Governance philosophy, a need was felt to re-visit CG's Insider Trading Code; and, accordingly, the Board of Directors, at its Board Meeting held on 3 August 2012 has modified the Code, effective from 1 September 2012.

The salient features of the revised Code are:

i. The Non-Trading Window period, has been enhanced; and, will commence from the 16th of the third month of each Quarter and continue for seven exclusive days after the date of the CG Board Meeting, held for approval of financial results for each Quarter.

ii. The disciplinary actions for non-adherence to this Code have been made more comprehensive in coverage.

iii. The Code is extended to all employees of CG and its subsidiaries worldwide.

Quiet Period Policy

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 communications with the Stock Exchanges and other Regulatory Authorities as required by law.

SHAREHOLDERS

Disclosure regarding Appointment and/or Re-appointment of Directors

Dr Omkar Goswami, Ms Meher Pudumjee and Mr Suresh Prabhu retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. Mr B Hariharan, Dr (Mrs) Colette Lewiner and Mr Shirish Apte were appointed as Additional Directors by the Board, and these appointments need to be confirmed by the shareholders at the forthcoming Annual General Meeting. Their brief profiles are given below:

Dr Omkar Goswami (born in 1956) is the Executive Chairman of CERG Advisory Pvt Ltd, a company engaged in corporate advisory and consulting services for companies in India and abroad. Dr Goswami has a Master's Degree in Economics from the Delhi School of Economics, and also a D. Phil (PhD) from Oxford University, UK.

Dr Goswami has taught and researched economics at various universities and has been associated as advisor to several government committees and international organisations like the World Bank, the OECD, the IMF and the ADB, during his career spanning more than 31 years. He has also served as Chief Economist with the Confederation of Indian Industry.

Dr Goswami has made noteworthy research contributions on the economics and economic history.

INDIAN DIRECTORSHIPS

- Dr Reddy's Laboratories Ltd
- Infosys Technologies Ltd
- IDFC Ltd
- Ambuja Cements Ltd
- Cairn India Ltd
- Godrej Consumer Products Ltd
- Bajaj Finance Ltd
- Max Healthcare Institute Ltd
- Infosys BPO Ltd
- DSP Blackrock Investment Managers Pvt Ltd

COMMITTEE POSITIONS

- Dr Reddy's Laboratories Ltd (1)
- IDFC Ltd (2)
- Cairn India Ltd (2)
- Godrej Consumer Products Ltd (1)
- Bajaj Finance Ltd (1)
- Infosys BPO Ltd (1)
- Infosys Technologies Ltd (1)

Dr Goswami is an Independent Director on the Board. He is also a Chairman of the Audit & Risk Committee and a Member of the Remuneration Committee. He does not have any relationship with any of the other Directors on the Board.

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

Ms Meher Pudumjee (born in 1966) holds a Master's Degree in Chemical Engineering from the Imperial College of Science & Technology, London; and, is the Chairperson of Thermax Ltd, a company focused in the business of providing solutions for energy and environment management.

INDIAN DIRECTORSHIPS

- RDA Holdings Pvt Ltd
- Thermax Babcock & Wilcox Energy Solutions Pvt Ltd
- Thermax Social Initiative Foundation
- Imperial College India Foundation
- Shakti Sustainable Energy Foundation
- India@75 Foundation
- Teach For India
- Akanksha Foundation

FOREIGN DIRECTORSHIPS

- Thermax International Ltd

COMMITTEE POSITIONS

- Thermax Ltd (1)

Ms Pudumjee is an Independent Director on the Board. She does not have any relationship with any of the other Directors on the Board.

She does not hold any shares in the Company either in her individual capacity or beneficially for others.

Mr Suresh Prabhu (born in 1953) is a Chartered Accountant with a Degree in Law; and has also been conferred an Honorary Doctorate by the International Forestry Resources and Institutions. An ex Union Cabinet Minister of Power, Industry, Energy, Environment & Forests, Chemicals & Fertilizers, Heavy Industry and Public Enterprises, and a Member of Parliament from 1996 till 2009, Mr Prabhu has left an indelible mark on Indian politics and an impeccable reputation as a performing minister.

Mr Prabhu has also led, and represented India in several bilateral meetings, International summits and Parliamentary fora, such as G8+5, EU-Asia, World Water Forum, UNESCO, GLOBE and Parliamentary Network of World Bank, India-USA, India-Japan and India-Germany strategic dialogues. Mr Prabhu currently Chairs the Global Water Partnership (South Asia) and is a Member of the United Nations Commission for biodiversity and land use change; and is also a senior advisor to the UN. He is also associated with a large number of organizations in the education, art, literature, sports, social and cultural circuits.

Mr Prabhu is also connected with over 100 organizations including NGOs dealing in rural development, education, HIV AIDS, medical care, vocational training, music, arts, culture, literary work, libraries, old age care, infrastructure, watershed development, farmers, youth, sports administration, industry organizations and employees welfare.

INDIAN DIRECTORSHIPS

- United Phosphorus Ltd
- Survall Global Projects Pvt Ltd
- ICAI Accounting Research Foundation
- Climate Change Association India
- Shakti Sustainable Energy Foundation

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

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

Mr B Hariharan (born in 1957) is a qualified Chartered Accountant, Cost Accountant and Company Secretary, having over 29 years of experience in Finance. As Group Director-Finance, he drives the financial and growth strategy of the Avantha Group, the Promoters of Crompton Greaves. Mr Hariharan has been instrumental in the success of key M&A and turnaround projects for CG and the Avantha Group Companies.

INDIAN DIRECTORSHIPS

- Avantha Holdings Ltd
- Avantha Power & Infrastructure Ltd
- Avantha Realty Ltd
- Ballarpur Industries Ltd
- Bilt Graphic Paper Products Ltd
- Biltech Building Elements Ltd
- CG Power Solutions Ltd
- Global Green Company Ltd
- Newquest Insurance Broking Services Ltd
- Premier Tissues (India) Ltd
- Salient Business Solutions Ltd
- Solaris Chemtech Industries Ltd
- KP Cement Mfg Co Pvt Ltd
- Avantha Ergo Life Insurance Company Ltd

FOREIGN DIRECTORSHIPS

- CG Holdings Belgium NV
- Global Green USA Ltd
- Sabah Forests Industries Sdn Bhd
- Salient Business Solutions USA Inc
- Ballarpur International Holdings BV
- Ballarpur International Graphic Paper Holdings BV
- Ballarpur Paper Holdings BV
- Ballarpur Packaging Holdings BV
- Ballarpur Speciality Paper Holdings BV
- Global Green International NV

COMMITTEE POSITIONS

- Avantha Holdings Ltd (1)
- Avantha Power & Infrastructure Ltd (1)
- Ballarpur Industries Ltd (2)
- Bilt Graphic Paper Products Ltd (1)
- Global Green Company Ltd (1)
- Salient Business Solutions Ltd (1)
- Solaris Chemtech Industries Ltd (1)

Mr Hariharan is a Non-Executive Director on the Board. He holds 657 equity shares in the Company in his individual capacity, and does not beneficially for others. He does not have any relationship with any of the other Directors on the Board.

Dr (Mrs) Colette Lewiner (born in 1945) is a PhD in physics and has over 35 years of experience as a researcher, academician and as an industry expert in fossil fuel (oil and gas), nuclear and renewable energies.

Dr Lewiner joined Electricité de France (EDF) in 1979, heading the Fuel Procurement division and has worked in senior capacities with reputed multinationals, including as EDF's first woman Executive Vice President in 1989 heading EDF's Development and Commercial Strategy Division, Chairwoman of the Board & CEO of SGN Eurisys Group and Executive Vice President and Global Leader of the Energy, Utilities and Chemicals Sector in Capgemini.

Dr Lewiner is presently the Energy Advisor to the Chairman and CEO of Capgemini.

Dr Lewiner is a Member of the French Academy of Technology and of the European Union Advisory Group on Energy.

She has been honoured with two significant French civilian awards; she is "Commandeur" in the Legion of Honour and in the Order of Merit.

FOREIGN DIRECTORSHIPS

- TDF
- Bouygues Group
- Colas
- Lafarge
- Nexans
- Eurotunnel
- TGS Nopec ASA
- Cowin SARL
- Renifort SCI
- Carwin SCI
- Rejale SCI
- Courtalis SARL

Dr Lewiner is an Independent Director on the Board. She does not have any relationship with any of the other Directors on the Board.

She does not hold any shares in the Company either in her individual capacity, or beneficially for others.

Mr Shirish Apte (born in 1952) is a Chartered Accountant from the Institute of Chartered Accountants of England & Wales; and, also holds an MBA degree from the London Business School. He has more than 30 years of experience with Citigroup during which, he has held various assignments in Corporate Banking, Risk Management, Corporate Finance and Investment Banking in Citigroup.

Mr Apte was responsible for Citibank's acquisition of Bank Handlowy in the year 2000, following which he was appointed as

Deputy President and Chief Operating Officer of Citibank Handlowy. During 2000 to 2003, he also led the merger and integration of Citibank and Bank Handlowy.

Between 2003 and 2009, Mr Apte was CEO for Central & Eastern Europe, Middle East and Africa (CEEMEA) Region, before becoming CEO for Asia Pacific in 2009. Mr Apte is presently Chairman of Asia Pacific Banking for Citigroup. He is also a member of the Citigroup's Business Development Committee and its Senior Advisory Group. He is also Citibank's Senior Statesman at the London Business School.

FOREIGN DIRECTORSHIPS

- Bank Handlowy
- Citibank Singapore Ltd
- Citibank Japan Ltd
- Institute of Banking & Finance, Singapore

COMMITTEE POSITIONS

- Bank Handlowy (1)

Mr Apte is an Independent Director on the Board. He does not have any relationship with any of the other Directors on the Board.

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, for shareholders who have consented to receive the Annual Report in electronic format, the Company sends 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 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 interaction, to provide greater transparency and clarifications on the Company's financial performance. Presentations made at these meetings or call transcripts are available 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 Investor Services Department launched two new initiatives for CG shareholders, as follows:

1. CG'S E-ENABLED INVESTOR QUERY SYSTEM

CG Investor Query System is a web-based mechanism through which shareholders can send their queries, relating to any processing activity concerning their shareholding in CG. An email sent by the shareholders is directed to the CG's R&T Agent—Datamatics Financial Services Limited, who will promptly respond to the e-mails of the querist. Each query is issued a unique identification code for reference and tracking. This initiative has enhanced the speed and efficiency in resolving queries of the shareholders.

2. CG'S E-ENABLED INFORMATION TO INVESTOR SYSTEM

To provide investors researching CG with an authentic suite of information relating to CG, a web based "Information to Investor" System was launched on CG website www.cgglobal.com. The system provides "live" share prices, as well as, graphical information relating to the historical share prices and published financials. Graphs relating to income & profitability, balance sheet & equity position, ratios, share returns on the stand-alone and consolidated position of CG are readily available, across a number of years, in a user friendly manner.

Information on General Body Meetings

Details of the last three Annual General Meetings held are given in Table 6. The Special Resolutions that were approved by shareholders at these AGMs are given under:

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.

3 AUGUST 2012

No Special Resolution was passed at the 75th Annual General Meeting held on 3 August 2012.

TABLE 06 ANNUAL GENERAL MEETINGS

PARTICULARS

Financial Year	Location	Date	Time
2009–2010	Ravindra Natya Mandir, Mumbai 400 025	19 July 2010	3.30 pm
2010–2011	Ravindra Natya Mandir, Mumbai 400 025	19 July 2011	3.30 pm
2011–2012	Swatantryaveer Savarkar Rashtriya Smarak, Mumbai 400 028	3 August 2012	3.00 pm

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

The Committee comprises:

- Mr Gautam Thapar (Chairman, Non-Executive Director)
- Mr Laurent Demortier (Executive Director)
- Mr SP Talwar (Independent Director)*

*Mr SP Talwar resigned on 24 May 2013.

During FY 2013, the Shareholders'/Investors' Grievance Committee met on 29 January 2013 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 eight 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 2013.

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 are frozen and future share allotments are also to be issued directly to such account. This Clause requires a Company to send three reminders in this regard before the transfer. During the year, the Company opened the Unclaimed Suspense Demat Account. 13 shareholders have claimed 7525 shares which were transferred to their respective demat accounts.

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. 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 Audit and Risk Committee of the Board.

CEO/CFO CERTIFICATION

For FY2013, 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 for FY2013, as 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 FY2013.

ADDITIONAL SHAREHOLDER INFORMATION

66% increase in capacity at CG's new LVRM plant, Goa. A just-in-time facility that rolls out one motor per 3 minutes, 30 seconds

ANNUAL GENERAL MEETING

Date
Tuesday, 6 August 2013

Time
3.00 pm

Venue
Swatantryaveer Savarkar Rashtriya Smarak
4th Floor
252, Veer Savarkar Marg
Shivaji Park, Dadar
Mumbai 400 028

FINANCIAL CALENDAR

First Quarter Results
End July/First fortnight of August

Second Quarter Results
End October/First fortnight of November

Third Quarter Results
End January/First fortnight of February

Last Quarter Results and Annual Audited Results
April/ May

Dates of Book Closure
29 July 2013 to 6 August 2013

The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 29 July 2013 to Tuesday, 6 August 2013, both days inclusive.

UNCLAIMED DIVIDENDS

Dividends pertaining to the financial years 2006–2007 to 2012–2013, 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	Date for Due Transfer to the Investor Education and Protection Fund
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
20 July 2012	19 August 2019
1 November 2012	30 November 2019

REGISTRAR AND AGENTS

For Shares

The Company's R&T Agent is Datamatics Financial Services Ltd. Datamatics Financial Services Ltd 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 6671 2151 to 6671 2160
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 2596 3838
Fax + 91 (0)22 2596 2691
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. During FY2013, 34 approvals were obtained. The total number of shares in physical form transferred during the year under review was 39,411 shares.

DEMATERIALISATION OF SHARES

As on 31 March 2013, 98.99% of the total shares of the Company were dematerialised, compared with 98.78% last year.

GLOBAL DEPOSITORY RECEIPTS (GDRS)

The Company issued GDRs in 1996 and the underlying shares for each GDR were issued in the name of The Bank of New York, the Depository. Each GDR of the Company is equivalent to five shares. As on 31 March 2013, 2,94,859 GDRs were outstanding, which represented 14,74,295 underlying equity shares.

MARKET PRICE DATA

THE STOCK EXCHANGE, MUMBAI

Month	Highest of the Month (Rs.)	Lowest of the Month (Rs.)	1st trading day of the Month	
			Closing (Rs.)	Sensex
April 2012	148.50	123.75	144.45	17,478.15
May 2012	133.10	102.40	131.15	17,301.91
June 2012	122.90	105.75	108.00	15,965.16
July 2012	136.00	112.10	125.90	17,398.98
August 2012	122.50	105.20	118.70	17,257.38
September 2012	131.75	103.20	106.65	17,384.40
October 2012	141.70	119.40	125.45	18,823.91
November 2012	126.35	108.60	124.05	18,561.70
December 2012	124.15	110.25	115.35	19,305.32
January 2013	125.85	100.00	119.10	19,580.81
February 2013	108.30	88.35	106.30	19,781.19
March 2013	101.90	89.25	94.05	18,918.52
			Share Price	**Sensex**
As on 28 March 2013			93.70	18,835.77

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

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 is up to date.

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

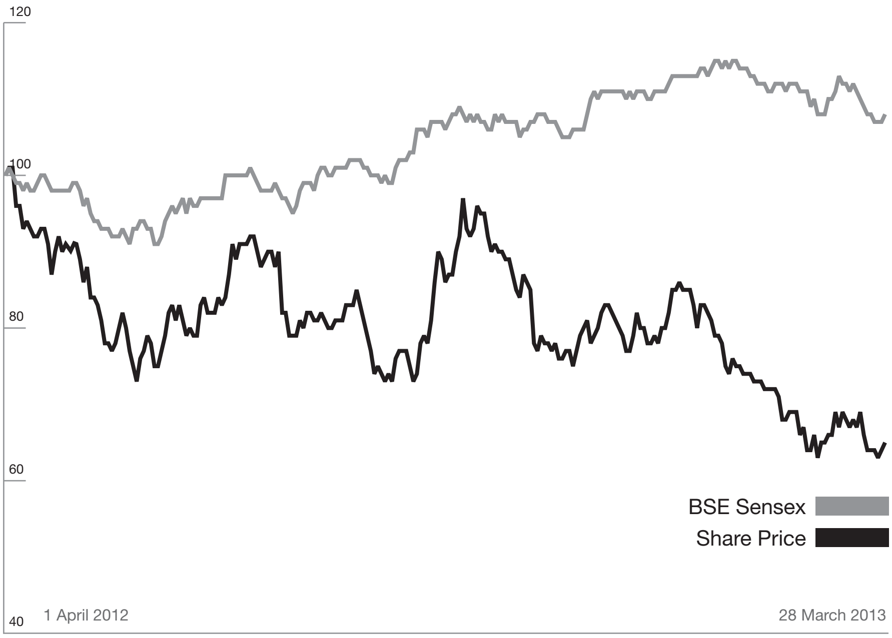
The Corporate Secretarial Department is located at the Company's Head Office at 10th Floor, CG House, Dr Annie Besant Road, Worli, Mumbai 400 030.

Investor Services Department

In addition to the Share Registrar and Transfer Agent, our Investor Services Department, which is located at the Company's Registered Office, will be happy to assist, in case investors experience any difficulties in their interaction with Datamatics Financial Services Ltd.
Contact Person Mr SK Athalekar
Deputy Manager, Corporate Secretarial
Time 2.00 pm to 5.00 pm (Mondays to Fridays)
Tel + 91 (0)22 2423 7805
Fax + 91 (0)22 2423 7788
E-mail shirish.athalekar@cgglobal.com

SHARE PERFORMANCE VS BSE SENSEX

CROMPTON GREAVES SHARE PRICE AND BSE SENSEX = 100 ON 1 APRIL 2012



DISTRIBUTION OF SHAREHOLDING

AS ON 31 MARCH 2013

No of Shares	No of Shareholders	% of Shareholders
Upto 500	1,23,371	86.02
501–1000	8,729	6.09
1001–2000	5,366	3.74
2001–3000	1,850	1.29
3001–4000	1,070	0.75
4001–5000	598	0.42
5001–10000	1,292	0.90
10001 and above	1,154	0.81
	1,43,430	**100.00**

CATEGORIES OF SHAREHOLDERS

AS ON 31 MARCH 2013

Category	No of Shares of Rs. 2/- each	%
Promoters	26,74,51,070	41.69
Indian Institutional Investors	4,76,57,260	7.43
Bodies Corporate	4,79,90,217	7.48
Foreign Institutional Investors	9,52,82,079	14.85
NRIs, OCBs, GDRs	1,09,66,794	1.71
Mutual Funds	10,78,66,875	16.82
General Public	6,42,76,584	10.02
Directors	657	0.00
	64,14,91,536	**100.00**

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, 24 May 2013

CEO & CFO'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 2013, 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, 24 May 2013

AUDITOR'S 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 2013, 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, 24 May 2013

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

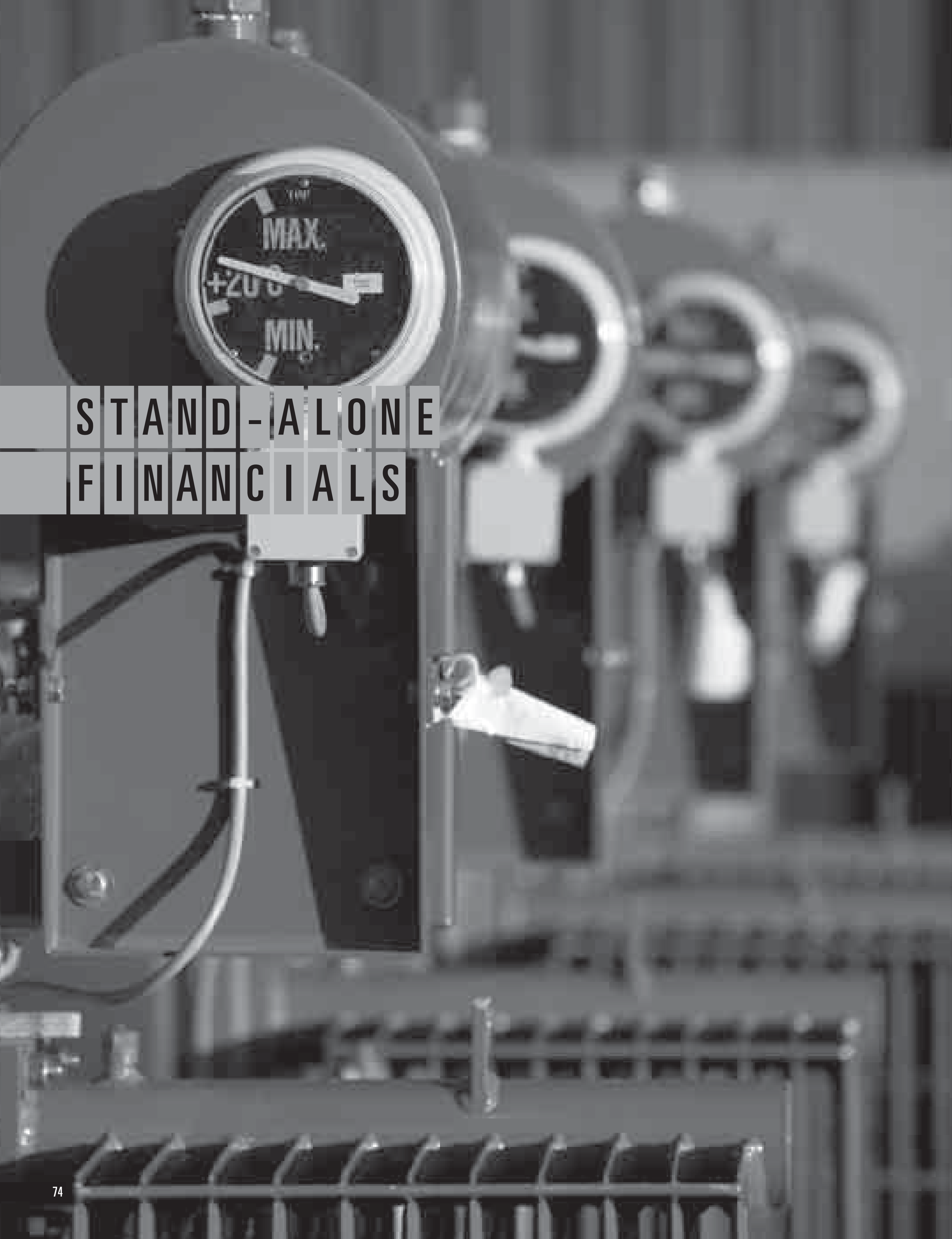
This is to certify that all the Members of the Board of Directors and Senior Management (i.e. one level below the Executive Directors i.e. Ex Com level) of the Company, have confirmed compliance with the Company's Code of Conduct during April 2012 to March 2013.

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

- Fulfill the functions of their office with integrity as well as professionalism and exercise the powers attached thereto, with due care and diligence.
- Act in the best interests of, and fulfill their fiduciary obligations to the Company's shareholders, whilst also considering the interests of other stakeholders.
- Take informed business decisions based on independent judgment and in the best interests of the Company, not influenced by personal interest or gain.
- Respect the confidentiality of information and use utmost discretion whilst deciding its disclosure or dissemination, ensuring that no personal advantage or detriment to the Company results from the same.
- Make available to, and share information with fellow Directors/ Executives when considered expedient in the best interests of the Company.
- Protect and use the Company's assets for legitimate business purposes and be alert to situations that could lead to loss or misuse of these assets.
- Minimise any situation or action that can create conflict of interests of the Company vis-à-vis personal interest or interests of associated persons, and make adequate disclosures, where necessary.
- Act in a manner that will protect the Company's reputation.
- Encourage reporting of behaviour, which is contrary to the Company's "Values", and ensure that the person reporting such violation is not aggrieved in any manner.
- Comply, in letter and spirit, with all applicable laws, rules and regulations, and also honour the philosophy of "good faith", guided by one's sense of right and wrong.
- Abide by the relevant terms of the Insider Trading Code formulated by the Company, and any other Code that may be formulated from time to time, as applicable.
- Adhere to the terms of the powers delegated by the Board.
- Whilst entering into contracts with Service Providers and Consultants, protect the arrangement for disclosure or dissemination of confidential information.
- Establish processes and systems for storage, retrieval and dissemination of documents, both in physical and electronic form, so that the obligations of this Code of Conduct are fulfilled.
- Raise concerns, if any, on the above issues, at a Board Meeting.

L Demortier
CEO & Managing Director
Mumbai, 24 May 2013

STAND-ALONE FINANCIALS



Report on the Financial Statements

We have audited the accompanying financial statements of **Crompton Greaves Limited** (the 'Company') which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in Paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act, 1956, we report that:
   (a) we have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
   (c) the Balance Sheet, the 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 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, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956.

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

L. Vaidyanathan
PARTNER
Membership No. 16368

Place: Mumbai
Date: 24th May, 2013

(i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of all fixed assets.

(b) As explained to us, these fixed assets have been physically verified by the management, in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.

(c) The Company has not disposed of 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 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, 2013, 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, 2013, which have not been deposited on account of a dispute, are as under:

Name of the Statute	Nature of the disputed dues	Amount ₹ crore*	Period to which the amount relates	Forum where disputes are pending
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act	Tax, interest and penalty	2.42	1989-90 1991-92 1996-97 1999-2000 2005-06 to 2008-09	High Court
		12.12	1992-93 1994-95 1996-97 to 1998-99 2000-01 to 2003-04 2005-06 to 2008-09	Tribunal
		22.41	1998-99 2009-10 2011-12	Commissionerate (Appeals)
The Central Excise Act, 1944 and Service tax under the Finance Act, 1994	Duty, service tax and penalty	0.26	2001-02 2002-03 2004-05 to 2007-08	High Court
		10.55	1991-92 1999-2000 to 2001-02 2003-04 to 2010-11	CESTAT / Tribunal
		6.51	2001-02 to 2012-13	Commissionerate (Appeals)

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

(x) The Company has no accumulated losses as at 31st March, 2013 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 / societies are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in securities. The Company has invested surplus fund in mutual funds. According to the information and explanations given to us, proper records have been made of the transactions and contracts and timely entries have been made therein. The investments in mutual funds have been held by the Company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantee given by the Company for loans taken by others from banks or financial institutions are not *prima facie* prejudicial to the interests of the Company.

(xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.

(xix) The Company has not issued any debentures during the year. Hence, reporting on Paragraph 4 (xix) of the Companies (Auditor's Report) Order, 2003 pertaining to creation of security or charge for debentures does not arise.

(xx) The Company has not raised any money by public issues during the year. Accordingly, Paragraph 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

(xxi) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

L. Vaidyanathan
PARTNER
Membership No. 16368

Place: Mumbai
Date: 24th May, 2013

₹ crore

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	As at 31-03-2013		As at 31-03-2012	
EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS:					
(a) Share capital	2	**128.30**		128.30	
(b) Reserves and surplus	3	**2928.55**		2572.58	
			3056.85		2700.88
2. NON-CURRENT LIABILITIES:					
(a) Long-term borrowings	4	**0.75**		2.06	
(b) Deferred tax liabilities (net)	5	**49.83**		43.23	
(c) Other long-term liabilities	6	**27.33**		24.94	
(d) Long-term provisions	7	**38.09**		31.11	
			116.00		101.34
3. CURRENT LIABILITIES:					
(a) Short-term borrowings	8	**12.93**		0.20	
(b) Trade payables	9	**1514.31**		1171.03	
(c) Other current liabilities	10	**421.66**		477.86	
(d) Short-term provisions	11	**147.87**		119.18	
			2096.77		1768.27
TOTAL			**5269.62**		4570.49
ASSETS					
1. NON-CURRENT ASSETS:					
(a) Fixed assets					
(i) Tangible assets	12	**604.32**		530.89	
(ii) Intangible assets	12	**56.17**		65.27	
(iii) Capital work-in-progress		**74.91**		58.29	
(iv) Intangible assets under development		**39.86**		21.03	
(b) Non-current investments	13	**554.58**		551.59	
(c) Long-term loans and advances	14	**18.10**		22.87	
			1347.94		1249.94
2. CURRENT ASSETS:					
(a) Current investments	15	**500.46**		500.91	
(b) Inventories	16	**548.50**		449.60	
(c) Trade receivables	17	**1840.62**		1735.62	
(d) Cash and bank balances	18	**288.79**		321.10	
(e) Short-term loans and advances	19	**693.57**		264.44	
(f) Other current assets	20	**49.74**		48.88	
			3921.68		3320.55
TOTAL			**5269.62**		4570.49
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, 24th May, 2013

Wilton Henriques
COMPANY SECRETARY
Mumbai, 24th May, 2013

Gautam Thapar
CHAIRMAN

₹ crore

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No.	2012-13		2011-12	
INCOME:					
Sales and services		**7571.07**		6850.50	
Less: Excise duty		**435.77**		365.12	
Revenue from operations	21		**7135.30**		6485.38
Other income	22		**98.68**		74.39
TOTAL REVENUE			**7233.98**		6559.77
EXPENSES:					
Cost of raw materials and components consumed and construction materials	23	**3565.28**		3467.62	
Purchases of stock-in-trade	24	**1811.80**		1265.47	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	**(42.99)**		(7.39)	
Employee benefits	26	**411.17**		363.59	
Finance costs	27	**25.41**		27.66	
Depreciation and amortisation	28	**71.86**		90.71	
Other expenses	29	**795.43**		675.41	
TOTAL EXPENSES			**6637.96**		5883.07
PROFIT BEFORE TAX			**596.02**		676.70
TAX EXPENSE:					
Current tax		**143.58**		192.88	
Deferred tax	5	**6.60**		(21.04)	
			150.18		171.84
PROFIT FOR THE YEAR			**445.84**		504.86
Earnings per share (basic and diluted) (₹)	44		**6.95**		7.87
(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

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 24th May, 2013

Madhav Acharya
CHIEF FINANCIAL OFFICER

Wilton Henriques
COMPANY SECRETARY

Mumbai, 24th May, 2013

Laurent Demortier
CEO & MANAGING DIRECTOR

Gautam Thapar
CHAIRMAN

₹ crore

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		2012-13	2011-12
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxes		**596.02**	676.70
Adjustments for:			
Depreciation and amortisation		**71.86**	90.71
Allowance for doubtful debts and advances		**18.92**	10.37
Interest expenses		**25.35**	27.08
Interest income		**(45.61)**	(23.98)
Income from investments (net)		**(0.32)**	(0.35)
Profit on sale of investments (net)		**(23.45)**	(16.11)
Unrealised exchange (gain) / loss (net)		**(10.75)**	(2.20)
(Profit) / Loss on sale of fixed assets (net)		**0.55**	(5.58)
		36.55	79.94
Operating profit before working capital changes		**632.57**	756.64
Adjustments for:			
(Increase) / Decrease in trade and other receivables		**(543.77)**	(253.20)
(Increase) / Decrease in inventories		**(98.90)**	(43.88)
Increase / (Decrease) in trade and other payables		**294.32**	139.26
Increase / (Decrease) in provisions		**7.01**	1.78
		(341.34)	(156.04)
Cash (used in) / from operations		**291.23**	600.60
Direct taxes paid (net of refunds)		**(110.08)**	(210.25)
Net cash (used in) / from operating activities	**[A]**	**181.15**	390.35
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Sale of fixed assets		**3.97**	323.28
Sale of investments (net)		**23.94**	-
Amalgamation of subsidiaries		**-**	23.47
Interest received		**45.74**	24.64
Income received from investments		**0.32**	0.35
		73.97	371.74
***Less:* Outflows from investing activities**			
Purchase of fixed assets		**(176.37)**	(161.56)
Purchase of investments (net)		**-**	(82.17)
Investment in subsidiaries		**(3.02)**	(196.07)
		(179.39)	(439.80)
Net cash (used in) / from investing activities	**[B]**	**(105.42)**	(68.06)

₹ crore

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

		2012-13	2011-12
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from short-term borrowings (net)		**12.90**	0.36
		12.90	0.36
***Less:* Outflows from financing activities**			
Repayments of long-term borrowings		**(6.12)**	(6.15)
Interim dividends paid		**(76.95)**	(102.53)
Additional tax on dividend		**(12.49)**	(16.65)
Interest paid		**(25.38)**	(27.11)
		(120.94)	(152.44)
Net cash (used in) / from financing activities	**[C]**	**(108.04)**	(152.08)
NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES (A+B+C)		**(32.31)**	170.21
Cash and bank balances at beginning of the year*		**321.10**	150.89
Cash and bank balances at end of the year*		**288.79**	321.10

* Refer Note 18, *infra*

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 loss of ₹ 0.03 crore (Previous year unrealised gain of ₹ 0.02 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

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 24th May, 2013

Madhav Acharya
CHIEF FINANCIAL OFFICER

Wilton Henriques
COMPANY SECRETARY

Mumbai, 24th May, 2013

Laurent Demortier
CEO & MANAGING DIRECTOR

Gautam Thapar
CHAIRMAN

1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation and presentation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention (except for the revaluation of certain fixed assets acquired before 30th June, 1985) on accrual basis. The financial statements of the Company have been prepared to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. Certain escalation and other claims are accounted for in terms of contracts with the customers / admitted by the appropriate authorities. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. Use of estimates:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities and assets. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include, the useful life of tangible and intangible fixed assets, allowances for doubtful debts / advances, future obligations in respect of retirement benefit plans etc. Actual results may differ from the estimates and assumptions and in such case, the difference 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 building acquired 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. Subsequent upgradations / enhancements which results in an increase in the future benefits from such assets, beyond the previously assessed standard of performance, are also capitalised.

(b) Administrative and other general overheads 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 fixed assets.

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

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

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

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

(g) Fixed assets are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case retirement of assets and gains or losses arising from disposal of fixed assets are recognised in the statement of profit and loss in the year of occurrence.

4. Impairment of assets:

As at each balance sheet date, the carrying amounts of assets including goodwill arising on acquisition are 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 cash a 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) Intangible assets:

(1) Specialised software	:	Over a period of five years;
(2) Technical know-how	:	Over a period of five years from the date of commercial production;
(3) Commercial rights	:	Over the period of ten years and

(b) Research and development cost:

(1) Research cost:

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

(2) Development cost:

Development expenditure on new product is capitalised as intangible asset, if all of the following can be demonstrated.

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

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

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

(iv) 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 the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;

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

(vi) the Company has ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development costs on the intangible assets, fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred.

6. Investments:

Long-term investments:

Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline in the permanent nature in the value of investments.

Current investments:

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments and are carried at cost or fair value, whichever is lower. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

7. Inventories:

(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 materials, plus appropriate production overheads and net realisable value.
(c)	Finished goods – Manufacturing	:	At lower of cost of materials 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.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving materials, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet.

8. Cash and cash equivalents:

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

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

9. Foreign currency transaction and foreign operations:

(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 recorded using the closing exchange rate. 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.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using historical rate.

(c) 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 conversions are recognised in the statement of profit or loss in 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) Sale of goods:
   Revenue from sale of goods is recognised, when all the significant risks and rewards of ownership are transferred to the buyer, as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from sale of the goods. It also includes excise duty and price variation (if any) and excludes value added tax / sales tax, brokerage and commission.
   (b) Sale of services:
   Service income is recognised as per the terms of the contracts with the customers on proportionate completion method.
   (c) Revenue from contracts:
   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) Revenue from power distribution business:
   Revenue from power distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued upto the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission. Interest is accounted on accrual basis on overdue bills.
   (e) Interest income:
   Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis.
   (f) Dividend income:
   Dividend income is accounted for when the right to receive the dividend is established.
   (g) Lease income:
   Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight-line basis as per the terms of the agreements in the statement of Profit or loss.

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, performance incentives etc and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.
   (b) Post-employment benefits:
   Defined contribution plans
   Company's contributions paid / payable during the year to officer's superannuation fund, employee state insurance scheme and labour welfare fund are recognised during the period.
   Defined benefit plans
   For defined benefit schemes in the form of gratuity fund, provident 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 discounting 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 approximately to the terms of related obligations.
   The Company makes contribution towards provident fund in substance a defined contribution retirement plan. The provident fund is administered by the trustees. The Rules of the Company's Provident Fund administered by a trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Government under Para 60 of the Employees' Provident Fund Scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Company making interest shortfall as a defined benefit plan. Having regard to the assets of the Fund and return on investments, the Company does not expect any deficiency in the foreseeable future and hence, liability is restricted towards the monthly contributions only.
   Actuarial gains / 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 obligations recognised in the balance sheet represents that present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of the scheme of 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.

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

13. Depreciation:

(a) Owned assets:

(1) Revalued assets:

Depreciation on revalued asset 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 revaluation reserve.

(2) Assets carried at historical cost:

Depreciation on the fixed assets carried at historical cost 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. Fixed assets which are added / disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

(b) Leased assets:

(1) Leasehold lands 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 is beyond the life of the building.

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

14. Borrowing costs:

(a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time 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. The company identifies primary business segment based on the different risks and returns, the organisation structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected. 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 on 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 accounting 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 the 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 recourses will be required to settle the obligation;

(2) a present obligation arising from past events, 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 advances) issued to parties for completion of assets.

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

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2013	As at 31-03-2012
2. SHARE CAPITAL		
Authorised:		
1,80,50,00,000 Equity Shares of ₹ 2 each	**361.00**	361.00
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 31-03-2013		As at 31-03-2012	
	No. of Shares	**₹ crore**	No. of Shares	₹ crore
Balance at the beginning of the year	**1805000000**	**361.00**	1380000000	276.00
Amalgmation of wholly owned subsidiary with the Company	**-**	**-**	425000000	85.00
Balance at the end of the year	**1805000000**	**361.00**	1805000000	361.00

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

(b) Terms / rights attached to equity shares:

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

During the year, the Company has declared and paid interim dividend of ₹ 0.80 per share. The Company has recommended a final dividend of ₹ 0.40 per share, subject to approval of shareholders at the ensuing Annual General Meeting.

In the event of liqudation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

		As at 31-03-2013		As at 31-03-2012	
		%	**No. of Shares**	%	No. of Shares
1	Avantha Holdings Limited	**39.90**	**255937034**	39.90	255937034
2	HDFC Trustee Company Limited	**9.05**	**58069500**	8.39	53842070
3	Life Insurance Corporation of India	**5.46**	**35043515**	5.81	37282492

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

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

	As at 31-03-2013	As at 31-03-2012
	No. of Shares	No. of Shares
Shares issued as fully paid-up bonus shares	**274924944**	274924944

(f) Aggregate number of shares issued as GDRs:

	As at 31-03-2013		As at 31-03-2012	
	%	**No. of Shares**	%	No. of Shares
The Bank of New York	**0.23**	**1474294**	0.25	1571810

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2013		As at 31-03-2012	
3. RESERVES AND SURPLUS				
Capital reserve		**19.12**		19.12
Capital redemption reserve:				
As per last balance sheet	**10.00**		-	
Add: Transferred on amalgmation of a subsidiary	**-**		10.00	
		10.00		10.00
Securities premium account		**151.84**		151.84
Revaluation reserve:				
As per last balance sheet	**14.02**		14.27	
Less: Transferred to Statement of profit and loss {Refer Note (a) below}	**(0.20)**		(0.25)	
		13.82		14.02
General reserve:				
As per last balance sheet	**318.39**		250.39	
Add: Transferred from Statement of profit and loss {Refer Note (b) below}	**45.00**		68.00	
		363.39		318.39
Balance in Statement of profit and loss:				
As per last balance sheet	**2059.21**		1740.16	
Add: Profit for the year	**445.84**		504.86	
Add: Transferred on amalgamation of a subsidiary				
(1) Balance of Statement of profit and loss as at 1st April, 2010	**-**		4.86	
(2) Profit after tax for financial year 2010-11	**-**		(18.29)	
Profit available for appropriation	**2505.05**		2231.59	
Transfer to General reserve {Refer Note (b) below}	**45.00**		68.00	
Profit available for distribution:	**2460.05**		2163.59	
1st Interim dividend	**25.66**		51.32	
2nd Interim dividend	**25.66**		12.83	
3rd Interim dividend	**-**		25.66	
Proposed dividend	**25.66**		-	
Additional tax on dividend	**12.69**		14.57	
		2370.38		2059.21
		2928.55		2572.58

Notes:

(a) Depreciation on revalued amount of fixed assets recouped from Revaluation reserve ₹ 0.20 crore.

(b) Transfer to General Reserve represents, transferred from Statement of profit and loss in compliance with provisions of the Companies (Transfer of Profits to Reserves) Rules, 1975.

₹ crore

	As at 31-03-2013	As at 31-03-2012
4. LONG-TERM BORROWINGS		
Unsecured loans		
Interest-free sales tax deferral loans from State Government (Refer Note below)	**0.75**	2.06
	0.75	2.06

Note:

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

	As at 31-03-2013		As at 31-03-2012	
5. DEFERRED TAX				
	Deferred tax assets	**Deferred tax liabilities**	Deferred tax assets	Deferred tax liabilities
Difference between book and tax depreciation		**93.70**		81.06
Expenses allowable for tax purposes when paid / on payment of TDS	**15.07**		13.46	
Other items giving rise to timing differences	**28.80**		24.37	
	43.87	**93.70**	37.83	81.06
Net deferred tax liability		**49.83**		43.23
Deferred tax liability / (asset)			(30.29)	
On amalgmation of a subsidiary			9.25	
Deferred tax liability / (asset) charged to Statement of profit and loss		**6.60**	(21.04)	

	As at 31-03-2013	As at 31-03-2012
6. OTHER LONG-TERM LIABILITIES		
Other payables:		
Deposits	**27.33**	24.94
	27.33	24.94

	As at 31-03-2013	As at 31-03-2012
7. LONG-TERM PROVISIONS		
Employee benefits (Refer Note 40, *infra*)	**38.09**	31.11
	38.09	31.11

	As at 31-03-2013	As at 31-03-2012
8. SHORT-TERM BORROWINGS		
Secured loans		
Working capital demand loan		
From bank (Refer Note below)	**12.93**	0.20
	12.93	0.20

Note:

Working capital demand loan from bank is secured by hypothecation of inventories, book debts and trade receivables, both present and future.

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2013	As at 31-03-2012
9. TRADE PAYABLES		
Acceptances	**124.96**	112.08
Sundry creditors		
Due to micro and small enterprises (Refer Note below)	**41.71**	37.44
Due to other than micro and small enterprises	**1240.86**	987.53
Due to subsidiaries	**85.15**	17.37
Due to associates	**21.63**	16.61
	1514.31	**1171.03**

Note:

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2013. The disclosure pursuant to the said Act is as under:

	2012-13	2011-12
(a) Principal amount due to suppliers under MSMED Act, 2006	**41.71**	37.44
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	**0.27**	0.14
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	**159.09**	104.61
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	**-**	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	**0.01**	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	**0.06**	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	**0.21**	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

	As at 31-03-2013		As at 31-03-2012	
10. OTHER CURRENT LIABILITIES				
Current maturities:				
Long-term borrowings:				
From financial institution		-		3.13
Interest-free sales tax deferral loans from State Government		0.38		2.06
Interest accrued but not due on borrowings		-		0.03
Advances from customers		283.36		329.08
Investor Education and Protection Fund: {Refer Note (a) below}				
Unclaimed dividend	1.85		1.82	
Unclaimed matured fixed deposits	0.00		0.04	
		1.85		1.86
Due to directors		10.03		8.62
Due to customers:				
Progress bills raised	1609.58		1124.62	
Less: Construction and project related work, at realisable value	1594.40		1096.75	
		15.18		27.87
Due to related parties:				
Due to subsidiaries		27.56		31.72
Other payables:				
Security deposits	0.73		0.20	
Statutory dues	33.66		34.08	
Employee dues	9.26		8.21	
Others {Refer Note (b) below}	39.65		31.00	
		83.30		73.49
		421.66		477.86

Notes:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2013.

(b) Other payables include ₹ 5.75 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. The buyer has encashed the bank guarantee as per the direction by the Court.

	As at 31-03-2013	As at 31-03-2012
11. SHORT-TERM PROVISIONS		
Taxes (Net of advance tax)	28.47	-
Interim dividend	-	25.66
Proposed dividend	25.66	-
Additional tax on dividend	4.36	4.16
Employee benefits	3.18	3.24
Others provisions (Refer Note below)	86.20	86.12
	147.87	119.18

₹ crore

Note:

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

(1) Movement in provisions:

Nature of provisions	Warranties		Sales tax / VAT		Excise duty / Service tax	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Carrying amount at the beginning of the year	**44.79**	50.49	**20.66**	21.91	**7.46**	6.29
Additional provision made during the year #	**17.61**	20.04	**1.71**	5.50	**1.39**	1.18
Amounts used during the year	**5.24**	6.71	**1.31**	1.64	**-**	-
Unused amounts reversed during the year #	**7.81**	19.03	**1.96**	5.11	**0.09**	0.01
Carrying amount at the end of the year	**49.35**	44.79	**19.10**	20.66	**8.76**	7.46

Nature of provisions	Liquidated damages		Other litigation claims		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Carrying amount at the beginning of the year	**9.62**	7.62	**3.59**	3.95	**86.12**	90.26
Additional provision made during the year #	**-**	2.00	**0.78**	0.55	**21.49**	29.27
Amounts used during the year	**-**	-	**-**	-	**6.55**	8.35
Unused amounts reversed during the year #	**5.00**	-	**-**	0.91	**14.86**	25.06
Carrying amount at the end of the year	**4.62**	9.62	**4.37**	3.59	**86.20**	86.12

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 / VAT represents 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.

₹ crore

	Gross block (Cost / Valuation)				Depreciation / Amortisation				Net block	
	As at 01-04-2012	Additions	Deductions	As at 31-03-2013	Upto 31-03-2012	For the year	Deductions	Upto 31-03-2013	As at 31-03-2013	As at 31-03-2012
12. FIXED ASSETS										
(i) Tangible assets										
Owned assets:										
Freehold land	15.84	-	-	**15.84**	-	-	-	**-**	**15.84**	15.84
Leasehold land	17.31	-	-	**17.31**	2.88	0.15	-	**3.03**	**14.28**	14.43
Buildings	262.99	34.47	0.53	**296.93**	85.13	7.11	0.24	**92.00**	**204.93**	177.86
Plant and equipments	802.75	85.65	25.82	**862.58**	519.82	39.96	22.86	**536.92**	**325.66**	282.93
Railway sidings	0.02	-	0.02	**-**	0.01	-	0.01	**-**	**-**	0.01
Furniture and fixtures	72.67	8.22	3.66	**77.23**	52.11	4.31	3.32	**53.10**	**24.13**	20.56
Office equipments	53.70	3.68	8.21	**49.17**	44.05	2.95	7.65	**39.35**	**9.82**	9.65
Vehicles	14.91	2.31	1.94	**15.28**	9.01	1.81	1.57	**9.25**	**6.03**	5.90
Owned assets leased out:										
Buildings	4.86	-	-	**4.86**	1.15	0.08	-	**1.23**	**3.63**	3.71
Sub-total (i)	**1245.05**	**134.33**	**40.18**	**1339.20**	**714.16**	**56.37**	**35.65**	**734.88**	**604.32**	**530.89**
(ii) Intangible Assets										
Computer software	21.50	5.43	0.18	**26.75**	13.94	2.87	0.18	**16.63**	**10.12**	7.56
Technical know-how	19.27	-	-	**19.27**	8.40	3.26	-	**11.66**	**7.61**	10.87
Commercial rights	43.52	-	-	**43.52**	10.58	6.35	-	**16.93**	**26.59**	32.94
Research and development	15.24	1.16	-	**16.40**	1.34	3.21	-	**4.55**	**11.85**	13.90
Sub-total (ii)	**99.53**	**6.59**	**0.18**	**105.94**	**34.26**	**15.69**	**0.18**	**49.77**	**56.17**	**65.27**
Total (i+ii)	**1344.58**	**140.92**	**40.36**	**1445.14**	**748.42**	**72.06**	**35.83**	**784.65**		
Previous year	1604.18	129.48	389.08	1344.58	728.88	90.92	71.38	748.42		

Notes:

(a) Cost / Valuation of Buildings includes ownership accommodation:

(i) in various co-operative societies and apartments: ₹ 2.87 crore; (Previous year ₹ 2.96 crore), including 5 shares of ₹ 100 each and 272 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 ₹ 8.41 crore) added on revaluation on 30th June, 1985.

(c) Additions during the year include ₹ 11.04 crore; (Previous year ₹ 28.92 crore) relating to research and development.

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2013	As at 31-03-2012
13. NON-CURRENT INVESTMENTS		
Quoted investments		
Investment in Government or trust securities	**0.46**	0.49
	0.46	0.49
Unquoted investments		
Investments in equity instruments		
Subsidiary companies	**308.49**	305.47
Associate companies	**227.60**	227.60
Others	**8.01**	8.01
Investment in debentures		
Subsidiary companies	**9.92**	9.92
Others	**0.05**	0.05
Others	**0.05**	0.05
	554.12	551.10
	554.58	551.59
Notes:		
Quoted investments		
Book value	**0.46**	0.49
Market value	**0.46**	0.49
Unquoted investments		
Book value	**554.12**	551.10

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

	Face value per unit in ₹ unless otherwise specified	No. of shares / units As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
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**	**0.46**	0.49
{Dimunition in value provided during the year ₹ 0.03 crore;Previous year ₹ Nil}				
Total (A)			**0.46**	0.49
B) Unquoted investments				
Investments in equity instruments				
Investment in subsidiary companies				
Fully paid equity shares				
1 CG Energy Management Limited	10	**1600000**	**0.74**	0.74
2 CG International B.V.	EUR 100	**180000**	**101.33**	101.33
3 Crompton Greaves Holdings Mauritius Limited	USD 1	**42134142**	**194.34**	194.34
4 CG-ZIV Power Automation Solutions Limited (3000000 shares acquired during the year)	10	**10000000**	**10.02**	7.00
5 CGPPI Adhesive Products Limited	10	**2005520**	**2.01**	2.01
6 CG Power Solutions Limited	10	**50000**	**0.05**	0.05
			308.49	305.47
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	**213300228**	**227.00**	227.00
			227.60	227.60
Others				
1 Avantha Holdings Limited	100	**800000**	**8.00**	8.00
(Optionally Convertible, Zero Coupon, Non-marketable, transferable Debentures)				
2 Dinette Exclusive Club Private Limited	100	**500**	**0.01**	0.01
3 Radiant Electronics Limited (Carried at nominal value of ₹ 10)	100	**190000**	**0.00**	0.00
			8.01	8.01
Investments in debentures				
Investments in subsidiary company				
CG Energy Management Limited	10	**9918000**	**9.92**	9.92
(0% Unsecured Irredeemable Non-convertible Debentures of ₹ 10 each)				
Others				
Dinette Exclusive Club Private Limited (0% Unsecured Irredeemable Non-convertible Debentures of ₹ 100 each)	100	**5000**	**0.05**	0.05
			9.97	9.97
Other investments				
UTI - Balanced Fund - Dividend Plan - Payout	10	**55909**	**0.05**	0.05
			0.05	0.05
Total (B)			**554.12**	551.10
Total (A+B)			**554.58**	551.59

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2013	As at 31-03-2012
14. LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good, unless otherwise stated		
Capital advances	**6.72**	13.17
Other deposits	**11.38**	9.70
	18.10	22.87

	As at 31-03-2013	As at 31-03-2012
15. CURRENT INVESTMENTS		
Quoted investments		
Investments in equity instruments	**0.77**	0.78
Investments in mutual funds	**499.69**	500.13
	500.46	500.91
Notes:		
Quoted investments		
Book value	**500.46**	500.91
Market value	**500.46**	501.55
Refer accounting policy Note 1 (6) on valuation of investments, *supra*.		

	Face value per unit in ₹ unless otherwise specified	No. of shares / units As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
Details of 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**	**0.01**	0.02
{Dimunition in value provided during the year ₹ 0.01 crore; Previous year ₹ 0.02 crore}				
			0.77	0.78
Investments in mutual funds				
Sundaram Ultra Short-Term Fund Regular Daily Dividend Re-investment	10	**69914716**	**70.17**	-
B153DD Birla Sun Life Cash Plus - Daily Dividend-Regular Plan - Reinvestment	10	**1597230**	**16.00**	-
Religare Ultra Short Term Fund - Institutional Daily Dividend	1000	**50135**	**5.02**	-
Baroda Pioneer Liquid Fund Plan A - Daily Dividend- Re-investment	10	**299879**	**30.01**	-
UTI Floating Rate Fund-Short Term Plan -Regular Plan -Daily Dividend Reinvestment	1000	**56069**	**6.04**	-
2035/ HDFC Floating Rate Income Fund -Short Term Plan-Wholesale Option-Dividend - Reinvestment	10	**4982999**	**5.02**	-
Principal Income Fund Short Term Plan-Regular Plan Dividend Option Monthly-Reinvestment	10	**12740705**	**15.78**	-
1478/INF109K01CR9/ICICI Prudential Ultra Short Term-Regular Plan- Daily Dividend	10	**69561715**	**70.02**	-
Canara Robeco Treasury Advantage Fund - Regular Daily Dividend	10	**565902**	**70.21**	-
Morgan Stanley Active Bond Fund-Regular Quarterly Dividend	10	**16869735**	**20.08**	-
Peerless Ultra Short Term Fund - Super Institutional Daily Dividend - Reinvestment	10	**69751551**	**70.08**	-
BNP Paribas Flexi Debt Fund - Daily Dividend	10	**50703044**	**51.22**	-
LDDR-Union KBC Liquid Fund Daily Dividend Reinvestment	10	**699930**	**70.04**	-
Reliance Liquid Fund-Treasury Plan-Institutional Option - Daily Dividend Option	10	**18000986**	**-**	27.52
Sundaram Money Fund Super Institutional Daily Dividend Reinvestment	10	**5946074**	**-**	6.00
B153DD Birla Sun Life Cash Plus-Institutional 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 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
			499.69	500.13
			500.46	500.91

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2013		As at 31-03-2012	
16. INVENTORIES				
Raw materials	**177.49**		146.05	
Add: Goods-in-transit	**46.28**		21.34	
		223.77		167.39
Work-in-progress - manufacturing		**173.40**		201.37
Finished goods- manufacturing	**61.85**		33.50	
Add: Excise duty on finished goods	**7.09**		3.98	
		68.94		37.48
Stock-in-trade		**77.85**		38.35
Stores, spares and packing materials		**3.66**		4.09
Loose tools		**0.88**		0.92
		548.50		449.60

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

	As at 31-03-2013		As at 31-03-2012	
17. TRADE RECEIVABLES				
Unsecured				
Debts overdue for six months				
Considered good	**230.49**		184.35	
Considered doubtful	**72.36**		60.05	
	302.85		244.40	
Less: Allowance for doubtful debts	**72.36**		60.05	
		230.49		184.35
Other debts				
Considered good		**1610.13**		1551.27
		1840.62		1735.62

	As at 31-03-2013		As at 31-03-2012	
18. CASH AND BANK BALANCES				
Cash and cash equivalents:				
Balances with banks: {Refer Note (a) below}				
On current accounts	**243.99**		166.08	
On deposit accounts {with less than 12 months maturity Refer Note (c) below}	**41.40**		125.00	
	285.39		291.08	
Cash on hand	**0.13**		0.13	
		285.52		291.21
Other balances:				
Earmarked balances with banks: {Refer Note (b) below}				
Unpaid dividends	**1.86**		27.48	
Unpaid matured fixed deposits and interest accrued thereon	**0.01**		0.01	
	1.87		27.49	
Other				
On deposit accounts {With more than 12 months maturity Refer Note (c) below}	**1.40**		2.40	
		3.27		29.89
		288.79		321.10

Notes:

(a) There are no balances with banks held as margin money or security against the borrowings, guarantees and other commitments.

(b) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2013.

(c) Deposits includes ₹ 2.80 crore: (Previous year ₹ 2.40 crore) under lien with banks.

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2013		As at 31-03-2012	
19. SHORT-TERM LOANS AND ADVANCES				
Unsecured, considered good, unless otherwise stated				
Security deposits:				
Considered good	**29.80**		27.74	
Considered doubtful	**1.47**		1.28	
	31.27		29.02	
Less: Allowance for bad and doubtful advances	**1.47**		1.28	
		29.80		27.74
Loans and advances to related parties:				
Subsidiaries	**509.38**		84.62	
Associates	**0.00**		0.00	
Other related party	**10.45**		9.67	
		519.83		94.29
Advances recoverable in cash or in kind or for value to be received:				
Considered good	**86.97**		83.36	
Considered doubtful	**4.59**		4.46	
	91.56		87.82	
Less: Allowance for bad and doubtful advances	**4.59**		4.46	
		86.97		83.36
Balances with excise, customs, service tax and value added tax, etc.		**56.97**		59.05
		693.57		264.44

	As at 31-03-2013	As at 31-03-2012
20. OTHER CURRENT ASSETS		
Interest accrued on investments and deposits	**0.07**	0.20
Other receivables	**49.67**	48.68
	49.74	48.88

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	2012-13		2011-12	
21. REVENUE FROM OPERATIONS				
Sale of products	**7534.18**		6813.97	
Sale of services	**36.89**		36.53	
		7571.07		6850.50
Less: Excise duty		**435.77**		365.12
		7135.30		6485.38

Note:

	Sales Value 2012-13	Sales Value 2011-12
DISCLOSURE OF SALE OF PRODUCTS		
(i) Transformers, Reactors and Accessories thereof	**1815.44**	1803.13
(ii) Switchgears, Control Equipments and Accessories thereof	**743.14**	731.71
(iii) Traction Electronic, Industrial Drives and SCADA	**147.99**	120.93
(iv) Electric Motors, Alternators and Drives Panels	**1333.06**	1389.76
(v) Power driven Pumps	**586.88**	501.87
(vi) Electric Steel Stamping and Laminates	**67.36**	54.90
(vii) Electric Fans, Ventilation and Pollution Control Systems	**1113.78**	912.19
(viii) Electric Lamps	**768.90**	666.68
(ix) Appliances	**212.02**	121.06
(x) Others	**745.61**	511.74
	7534.18	6813.97

	2012-13	2011-12
22. OTHER INCOME		
Interest income	**45.61**	23.98
Dividend income:		
Subsidiaries	**0.30**	0.30
Others	**0.02**	0.05
Gain on sale of investments (net)	**23.45**	16.11
Exchange gain (net)	**-**	5.89
Other non-operating income (net of expenses):		
Income from lease of premises / business service centers	**21.49**	18.66
Miscellaneous income	**7.81**	9.40
	98.68	74.39

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	2012-13		2011-12	
23. COST OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS				
Opening stock	**167.39**		130.91	
Add: Purchases	**3487.95**		3386.66	
Less: Closing stock	**223.77**		167.39	
	3431.57		3350.18	
Less: Scrap sales	**93.17**		83.97	
		3338.40		3266.21
Add: Sub-contracting charges		**226.88**		201.41
		3565.28		3467.62

Note:

	2012-13	2011-12
DISCLOSURE OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS		
(i) Ferrous materials	**630.13**	593.46
(ii) Non-ferrous materials	**710.21**	662.57
(iii) Chemicals, Oils and Paints	**161.06**	154.76
(iv) Wires, Pipes, Tubes and Cables	**44.44**	45.60
(v) Components	**1230.03**	1241.55
(vi) Others	**655.70**	652.24
	3431.57	3350.18

	2012-13	2011-12
24. PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	**1811.80**	1265.47
	1811.80	1265.47

Note:

	2012-13	2011-12
DETAILS OF PURCHASES OF STOCK-IN-TRADE		
(i) Power driven Pumps	**352.68**	294.09
(ii) Electric Fans, Ventilation Control Systems and Pollution Control Systems	**399.02**	335.90
(iii) Electric Lamps	**432.98**	353.41
(iv) Appliances	**172.74**	92.58
(v) Others	**454.38**	189.49
	1811.80	1265.47

	2012-13		2011-12	
25. 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	**68.94**		37.48	
Work-in-progress	**173.40**		201.37	
	242.34		238.85	
Opening stock				
Finished goods	**37.48**		38.33	
Work-in-progress	**201.37**		191.80	
	238.85		230.13	
		(3.49)		(8.72)
Changes in inventories of stock-in-trade				
Closing stock				
Stock-in-trade	**77.85**		38.35	
Opening stock				
Stock-in-trade	**38.35**		39.68	
		(39.50)		1.33
		(42.99)		(7.39)

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

26. EMPLOYEE BENEFITS	2012-13	2011-12
Salaries, wages and bonus	**351.80**	304.02
Contribution to provident and other funds	**22.71**	23.49
Post retirement medical benefits	**8.13**	7.59
Workmen and staff welfare	**28.53**	28.49
	411.17	363.59

27. FINANCE COSTS	2012-13	2011-12
Interest on loans	**25.35**	27.08
Loss on foreign currency transactions and translation	**0.06**	0.58
	25.41	27.66

28. DEPRECIATION AND AMORTISATION	2012-13	2011-12
Depreciation and amortisation	**72.06**	90.92
Less: Recoupment from revaluation reserve {Refer note 3(a), *supra*}	**0.20**	0.21
	71.86	90.71

29. OTHER EXPENSES	2012-13	2011-12
Consumption of stores and spares	**43.74**	38.79
Power and fuel	**47.30**	42.66
Rent	**11.86**	11.87
Repairs to buildings	**6.76**	5.88
Repairs to machinery	**28.04**	19.65
Insurance	**11.41**	7.07
Rates and taxes	**42.27**	27.04
Freight and forwarding	**149.63**	128.21
Packing materials	**75.43**	68.66
After sales services including warranties	**47.95**	41.88
Sales promotion	**69.09**	47.44
Miscellaneous expenses (Refer Note below)	**261.95**	236.26
	795.43	675.41

Note:

MISCELLANEOUS EXPENSES INCLUDES AUDITORS' REMUNERATION	2012-13	2011-12
Auditors' remuneration (excluding service tax)		
Audit fees	**0.78**	0.63
Tax audit fees	**0.14**	0.12
Certification work	**0.27**	0.25
Other services	**0.08**	0.13
Expenses reimbursed	**0.30**	0.23
	1.57	1.36

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2013	As at 31-03-2012
30. CONTINGENT LIABILITIES AND COMMITMENTS		
A Contingent Liabilities: (to the extent not provided for)		
(a) Claims against the Company not acknowledged as debts	**9.37**	9.26
(b) Sales tax / VAT liability that may arise in respect of matters in appeal	**13.15**	8.11
(c) Excise duty / service tax liability that may arise in respect of matters in appeal	**5.35**	7.07
(d) Income tax liability that may arise in respect of matters in appeal preferred by the department	**1.03**	0.38
(e) Guarantees / securities given on behalf of subsidiary companies	**1267.94**	175.30
(f) Bills discounted	**79.89**	87.17
B Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**45.86**	38.79

31. During the year, the Company has entered into a definite agreement dated 11th January, 2013 for acquisition of Compact Fluorescent Lamps (CFL) business of Karma Industries located at Baddi, Himachal Pradesh.

	2012-13	2011-12
32. Expenses capitalised during the year:		
(a) Raw materials consumed	**8.92**	7.93
(b) Employee benefits	**6.40**	3.08
(c) Other expenses	**0.18**	2.46
33. Value of imports (on C.I.F. basis):		
(a) Raw materials	**598.14**	557.98
(b) Trading goods	**130.33**	95.15
(c) Spare parts	**2.88**	3.32
(d) Capital goods	**28.85**	33.60
34. Expenditure in foreign currency:		
(a) Technical know-how fees	**5.63**	5.33
(b) Professional charges	**6.60**	12.42
(c) Interest	**1.23**	2.04
(d) Commission, travelling and others	**53.03**	35.90
35. Remittance in foreign currency on account of dividend:		
3rd Interim dividend for year ended 31st March, 2012		
(a) Number of non-resident shareholders	**365**	383
(b) Number of shares held	**19970828**	21751680
(c) Amount of dividend	**0.80**	1.31
1st Interim dividend for year ending 31st March, 2013		
(a) Number of non-resident shareholders	**249**	373
(b) Number of shares held	**19856686**	20972142
(c) Amount of dividend	**0.79**	1.68
2nd Interim dividend for year ending 31st March, 2013		
(a) Number of non-resident shareholders	**250**	368
(b) Number of shares held	**19131125**	19971176
(c) Amount of dividend	**0.77**	0.40
36. Earnings in foreign exchange:		
(a) Export of goods (on F.O.B. basis) including deemed exports ₹ 101.60 crore; (Previous year ₹ 119.86 crore)	**850.12**	871.96
(b) Service income	**5.77**	13.10
(c) Interest	**21.27**	13.87

₹ crore

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

37. EXPENDITURE ON RESEARCH AND DEVELOPMENT		2012-13	2011-12
(a) Capital expenditure			
Building		**0.42**	0.43
Plant and equipments		**9.95**	8.97
Furniture and fixtures		**0.14**	0.95
Vehicles		**0.06**	0.00
Intangible assets		**0.47**	18.57
Capital work-in-progress		**13.31**	10.62
Intangible assets under development		**20.03**	21.03
Sub-total	**(a)**	**44.38**	60.57
(b) Revenue expenditure			
Raw materials consumed		**1.13**	1.08
Employee benefits		**24.86**	19.98
Depreciation and amortisation		**1.78**	2.30
Other expenses			
Consumption of stores and spares		**3.01**	2.54
Power and fuel		**0.95**	0.72
Rent		**0.17**	0.19
Repairs to buildings		**0.22**	0.38
Repairs to machinery		**0.24**	0.25
Insurance		**0.18**	0.26
Rates and taxes		**0.33**	1.09
Miscellaneous expenses		**8.69**	8.86
Sub-total	**(b)**	**41.56**	37.65
Total	**(a) + (b)**	**85.94**	**98.22**

38. CONSUMPTION OF RAW MATERIALS, AND COMPONENT CONSUMED AND CONSTRUCTION MATERIALS	2012-13		2011-12	
	Percentage of total Consumption	**₹ crore**	Percentage of total Consumption	₹ crore
Raw materials and construction materials:				
Imported	**16.77**	**575.41**	15.74	527.27
Indigenous	**83.23**	**2856.16**	84.26	2822.91
	100.00	**3431.57**	100.00	3350.18
Spare parts:				
Imported	**5.53**	**2.37**	7.71	2.92
Indigenous	**94.47**	**40.50**	92.29	34.95
	100.00	**42.87**	100.00	37.87
Loose tools:				
Indigenous	**100.00**	**0.88**	100.00	0.92
	100.00	**0.88**	100.00	0.92

39. DISCLOSURES UNDER ACCOUNTING STANDARD (AS) 7 CONSTRUCTION CONTRACTS	2012-13	2011-12
(a) Contract revenue recognised for the financial year	**497.65**	663.29
(b) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	**1594.40**	1096.75
(c) Amount of customer advances outstanding for contracts in progress as at reporting date	**65.53**	70.98
(d) Retention amount due from customer for contract in progress as at the reporting date	**144.25**	125.90

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

(a) Defined contribution plans [Refer policy Note 12(b), *supra*]

Amount of ₹ 16.01 crore (Previous year ₹ 15.17 crore) is recognised as an expense and included in Employee benefits [Refer Note 26, *supra*]

(b) Defined Benefit Plans [Refer policy Note 12(b) *supra*] as per Actuarial Valuation are as under:

		Gratuity		Leave Encashment		Post Retirement Medical Benefits	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
		(Funded)	(Funded)	(Non-funded)	(Non-funded)	(Non-funded)	(Non-funded)
I	**Change in obligation during the year**						
1	Liability at the beginning of the year	**47.51**	42.28	**21.51**	18.95	**12.83**	9.10
2	Interest cost	**3.92**	3.58	**1.78**	1.55	**0.91**	0.62
3	Current service cost	**2.78**	2.94	**1.81**	1.74	**0.40**	0.30
4	Past service cost	**-**	-	**-**	-	**-**	-
5	Liability transfer from other Company	**-**	0.73	**-**	0.27	**-**	-
6	Benefits paid	**(4.85)**	(3.61)	**(3.28)**	(3.79)	**(4.49)**	(3.86)
7	Actuarial (gains) / losses	**3.00**	1.59	**2.98**	2.79	**6.82**	6.67
8	Liability at the end of the year	**52.36**	47.51	**24.80**	21.51	**16.47**	12.83
II	**Change in fair value of plan assets during the year**						
1	Fair value of plan assets at the beginning of the year	**47.51**	41.91	**-**	-	**-**	-
2	Expected return on plan assets	**3.81**	3.68	**-**	-	**-**	-
3	Contributions	**6.03**	5.93	**3.28**	3.79	**4.49**	3.86
4	Transfer from other company	**-**	0.73	**-**	-	**-**	-
5	Benefits paid	**(4.85)**	(3.61)	**(3.28)**	(3.79)	**(4.49)**	(3.86)
6	Actuarial gain / (loss)	**(0.14)**	(1.13)	**-**	-	**-**	-
7	Fair value of plan assets at the end of the year	**52.36**	47.51	**-**	-	**-**	-
8	Total actuarial gain / (loss) to be recognised	**(3.14)**	(2.72)	**(2.98)**	(2.79)	**(6.82)**	(6.67)
III	**Actual return on plan assets**						
1	Expected return on plan assets	**3.81**	3.68	**-**	-	**-**	-
2	Actuarial gain / (loss)	**(0.14)**	(1.13)	**-**	-	**-**	-
3	Actual return on plan assets	**3.67**	2.55	**-**	-	**-**	-
IV	**Net asset / (liability) recognised in the balance sheet**						
1	Liability at the end of the year	**(52.36)**	(47.51)	**(24.80)**	(21.51)	**(16.47)**	(12.83)
2	Fair value of plan assets at the end of the year	**52.36**	47.51	**-**	-	**-**	-
3	Amount recognised in the balance sheet	**-**	-	**(24.80)**	(21.51)	**(16.47)**	(12.83)
V	**Expenses recognised in the statement of profit and loss for the year**						
1	Current service cost	**2.78**	2.94	**1.81**	1.74	**0.40**	0.30
2	Interest cost	**3.92**	3.58	**1.78**	1.55	**0.91**	0.62
3	Expected return on plan assets	**(3.81)**	(3.68)	**-**	-	**-**	-
4	Actuarial (gains) / losses	**3.14**	2.72	**2.98**	2.79	**6.82**	6.67
5	Total expenses as per actuarial valuation	**6.03**	5.56	**6.57**	6.08	**8.13**	7.59
6	Optional payment	**0.67**	2.76	**-**	-	**-**	-
7	Total expenses included in employee benefits	**6.70**	8.32	**6.57**	6.08	**8.13**	7.59
VI	**Balance sheet reconciliation**						
1	Opening net liability	**-**	0.37	**21.51**	18.95	**12.83**	9.10
2	Expenses as above	**6.03**	5.56	**6.57**	6.08	**8.13**	7.59
3	Employer's contribution	**(6.03)**	(5.93)	**(3.28)**	(3.79)	**(4.49)**	(3.86)
4	Liability transfer from other Company	**-**	-	**-**	0.27	**-**	-
5	Amount recognised in the balance sheet	**-**	-	**24.80**	21.51	**16.47**	12.83
VII	**The major categories of plan assets as a percentage of total Insurer managed funds**	**100%**	100%	**-**	-	**-**	-

₹ crore

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

	Gratuity		Leave Encashment		Post Retirement Medical Benefits	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	(Funded)	(Funded)	(Non-funded)	(Non-funded)	(Non-funded)	(Non-funded)
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	**-**	-	**-**	-	**0.10**	0.07
(ii) One percentage point decrease in discount rate	**-**	-	**-**	-	**(0.09)**	(0.06)
(2) Increase / (decrease) on present value of defined benefits obligation as at 31st March, 2013						
(i) One percentage point increase in Medical Inflation rate	**-**	-	**-**	-	**1.55**	1.21
(ii) One percentage point decrease in Medical Inflation rate	**-**	-	**-**	-	**(1.27)**	(0.99)
IX Actuarial assumptions						
1 Discount rate	**8.00% p.a.**	8.25% p.a.	**8.00% p.a.**	8.25% p.a.	**8.25% p.a.**	8.25% p.a.
2 Rate of return on plan assets	**8.70% p.a.**	8.00% p.a.	**-**	-	**-**	-
3 Salary escalation	**5.00% p.a.**	4.00% p.a.	**5.00% p.a.**	4.00% 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 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 Company makes annual contributions to the Crompton Greaves Limited Gratuity Trust, which is funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.

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

(f) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2013. 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.

(g) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(h) Expected rate of return on the plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

(i) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

₹ crore

41. 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 2012-13
Revenue						
External sales (net of excise duty)	2717.13	2591.47	1449.91	376.79	-	7135.30
Inter segment sales	7.58	1.24	49.53	-	(58.35)	-
Total	2724.71	2592.71	1499.44	376.79	(58.35)	7135.30
Segment results	230.61	278.07	213.00	10.62	-	732.30
Less: Finance costs						(20.20)
Less: Other unallocable expenditure net of unallocable income						156.48
Profit before tax						596.02
Tax expense						150.18
Profit after tax						445.84
Capital Employed:						
Segment assets	1770.89	585.26	713.12	132.19	2068.16	5269.62
Segment liabilities	990.44	474.93	321.29	64.70	297.52	2148.88
Net Assets	780.45	110.33	391.83	67.49	1770.64	3120.74
Capital expenditure	69.11	18.43	58.33	12.50	18.00	176.37
Depreciation and amortisation	29.27	7.85	21.07	0.60	13.07	71.86
Non-cash expenses other than depreciation	9.81	2.52	6.26	0.33	-	18.92

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations / Unallocable Expenditure / Assets*	Total 2011-12
Revenue						
External sales (net of excise duty)	2736.10	2132.42	1486.96	129.90	-	6485.38
Inter segment sales	11.32	1.20	33.12	-	(45.64)	-
Total	2747.42	2133.62	1520.08	129.90	(45.64)	6485.38
Segment results	319.75	262.88	225.40	(7.90)	-	800.13
Less: Finance costs						3.68
Less: Other unallocable expenditure net of unallocable income						119.75
Profit before tax						676.70
Tax expense						171.84
Profit after tax						504.86
Capital Employed:						
Segment assets	1719.60	445.11	684.23	48.05	1673.50	4570.49
Segment liabilities	882.02	353.09	284.31	33.88	265.63	1818.93
Net Assets	837.58	92.02	399.92	14.17	1407.87	2751.56
Capital expenditure	51.60	11.57	63.39	2.89	32.11	161.56
Depreciation and amortisation	28.00	7.25	20.18	0.46	34.82	90.71
Non-cash expenses other than depreciation	3.85	3.36	3.16	-	-	10.37

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

₹ crore

41. 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:

	2012-13	2011-12
Sales and service revenue:		
Domestic	**6371.04**	5703.37
Overseas:		
Asia	**256.22**	310.29
Africa	**191.99**	214.62
North America	**97.47**	42.16
South America	**167.59**	170.23
Europe	**42.55**	39.11
Australia	**8.44**	5.60
Total	**7135.30**	6485.38

(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 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

(iv) Other : Power Distribution

(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.

42. 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 Energy Management Limited	Wholly owned Subsidiary
2	CG PPI Adhesive Products Limited	Subsidiary of the Company
3	CG-ZIV Power Automation Solutions Limited	Wholly owned Subsidiary
4	CG Power Solutions Limited	Wholly owned Subsidiary
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. (w.e.f. 15th November, 2012)	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 Service Systems France SAS	Wholly owned subsidiary of CG International B.V.
23	CG Power Solutions USA Inc.	Subsidiary of CG International B.V.
24	CG Holdings Germany GmbH	Wholly owned subsidiary of CG International B.V.
25	CG Power Solutions UK Limited	Wholly owned subsidiary of CG Automation Systems UK Limited
26	CG Holdings USA Inc.	Wholly owned subsidiary of CG Power Systems Belgium N.V.
27	CG Power County LLC	Wholly owned subsidiary of CG Holdings USA Inc.
28	CG Power Systems Brazil LTDA	Wholly owned subsidiary of CG Power Systems Belgium N.V.
29	CG Power Solutions Saudi Arabia Ltd	Subsidiary of CG Holdings Belgium N.V.
30	CG Sales Networks Singapore PTE. Limited	Wholly owned subsidiary of CG Holdings Belgium N.V.
31	Crompton Greaves Holdings Mauritius Limited	Wholly owned subsidiary
32	CG International Holdings Singapore PTE. Limited	Wholly owned subsidiary of Crompton Greaves Holdings Mauritius Limited
33	CG Industrial Holdings Sweden AB	Wholly owned subsidiary of CG International B.V.
34	P-EM 2007 A/S (w.e.f. 12th April, 2012)	Wholly owned subsidiary of CG Industrial Holdings Sweden AB
35	Crompton Greaves Holdings Sweden AB	Wholly owned subsidiary of PEM Denmark
36	Emotron Holdings AB (merged w.e.f. 25th June 2012)	Wholly owned subsidiary of Crompton Greaves Holdings Sweden AB
37	CG Drives and Automation Sweden AB	Wholly owned subsidiary of Emotron Holdings Sweden AB
38	CG Drives and Automation Netherlands B.V.	Wholly owned subsidiary of CG Drives and Automation Sweden AB
39	Emotron Drives UK Limited	Wholly owned subsidiary of CG Drives and Automation Sweden AB
40	Emotron El-Fi UK Limited	Wholly owned subsidiary of CG Drives and Automation Sweden AB
41	CG Drives and Automations Germany GmbH	Wholly owned subsidiary of CG Drives and Automation Sweden AB
42	Scandialogic AB	Wholly owned subsidiary of CG Drives and Automation Sweden AB
43	Emotron Drives AB	Wholly owned subsidiary of CG Drives and Automation Sweden AB
44	Emotron El-Fi AB	Wholly owned subsidiary of CG Drives and Automation Sweden AB
45	Emotron Latin America Inc.	Wholly owned subsidiary of CG Drives and Automation Sweden AB
46	CG Automation Solutions USA Inc.	Wholly owned subsidiary of CG Holdings USA Inc.
47	ZIV Aplicaciones y Tecnologia S.L.	Wholly owned subsidiary of CG International B.V.
48	ZIV Metering Solutions S.L.	Wholly owned subsidiary of ZIV Aplicaciones y Tecnologia S.L.
49	ZIV Grid Automation S.L.	Wholly owned subsidiary of ZIV Aplicaciones y Tecnologia S.L.
50	ZIV Communications S.A.	Wholly owned subsidiary of ZIV Aplicaciones y Tecnologia S.L.

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

Sr. No.	Name of the Related Party	Relationship
51	ZIV USA INC	Wholly owned subsidiary of ZIV Aplicaciones y Tecnologia S.L.
52	ZIV Do Brazil LTDA	Subsidiary of ZIV Aplicaciones y Tecnologia
53	ZIV I+D Smart Energy Networks	Subsidiary of ZIV Metering Solutions S.L.

Serial Nos. 8 and 34 are liquidated during the year

Serial Nos. 39 and 40 are liquidated w.e.f. 26th February, 2013

Serial Nos. 42 to 44 are merged w.e.f. 11th May, 2012

Serial Nos. 47 to 53 are acquired w.e.f. 28th July, 2012

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 Power Systems Ireland Limited
15 CG Power Solutions USA Inc.
16 CG Power Systems Brazil LTDA
17 CG Drives and Automation Sweden AB
18 CG Drives and Automations Germany GmbH
19 CG Drives and Automation Netherlands B.V.
20 Crompton Greaves Holdings Mauritius Limited
21 CG Power Solutions Limited
22 ZIV Communications S.A.
23 ZIV Aplicaciones y Tecnologia S.L.

Associates:

1 CG Lucy Switchgear Limited
2 Avantha Power & Infrastructure Limited

Key Management Personnel:

1 Gautam Thapar - Chairman and Promoter Director
2 Laurent Demortier - CEO & Managing Director

Other related parties in which directors are interested:

1 Ballarpur Industries Limited
2 Solaris ChemTech Industries Limited
3 BILT Graphic Paper Products Limited
4 Avantha Technologies 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 Corella Investments Limited
12 Lustre International Limited
13 Varun Prakashan Private Limited
14 Jhabua Power Limited

₹ crore

42. 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	2012-13	2011-12
1	**Purchase of goods and services**		
	Subsidiaries		
	CG Holdings Belgium N.V.	**0.03**	-
	CG PPI Adhesive Products Limited	**2.44**	3.34
	CG Power Systems USA Inc.	**0.21**	-
	CG Sales Networks Americas Inc.	**0.02**	-
	CG Electric Systems Hungary Zrt.	**37.42**	20.72
	CG Automation Systems UK Limited	**2.96**	1.39
	CG-ZIV Power Automation Solutions Limited	**11.41**	1.01
	CG Power System Ireland Limited	**0.09**	-
	CG Drives and Automation Germany GmbH	**0.01**	-
	CG Drives and Automation Sweden AB	**3.55**	1.20
	ZIV Communications S.A.	**1.19**	-
	Associate		
	CG Lucy Switchgear Limited	**58.99**	32.49
	Other Related Parties		
	BILT Graphic Paper Products Limited	**-**	0.34
	Ballarpur Industries Limited	**0.79**	0.26
	Total	**119.11**	60.75
2	**Sales of goods and services**		
	Subsidiaries		
	CG-ZIV Power Automation Solutions Limited	**-**	0.00
	PT. CG Power Systems Indonesia	**8.15**	0.95
	CG Power Systems Canada Inc.	**-**	0.03
	CG Power Systems USA Inc.	**0.06**	0.12
	CG Sales Networks Americas Inc.	**63.18**	14.63
	CG Sales Networks France SA	**1.30**	0.31
	CG Power Systems Belgium N.V.	**0.75**	0.17
	CG Electric Systems Hungary Zrt.	**4.91**	0.96
	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.	**0.01**	0.36
	CG Power Solutions USA Inc.	**-**	0.12
	CG Power System Brazil LTDA	**14.87**	1.24
	CG Drives and Automations Germany GmbH	**5.23**	0.01
	CG Drives & Automation Netherlands B.V.	**0.23**	-
	CG Drives & Automation Sweden AB	**0.00**	-
	CG Energy Management Limited	**-**	0.87
	Associates		
	CG Lucy Switchgear Limited	**7.23**	3.42
	Avantha Power & Infrastructure Limited	**0.22**	0.15
	Other Related Parties		
	Ballarpur Industries Limited	**0.75**	0.41
	Solaris ChemTech Industries Limited	**0.24**	0.18
	BILT Graphic Paper Products Limited	**4.81**	5.41
	Korba West Power Company Limited	**13.85**	31.83
	Avantha Holdings Limited	**0.02**	0.07
	Sabah Forest Industries Sdn. Bhd.	**0.34**	5.59
	Jhabua Power Limited	**12.47**	-
	Total	**138.62**	67.08
3	**Sale of fixed assets**		
	Subsidiaries		
	CG-ZIV Power Automation Solutions Limited	**-**	0.01
	CG Power Systems Belgium N.V.	**0.31**	-
	Other Related Parties		
	Asia Aviation Limited	**-**	41.17
	Avantha Holdings Limited	**0.01**	240.50
	Total	**0.32**	281.68

₹ crore

42. 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	2012-13	2011-12
4	**Purchase of fixed assets**		
	Subsidiary		
	CG Electric Systems Hungary Zrt.	**7.59**	-
	Other Related Party		
	Asia Aviation Limited	**-**	0.01
	Total	**7.59**	0.01
5	**Subscription to equity shares**		
	Subsidiaries		
	CG-ZIV Power Automation Solutions Limited	**3.02**	1.68
	Crompton Greaves Holdings Mauritius Limited	**-**	194.34
	CG Power Solutions Limited	**-**	0.05
	Total	**3.02**	196.07
6	**Interest expenses**		
	Subsidiaries		
	CG PPI Adhesive Products Limited	**0.29**	0.28
	CG Electric Systems Hungary Zrt.	**1.77**	6.11
	Associate		
	CG Lucy Switchgear Limited	**0.56**	0.25
	Total	**2.62**	6.64
7	**Dividend received**		
	Subsidiary		
	CG PPI Adhesive Products Limited	**0.30**	0.30
	Total	**0.30**	0.30
8	**Bank charges recovered**		
	Subsidiary		
	CG International B.V.	**19.00**	-
	Total	**19.00**	-
9	**Rental income**		
	Subsidiary		
	CG-ZIV Power Automation Solutions Limited	**0.50**	0.34
	Other Related Parties		
	Ballarpur Industries Limited	**2.05**	2.05
	Solaris ChemTech Industries Limited	**0.53**	0.52
	Total	**3.08**	2.91
10	**Interest income**		
	Subsidiaries		
	CG International B.V.	**21.27**	13.87
	CG-ZIV Power Automation Solutions Limited	**0.11**	-
	CG Power Solutions Limited	**0.14**	-
	Other Related Party		
	Malanpur Captive Power Limited	**0.86**	0.81
	Total	**22.38**	14.68
11	**Payment of salaries, commission and perquisites**		
	Key Management Personnel		
	Gautam Thapar	**4.50**	5.57
	Sudhir Trehan	**-**	0.88
	Laurent Demortier	**9.00**	8.17
	Total	**13.50**	14.62

₹ crore

42. 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	2012-13	2011-12
12	**Dividend paid**		
	Other Related Parties		
	Corella Investments Limited	**0.87**	0.72
	Lustre International Limited	**0.52**	0.43
	Avantha Holdings Limited	**30.71**	25.59
	Avantha Realty Limited	**0.00**	0.00
	Varun Prakashan Private Limited	**0.00**	0.00
	Total	**32.10**	26.74
13	**Commission paid**		
	Subsidiaries		
	CG Energy Management Limited	**-**	0.02
	CG Sales Networks Americas Inc.	**2.07**	3.05
	Total	**2.07**	3.07
14	**Rent paid**		
	Other Related Party		
	Avantha Realty Limited	**2.04**	2.04
	Total	**2.04**	2.04
15	**Other expenses**		
	Subsidiaries		
	PT. CG Power Systems Indonesia	**0.02**	-
	CG Sales Networks Americas Inc.	**0.42**	-
	CG Power Systems Belgium N.V.	**0.18**	-
	CG Holdings Belgium N.V.	**0.87**	-
	CG Drives and Automation Sweden AB	**38.83**	21.76
	Other Related Parties		
	Avantha Holdings Limited	**78.42**	28.13
	Avantha Realty Limited	**0.67**	0.60
	Avantha Technologies Limited	**0.01**	0.02
	Salient Business Solutions Limited	**0.88**	1.25
	Total	**120.30**	51.76
16	**Recovery expenses**		
	Subsidiary		
	CG International B. V	**27.06**	12.31
	Total	**27.06**	12.31

₹ crore

42. 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	As at 31-03-2013	As at 31-03-2012
1	**Accounts payable**		
	Subsidiaries		
	CG PPI Adhesive Products Limited	**0.57**	0.42
	PT. CG Power Systems Indonesia	**0.02**	-
	CG Power System USA Inc.	**0.19**	-
	CG Sales Networks Americas Inc.	**3.76**	3.99
	CG Power Systems Belgium N.V.	**0.18**	-
	CG Electric Systems Hungary Zrt.	**36.49**	10.64
	CG Holdings Belgium N.V.	**0.24**	-
	CG Automation Systems UK Limited	**1.51**	1.25
	CG-ZIV Power Automation Solutions Limited	**3.33**	0.48
	CG Drives and Automation Sweden AB	**37.68**	0.59
	ZIV Communication S.A.	**1.18**	-
	Associate		
	CG Lucy Switchgear Limited	**21.63**	16.61
	Other Related Parties		
	Ballarpur Industries Limited	**0.01**	0.01
	Sabah Forest Industries Sdn. Bhd.	**-**	0.01
	Avantha Holdings Limited	**3.60**	-
	Salient Business Solutions Limited	**0.08**	-
	Total	**110.47**	34.00
2	**Accounts receivable**		
	Subsidiaries		
	CG PPI Adhesive Products Limited	**0.00**	-
	PT. CG Power Systems Indonesia	**7.94**	0.95
	CG Power Systems USA Inc.	**0.13**	0.13
	CG Sales Networks Americas Inc.	**10.62**	2.48
	CG Power Systems Belgium N.V.	**1.06**	-
	CG Power Systems Canada Inc.	**0.00**	0.00
	CG Holdings Belgium N.V.	**-**	0.47
	CG Electric Systems Hungary Zrt.	**5.69**	1.60
	CG Sales Networks France	**-**	0.31
	CG Power Systems, Brazil LTDA	**7.70**	1.24
	CG Energy Management Limited	**1.10**	1.10
	CG Drives and Automation Germany GmbH	**3.84**	-
	CG Drives and Automation Netherlands B.V.	**0.23**	-
	CG Drives and Automation Sweden AB	**0.00**	-
	CG Power System Ireland Limited	**0.00**	-
	Associates		
	CG Lucy Switchgear Limited	**1.65**	0.58
	Avantha Power & Infrastructure Limited	**0.00**	0.08
	Other Related Parties		
	BILT Graphic Paper Products Limited	**1.03**	3.12
	Ballarpur Industries Limited	**0.24**	0.13
	Solaris ChemTech Industries Limited	**0.24**	0.15
	Korba West Power Company Limited	**4.89**	9.34
	Sabah Forest Industries Sdn. Bhd.	**-**	0.19
	Avantha Holdings Limited	**0.01**	0.05
	Jhabua Power Limited	**4.87**	-
		51.24	21.92

₹ crore

42. 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	As at 31-03-2013	As at 31-03-2012
3	**Loans and advances receivable**		
	Subsidiaries		
	CG International B.V.	**469.89**	83.29
	CG Power Systems Belgium N.V.	**2.99**	0.63
	CG Energy Management Limited	**0.01**	0.00
	CG PPI Adhesive Products Limited	**0.08**	0.02
	CG Automation Systems UK Limited	**-**	0.25
	Crompton Greaves Holdings Mauritius Limited	**-**	0.09
	CG-ZIV Power Automation Solutions Limited	**4.54**	0.34
	CG Power Solutions Limited	**31.87**	0.00
	Associate		
	CG Lucy Switchgear Limited	**0.00**	0.00
	Other Related Party		
	Malanpur Captive Power Limited	**10.45**	9.67
	Total	**519.83**	94.29
4	**Loans and advances payable**		
	Subsidiaries		
	PT. CG Power Systems Indonesia	**0.16**	0.10
	CG Sales Networks Americas Inc.	**3.85**	3.76
	CG Drives and Automation Sweden AB	**20.48**	21.74
	CG Electric Systems Hungary Zrt.	**0.03**	6.10
	ZIV Aplicaciones y Tecnologia S.L.	**3.02**	-
	CG Energy Management Limited	**0.02**	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	**0.07**	1.93
	Total	**27.73**	36.53
5	**Dividend payable**		
	Other Related Parties		
	Corella Investments Limited	**0.29**	0.29
	Avantha Holdings Limited	**10.24**	10.24
	Lustre International Limited	**0.17**	0.17
	Avantha Realty Limited	**0.00**	0.00
	Varun Prakashan Private Limited	**0.00**	0.00
	Total	**10.70**	10.70
6	**Due to Key Management Personnel**		
	Gautam Thapar		
	Laurent Demortier	**4.50**	5.57
	Total	**4.01**	1.75
		8.51	7.32

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

43. (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

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

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

Particulars		2012-13	2011-12
Profit for the year	₹ crore	**445.84**	504.86
Number of equity shares outstanding	Nos.	**641491536**	641491536
Face value of equity share	₹ /share	**2.00**	2.00
Earnings per share (basic and diluted)	₹	**6.95**	7.87

45. FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES

Sr. No.	Category of Derivative Instruments	As at 31-03-2013	As at 31-03-2012
	The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2013 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	**37.50**	52.34
	(b) Forward contracts for loan	**-**	8.25
		EURO million	EURO million
	(c) Forward contracts for loan	**22.50**	-
2	**Particulars of Unhedged foreign currency exposure as at the balance sheet date:**		
		₹ crore	₹ crore
	(a) Trade payables	**192.80**	121.62
	(b) Loans received	**-**	3.13
	(c) Loans and other receivable	**313.53**	20.35
	(d) Bank balance in current accounts and term deposit accounts	**0.02**	0.03
	(e) Investments in overseas subsidiaries	**295.67**	295.67

₹ crore

46. 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	
	31-03-2013	31-03-2012	2012-13	2011-12
(a) Loans and advances in the nature of loans given to subsidiaries				
CG International B.V.	**469.89**	83.29	**635.47**	427.61
CG Power Systems Belgium N.V.	**2.99**	0.63	**2.99**	0.73
CG PPI Adhesive Products Limited	**0.08**	0.02	**0.08**	0.05
CG Energy Management Limited	**0.01**	0.00	**0.01**	0.00
Crompton Greaves Holdings Mauritius Limited	**-**	0.09	**0.11**	0.09
CG-ZIV Power Automation Solutions Limited	**4.54**	-	**4.54**	-
CG Power Solutions Limited	**31.87**	-	**32.13**	-
(b) Loans and advances in the nature of loans given to associates				
CG Lucy Switchgear Limited	**0.00**	0.00	**0.07**	0.00
(c) Loans and advances in the nature of loans where repayment schedule is not specified				
CG International B.V.	**454.99**	79.62	**620.57**	427.61
CG Power Systems Belgium N.V.	**2.99**	0.63	**2.99**	0.73
CG PPI Adhesive Products Limited	**0.08**	0.02	**0.08**	0.05
CG Energy Management Limited	**0.01**	-	**0.01**	-
Crompton Greaves Holdings Mauritius Limited	**-**	0.09	**0.11**	0.09
CG Lucy Switchgear Limited	**0.00**	0.00	**0.07**	0.00
(d) Loans and advances in the nature of loans where interest is not charged				
CG International B.V.	**34.23**	3.67	**34.23**	-
CG Power Systems Belgium N.V.	**2.99**	0.63	**2.99**	0.73
CG PPI Adhesive Products Limited	**0.08**	0.02	**0.08**	0.05
CG Energy Management Limited	**0.01**	0.00	**0.01**	0.00
Crompton Greaves Holdings Mauritius Limited	**-**	0.09	**0.11**	0.09
CG Lucy Switchgear Limited	**0.00**	0.00	**0.07**	0.00

47. Amounts shown as ₹ 0.00 represent amounts below ₹ 50,000 (Rupees Fifty Thousand).

48. Figures for the previous year have been re-grouped / re-classified whenever necessary.

Signatures to Notes 1 to 48

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, 24th May, 2013

Wilton Henriques
COMPANY SECRETARY
Mumbai, 24th May, 2013

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, 2013	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, 2013	For the previous years since it became a subsidiary	For the financial year ended 31st March, 2013	For the previous years since it became a subsidiary
1	CG International B.V.	31st March, 2013	**100.00%**	**5.63**	33.28	**NIL**	NIL
2	CG Holdings Belgium N.V.	31st March, 2013	**100.00%**	**(19.60)**	393.54	**NIL**	NIL
3	CG Power Systems Belgium N.V.	31st March, 2013	**100.00%**	**(328.05)**	213.76	**NIL**	NIL
4	CG Power Systems Ireland Limited	31st March, 2013	**100.00%**	**9.18**	119.69	**NIL**	NIL
5	CG Sales Networks France SA	31st March, 2013	**99.40%**	**0.05**	0.35	**NIL**	NIL
6	CG Power Systems USA Inc.	31st March, 2013	**100.00%**	**34.10**	184.77	**NIL**	NIL
7	CG Sales Networks Americas Inc.	31st March, 2013	**100.00%**	**(0.64)**	4.92	**NIL**	NIL
8	CG Power Systems Canada Inc.	31st March, 2013	**100.00%**	**(88.74)**	87.21	**NIL**	NIL
9	CG Service Systems Curacao N.V.	31st March, 2013	**100.00%**	**(0.18)**	0.16	**NIL**	NIL
10	PT. CG Power Systems Indonesia	31st March, 2013	**95.00%**	**50.51**	285.11	**NIL**	NIL
11	CG Holdings Hungary Kft.	31st March, 2013	**100.00%**	**1.77**	(64.64)	**NIL**	NIL
12	CG Electric Systems Hungary Zrt.	31st March, 2013	**100.00%**	**(64.21)**	74.06	**NIL**	NIL
13	CG Power Holdings Ireland Limited	31st March, 2013	**100.00%**	**37.05**	(167.48)	**NIL**	NIL
14	Microsol Limited	31st March, 2013	**100.00%**	**(0.01)**	144.80	**NIL**	NIL
15	CG Automation Systems UK Limited	31st March, 2013	**100.00%**	**(1.47)**	(2.42)	**NIL**	NIL
16	Viserge Limited	31st March, 2013	**100.00%**	**(43.16)**	25.01	**NIL**	NIL
17	CG Service Systems France SAS	31st March, 2013	**100.00%**	**0.38**	3.22	**NIL**	NIL
18	CG Power Solutions USA Inc.	31st March, 2013	**100.00%**	**(10.86)**	(43.16)	**NIL**	NIL
19	CG Holdings Germany GmbH	31st March, 2013	**100.00%**	**(0.00)**	(0.00)	**NIL**	NIL
20	CG Power Solutions UK Limited	31st March, 2013	**100.00%**	**(18.96)**	92.20	**NIL**	NIL
21	CG Holdings USA Inc.	31st March, 2013	**100.00%**	**7.10**	(43.83)	**NIL**	NIL
22	CG Power County LLC	31st March, 2013	**100.00%**	**(3.78)**	(29.84)	**NIL**	NIL
23	CG Power Systems Brazil LTDA	31st March, 2013	**100.00%**	**(25.31)**	(10.60)	**NIL**	NIL
24	CG Power Solutions Saudi Arabia Ltd	31st December, 2012	**51.00%**	**(1.32)**	(0.50)	**NIL**	NIL
25	CG Sales Networks Singapore PTE. LTD.	31st March, 2013	**100.00%**	**(0.12)**	2.95	**NIL**	NIL
26	CG Energy Management Limited	31st March, 2013	**100.00%**	**(0.82)**	(1.53)	**NIL**	NIL
27	CG PPI Adhesive Products Limited	31st March, 2013	**81.42%**	**0.60**	15.41	**NIL**	NIL
28	CG-ZIV Power Automation Solutions Limited	31st March, 2013	**100.00%**	**(1.05)**	(1.33)	**NIL**	NIL
29	Crompton Greaves Holdings Mauritius Limited	31st March, 2013	**100.00%**	**0.11**	(0.12)	**NIL**	NIL
30	CG International Holdings Singapore PTE. Limited	31st March, 2013	**100.00%**	**(0.00)**	(0.03)	**NIL**	NIL
31	CG Power Solutions Limited	31st March, 2013	**100.00%**	**(7.22)**	(0.02)	**NIL**	NIL
32	CG Industrial Holdings Sweden AB	31st March, 2013	**100.00%**	**1.68**	(1.67)	**NIL**	NIL
33	Crompton Greaves Holdings Sweden AB	31st March, 2013	**100.00%**	**0.55**	1.56	**NIL**	NIL
34	CG Drives and Automation Sweden AB	31st March, 2013	**100.00%**	**24.40**	17.84	**NIL**	NIL
35	CG Drives and Automation Netherlands B.V.	31st March, 2013	**100.00%**	**(0.42)**	(0.93)	**NIL**	NIL
36	CG Drives and Automation Germany GmbH	31st March, 2013	**100.00%**	**0.04**	(1.18)	**NIL**	NIL
37	Emotron Latin America Inc.	31st March, 2013	**100.00%**	**0.04**	0.08	**NIL**	NIL
38	CG Automation Solutions USA Inc.	31st March, 2013	**100.00%**	**17.83**	12.31	**NIL**	NIL

₹ 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, 2013	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, 2013	For the previous years since it became a subsidiary	For the financial year ended 31st March, 2013	For the previous years since it became a subsidiary
39	ZIV Aplicaciones y Tecnologia S.L.	31st March, 2013	**100.00%**	**5.09**	-	**NIL**	NIL
40	ZIV Metering Solutions S.L.	31st March, 2013	**100.00%**	**5.74**	-	**NIL**	NIL
41	ZIV Grid Automation S.L.	31st March, 2013	**100.00%**	**2.14**	-	**NIL**	NIL
42	ZIV Communications S.A.	31st March, 2013	**100.00%**	**(3.06)**	-	**NIL**	NIL
43	ZIV USA INC	31st March, 2013	**100.00%**	**(0.58)**	-	**NIL**	NIL
44	ZIV Do Brazil Ltda	31st March, 2013	**100.00%**	**(2.54)**	-	**NIL**	NIL
45	ZIV I+D Smart Energy Networks	31st March, 2013	**100.00%**	**(1.06)**	-	**NIL**	NIL

Serial no. 39 to 45 are acquired w.e.f. 28th July, 2012

Madhav Acharya
CHIEF FINANCIAL OFFICER

Wilton Henriques
COMPANY SECRETARY

Laurent Demortier
CEO & MANAGING DIRECTOR

Gautam Thapar
CHAIRMAN

Mumbai, 24th May, 2013

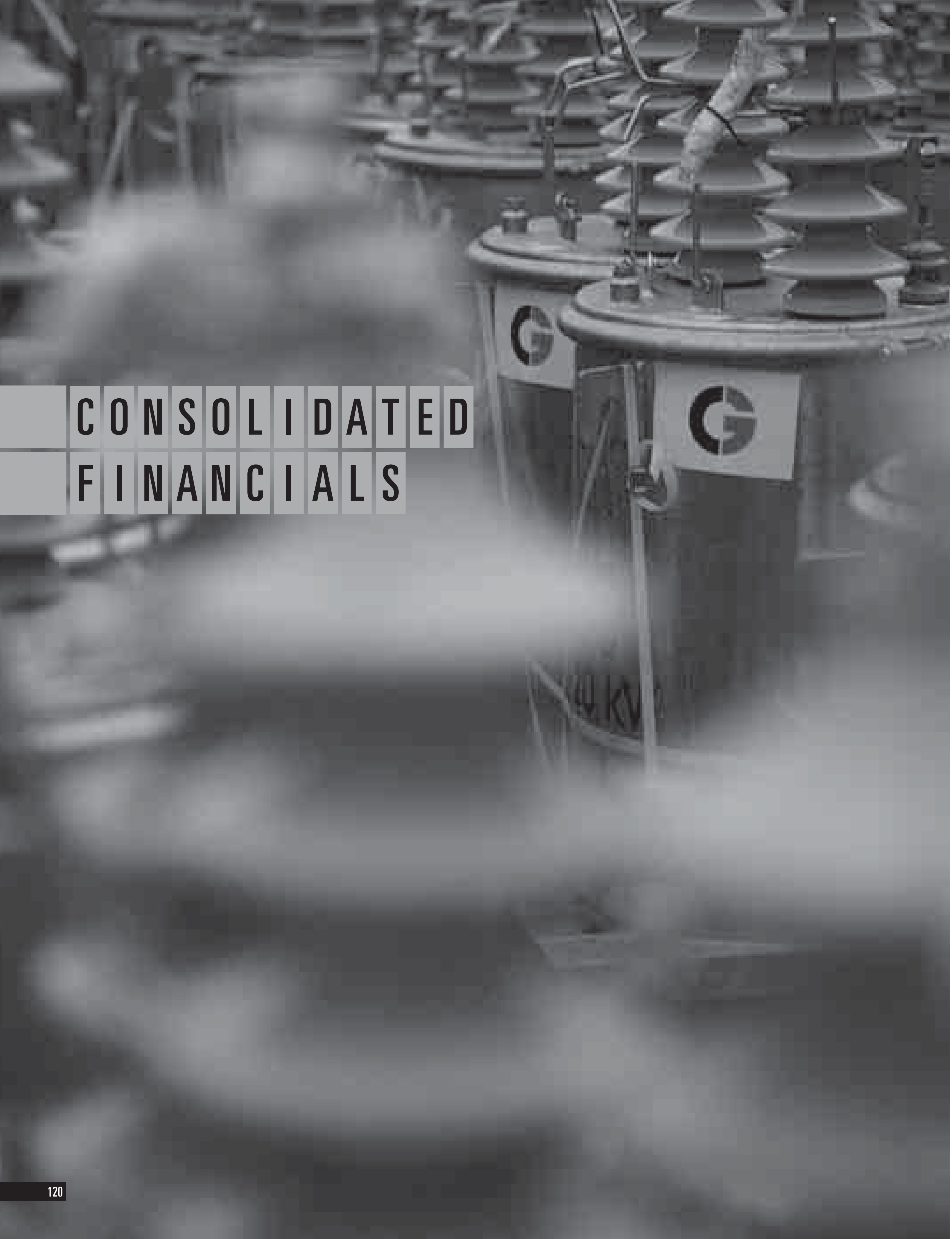
₹ crore

INFORMATION IN RESPECT OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH 2013

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Closing Exchange Rate	Capital: Equity Share Capital	Capital: Preference Share Capital	Reserves	Total Assets	Total Liabilities	Investment (except investments in subsidiaries)	Turnover (including Other income)	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	Country
1	CG International B.V.	EUR	69.4950	333.58	-	122.28	2607.88	2152.02	-	124.28	5.63	-	5.63	-	The Netherlands
2	CG Holdings Belgium N.V.	EUR	69.4950	814.07	-	1087.42	2943.13	1041.64	0.09	776.51	(19.60)	0.00	(19.60)	-	Belgium
3	CG Power Systems Belgium N.V.	EUR	69.4950	584.45	-	(251.29)	2710.54	2377.39	20.02	1289.91	(328.03)	0.02	(328.05)	-	Belgium
4	CG Power Systems Ireland Limited	EUR	69.4950	26.19	61.68	161.96	375.70	125.87	0.00	540.77	10.61	1.43	9.18	-	Ireland
5	CG Sales Networks France SA	EUR	69.4950	0.32	-	4.23	11.66	7.11	-	10.78	0.22	0.17	0.05	-	France
6	CG Power Systems USA Inc.	USD	54.2850	8.14	8.14	160.27	476.31	299.76	4.63	821.55	49.46	15.36	34.10	-	USA
7	CG Sales Networks Americas Inc.	USD	54.2850	0.54	-	(0.80)	25.01	25.27	-	75.09	(0.81)	(0.18)	(0.64)	-	USA
8	CG Power Systems Canada Inc.	CAD	53.4375	146.95	42.75	(172.04)	371.31	353.65	-	271.89	(102.16)	(15.00)	(88.74)	-	Canada
9	CG Service Systems Curacao N.V.	ANG	30.2275	0.06	-	1.08	1.14	-	-	0.23	(0.18)	-	(0.18)	-	Netherlands Antilles
10	PT. CG Power Systems Indonesia	USD	54.2850	68.90	-	320.90	657.21	267.41	-	574.16	69.74	19.22	50.51	-	Indonesia
11	CG Holdings Hungary Kft.	EUR	69.4950	27.21	-	19.07	119.13	72.85	-	2.38	1.86	0.09	1.77	-	Hungary
12	CG Electric Systems Hungary Zrt.	EUR	69.4950	31.27	-	154.39	1006.46	820.80	-	605.29	(64.21)	-	(64.21)	-	Hungary
13	CG Power Holdings Ireland Limited	EUR	69.4950	26.85	5.89	(32.73)	0.01	0.01	-	36.99	36.99	(0.06)	37.05	-	Ireland
14	Microsol Limited	EUR	69.4950	6.86	1.57	(8.41)	0.01	-	-	-	(0.01)	-	(0.01)	-	Ireland
15	CG Automation Systems UK Limited	GBP	82.2275	14.39	-	6.82	158.45	137.24	-	29.43	(1.47)	-	(1.47)	-	United Kingdom
16	Viserge Limited	EUR	69.4950	0.01	-	0.00	0.01	-	-	-	(43.57)	(0.41)	(43.16)	-	Ireland
17	CG Service Systems France SAS	EUR	69.4950	1.39	-	5.16	22.63	16.08	-	45.58	0.69	0.31	0.38	-	France
18	CG Power Solutions USA Inc.	USD	54.2850	0.00	-	16.13	169.35	153.22	-	231.40	(66.03)	(55.17)	(10.86)	-	USA
19	CG Holdings Germany GmbH	EUR	69.4950	0.17	-	(0.01)	0.16	-	-	-	(0.00)	-	(0.00)	-	Germany
20	CG Power Solutions UK Limited	GBP	82.2275	0.00	-	74.80	170.47	95.67	-	318.30	(24.57)	(5.61)	(18.96)	-	United Kingdom
21	CG Holdings USA Inc.	USD	54.2850	0.00	-	(37.05)	250.17	287.22	-	14.15	7.12	0.02	7.10	-	USA
22	CG Power County LLC	USD	54.2850	-	-	(33.63)	-	33.63	-	-	(3.78)	-	(3.78)	-	USA
23	CG Power Systems Brazil LTDA	REAL	26.9792	-	-	(36.22)	55.32	91.54	-	15.46	(25.31)	-	(25.31)	-	Brazil
24	CG Power Solutions Saudi Arabia Ltd.	SAR	14.5063	16.32	-	(3.44)	18.22	5.34	-	1.05	(2.60)	-	(2.60)	-	Saudi Arabia
25	CG Sales Networks Singapore PTE. LTD.	USD	54.2850	0.54	-	2.83	3.38	-	-	-	(0.12)	-	(0.12)	-	Singapore
26	CG Energy Management Limited	INR	1.00	1.60	-	(2.35)	12.36	13.12	-	0.28	(0.82)	-	(0.82)	-	India
27	CG PPI Adhesive Products Limited	INR	1.00	3.90	-	9.50	17.29	3.89	-	15.79	1.15	0.42	0.73	-	India
28	CG-ZIV Power Automation Solutions Limited	INR	1.00	10.00	-	(2.70)	27.55	20.25	-	9.65	(0.89)	0.16	(1.05)	-	India
29	Crompton Greaves Holdings Mauritius Limited	EUR	69.4950	208.51	-	(0.01)	208.51	0.03	-	-	0.11	0.00	0.11	-	Mauritius
30	CG International Holdings Singapore PTE. Limited	EUR	69.4950	208.49	-	(0.03)	208.49	0.03	-	0.07	(0.00)	-	(0.00)	-	Singapore
31	CG Power Solutions Limited	INR	1.00	0.05	-	(7.24)	24.70	31.89	-	0.00	(7.22)	-	(7.22)	-	India
32	CG Industrial Holdings Sweden AB	SEK	8.3300	224.95	-	(0.03)	438.75	213.83	-	13.54	2.27	0.59	1.68	-	Sweden
33	Crompton Greaves Holdings Sweden AB	SEK	8.3300	1.10	-	98.69	237.98	138.19	-	2.39	0.00	0.55	0.55	-	Sweden
34	CG Drives and Automation Sweden AB	SEK	8.3300	21.35	-	119.98	235.95	94.62	-	246.18	40.56	16.16	24.40	-	Sweden
35	CG Drives and Automation Netherlands B.V.	EUR	69.4950	4.13	-	9.25	18.94	5.56	-	47.30	(0.68)	(0.26)	(0.42)	-	The Netherlands
36	CG Drives and Automation Germany GmbH	EUR	69.4950	0.18	-	3.47	36.59	32.93	-	106.38	0.63	0.58	0.04	-	Germany
37	Emotron Latin America Inc.	USD	54.2850	0.00	-	(1.46)	0.39	1.85	-	1.07	0.04	-	0.04	-	USA
38	CG Automation Solutions USA Inc.	USD	54.2850	-	-	183.57	384.47	200.90	-	101.89	21.17	3.34	17.83	-	USA
39	ZIV Aplicaciones y Tecnologia S.L.	EUR	69.4950	8.20	-	48.84	546.12	489.08	1.28	29.51	(11.22)	(16.30)	5.09	-	Spain
40	ZIV Metering Solutions S.L.	EUR	69.4950	11.68	-	97.12	167.14	58.34	-	130.76	12.20	6.46	5.74	-	Spain
41	ZIV Grid Automation S.L.	EUR	69.4950	13.08	-	96.85	156.69	46.76	0.02	107.18	(9.45)	(11.59)	2.14	-	Spain
42	ZIV Communications S.A.	EUR	69.4950	1.29	-	10.67	87.70	75.73	0.01	48.76	(8.25)	(5.18)	(3.06)	-	Spain
43	ZIV USA INC	USD	54.2850	0.01	-	0.87	1.30	0.42	-	2.58	(0.43)	0.15	(0.58)	-	USA
44	ZIV Do Brazil Ltda	REAL	26.9792	4.79	-	(5.75)	14.26	15.23	0.83	17.61	(2.54)	-	(2.54)	-	Brazil
45	ZIV I+D Smart Energy Networks	EUR	69.4950	0.69	-	2.06	8.10	5.35	-	10.58	(1.05)	0.01	(1.06)	-	Spain

Serial no. 39 to 45 are acquired w.e.f. 28th July, 2012

CONSOLIDATED FINANCIALS



We have audited the accompanying consolidated financial statements of **Crompton Greaves Limited** (the 'Company'), its subsidiaries and associates (the Company, its subsidiaries and associates constitute the 'Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

We report that on the basis of the information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements and the financial statements certified by the management of certain subsidiaries and associates, as noted below, the consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Crompton Greaves Group as at 31st March, 2013;

(b) 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

(c) 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.

Other Matters

We did not audit the financial statements of certain subsidiaries and associates whose financial statements have been audited / reviewed by other auditors and whose reports have been furnished to us and 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 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	24.70	-	0.23
Foreign subsidiaries	6117.17	5138.01	117.60

₹ crore

	Net carrying cost of investment	Current year share of profit or (loss)
Indian associates	243.84	0.77
Foreign associates	17.32	(2.29)

Further, we did not audit the financial statements of certain subsidiaries whose financial statements have been certified by management and have been furnished to us and insofar as it relates to the amounts included in respect of the subsidiaries is based solely on these certified financial statements. 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	1.30	0.04	0.12

Since, the financial statements of these subsidiaries were compiled by management of those companies and were not audited, any adjustments to their balances could have consequential effects on the consolidated financial statements. However, the size of these subsidiaries in the consolidated position is not significant in relative terms.

Our opinion is not qualified in respect of these matters.

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

L. Vaidyanathan
PARTNER
Membership No. 16368

Place: Mumbai
Date: 24th May, 2013

₹ crore

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	As at 31-03-2013		As at 31-03-2012	
EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS:					
(a) Share capital	2	**128.30**		128.30	
(b) Reserves and surplus	3	**3433.22**		3482.64	
			3561.52		3610.94
2. MINORITY INTEREST	4		**9.48**		15.66
3. NON-CURRENT LIABILITIES:					
(a) Long-term borrowings	5	**1555.01**		616.26	
(b) Deferred tax liabilities	6	**146.86**		135.59	
(c) Other long-term liabilities	7	**144.59**		187.43	
(d) Long-term provisions	8	**73.78**		83.84	
			1920.24		1023.12
4. CURRENT LIABILITIES:					
(a) Short-term borrowings	9	**296.47**		368.59	
(b) Trade payables	10	**2461.83**		2107.58	
(c) Other current liabilities	11	**1554.78**		1344.46	
(d) Short-term provisions	12	**348.46**		294.85	
			4661.54		4115.48
TOTAL			**10152.78**		8765.20
ASSETS					
1. NON-CURRENT ASSETS:					
(a) Fixed assets					
(i) Tangible assets	13	**1400.10**		1181.88	
(ii) Intangible assets	13	**1469.75**		926.38	
(iii) Capital work-in-progress		**127.06**		109.70	
(iv) Intangible assets under development		**69.40**		39.57	
(b) Non-current investments	14	**290.08**		285.26	
(c) Deferred tax assets	6	**314.95**		186.89	
(d) Long-term loans and advances	15	**24.62**		32.93	
			3695.96		2762.61
2. CURRENT ASSETS:					
(a) Current investments	16	**500.71**		501.15	
(b) Inventories	17	**1636.72**		1223.27	
(c) Trade receivables	18	**3160.47**		3143.26	
(d) Cash and bank balances	19	**583.36**		497.59	
(e) Short-term loans and advances	20	**357.13**		489.30	
(f) Other current assets	21	**218.43**		148.02	
			6456.82		6002.59
TOTAL			**10152.78**		8765.20
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	Madhav Acharya	Laurent Demortier
CHARTERED ACCOUNTANTS	**CHIEF FINANCIAL OFFICER**	**CEO & MANAGING DIRECTOR**
Registration No. 109982W		
L. Vaidyanathan	Wilton Henriques	Gautam Thapar
PARTNER	**COMPANY SECRETARY**	**CHAIRMAN**
Membership No. 16368		
Mumbai, 24th May, 2013	Mumbai, 24th May, 2013	

₹ crore

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No.	2012-13		2011-12	
INCOME:					
Sales and services		**12533.41**		11615.12	
Less: Excise duty		**438.97**		366.54	
Revenue from operations	22		**12094.44**		11248.58
Other income	23		**100.00**		62.76
TOTAL REVENUE			**12194.44**		11311.34
EXPENSES:					
Cost of raw materials and components consumed and construction materials	24	**6785.53**		6443.31	
Purchases of stock-in-trade	25	**1811.80**		1265.47	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	**(251.26)**		(23.79)	
Employee benefits	27	**1740.49**		1466.21	
Finance costs	28	**95.49**		56.70	
Depreciation and amortisation	29	**202.92**		259.96	
Other expenses	30	**1624.72**		1293.74	
TOTAL EXPENSES			**12009.69**		10761.60
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX			**184.75**		549.74
Exceptional item	42		**(120.71)**		-
PROFIT BEFORE TAX			**64.04**		549.74
TAX EXPENSES:					
Current tax		**184.45**		216.77	
Deferred tax	6	**(83.54)**		(34.63)	
			100.91		182.14
PROFIT AFTER TAX			**(36.87)**		367.60
Minority interest in loss			**1.12**		0.65
Share of profit / (loss) of associate companies (net)			**(0.39)**		5.34
PROFIT / (LOSS) FOR THE YEAR			**(36.14)**		373.59
Earnings per share (basic and diluted) (₹)	40		**(0.56)**		5.82
(Face value of equity share of ₹ 2 each)					
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, 24th May, 2013

Wilton Henriques
COMPANY SECRETARY
Mumbai, 24th May, 2013

Gautam Thapar
CHAIRMAN

₹ crore

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		2012-13	2011-12
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxes		**64.04**	549.74
Adjustments for:			
Depreciation and amortisation		**202.92**	259.96
Allowance for doubtful debts and advances		**44.05**	10.41
Interest expenses		**95.43**	57.63
Interest income		**(24.56)**	(10.36)
Income from investments (net)		**(0.02)**	(0.05)
Profit on sale of investments (net)		**(23.45)**	(16.11)
Unrealised exchange (gain) / loss (net)		**(12.30)**	(2.58)
Unrealised exchange gain on consolidation (net)		**2.66**	35.73
(Profit) / loss on sale of fixed assets (net)		**(0.55)**	(5.71)
		284.18	328.92
Operating profit before working capital changes		**348.22**	878.66
Adjustments for:			
(Increase) / Decrease in trade and other receivables		**239.26**	(531.15)
(Increase) / Decrease in inventories		**(283.19)**	1.53
Increase / (Decrease) in trade and other payables		**277.64**	301.85
Increase / (Decrease) in provisions		**14.26**	0.04
		247.97	(227.73)
Cash (used in) / from operations		**596.19**	650.93
Direct taxes paid (net of refunds)		**(151.99)**	(243.59)
Minority interest in loss		**1.12**	0.65
Share of profit / (loss) of associate companies (net)		**(0.39)**	5.34
Net cash (used in) / from operating activities	**[A]**	**444.93**	413.33
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Sale of fixed assets		**3.97**	326.82
Sale of investments (net)		**23.90**	-
Cash and cash equivalents acquired pursuant to acquisition of subsidiaries		**8.92**	11.24
Interest received		**24.68**	11.18
Income received from investments (net)		**0.02**	0.05
		61.49	349.29
***Less:* Outflows from investing activities**			
Purchase of fixed assets		**(220.37)**	(372.35)
Purchase of investments (net)		**-**	(83.02)
Changes in investment in associate companies (net)		**0.39**	(5.34)
Acquisition of subsidiaries and associates		**(978.23)**	(350.88)
		(1198.21)	(811.59)
Net cash (used in) / from investing activities	**[B]**	**(1136.72)**	(462.30)

₹ crore

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

		2012-13	2011-12
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from long-term borrowings		**1012.75**	230.44
Proceeds from short-term borrowings (net)		**32.90**	263.21
		1045.65	493.65
***Less:* Outflows from financing activities**			
Repayments of long-term borrowings		**(78.81)**	(70.90)
Interim dividend paid		**(76.94)**	(102.52)
Additional tax on dividend		**(12.56)**	(16.75)
Interest paid		**(93.60)**	(55.26)
Changes in minority interest		**(6.18)**	(0.06)
		(268.09)	(245.49)
Net cash (used in) / from financing activities	**[C]**	**777.56**	248.16
NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES (A+B+C)		**85.77**	199.19
Cash and bank balances at beginning of the year*		**497.59**	298.40
Cash and bank balances at end of the year*		**583.36**	497.59

* Refer Note 19, *infra*

Notes:

1 The consolidated 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 ₹ 4.03 crore (Previous year ₹ 0.02 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

Laurent Demortier
CEO & MANAGING DIRECTOR

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 24th May, 2013

Wilton Henriques
COMPANY SECRETARY
Mumbai, 24th May, 2013

Gautam Thapar
CHAIRMAN

1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation and presentation of financial statements:

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

(a) The financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention, except for the revaluation of certain fixed assets, on accrual basis. The financial statements of the Company have been prepared to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. Certain escalation and other claims are accounted for in terms of contracts with the customers / admitted by the appropriate authorities.

(b) 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, 2013, except as stated in Note 32(b).

(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. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except as stated in Note 43.

2. Use of estimates:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities and assets. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include the useful life of tangible and intangible fixed assets, allowances for doubtful debts / advances, future obligations in respect of retirement benefit plans etc. Actual results may differ from the estimates and assumptions and in such case the difference 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 there from 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 original cost net of tax / duty credit availed, less accumulated depreciation and amortisation. Subsequent upgradations / enhancements which results in an increase in the future benefits from such assets, beyond the previously assessed standard of performance, are also capitalised.

(b) Administrative and other general overheads 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 fixed assets.

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

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

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

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

(g) Fixed assets are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in case retirement of assets and gains or losses arising from disposal of fixed assets are recognised in the statement of profit and loss in the year of occurrence.

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.

Goodwill arising on consolidation is not amortized but tested for impairment annually.

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 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) Intangible assets:

(1) Specialised Software	:	Over a period of five years;
(2) Technical know-how	:	Over a period of five years from the date of Commercial production;
(3) Commercial Rights	:	Over the period of ten years;
(4) Brand name and customer lists	:	Over a period of ten years;
(5) Other intangible assets	:	Over a period of five years; and

(b) Research and development Cost:

(1) Research cost:

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

(2) Development Cost:

Development expenditure on new product is capitalised as intangible asset , if all of the following can be demonstrated.

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

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

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

(iv) 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 the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;

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

(vi) the Company has ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development costs on the Intangible assets, fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred.

7. **Investments:**

Long- term investments:

Long term investments are carried at cost. However, provision for diminution is made to recognise a decline in the permanent nature in the value of investments.

Current investments:

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments and are carried at cost or fair value whichever is lower. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

8. **Inventories:**

(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 materials 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.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of Balance Sheet.

9. **Cash and cash equivalents:**

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

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

10. **Foreign currency transaction and foreign operation:**

(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, those are treated as integral operations and translated 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 those 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
(5)	Other non-current assets / liabilities	: Exchange rate prevailing at the end of 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) Sale of goods:

Revenue from sale of goods is recognised, when all the significant risks and rewards of ownership are transferred to the buyer, as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from sale of the goods. It also includes excise duty and price variation (if any) and excludes value added tax / sales tax, brokerage and commission.

(b) Sale of services:

Service income is recognised as per the terms of the contracts with the customers on proportionate completion method.

(c) Revenue from contracts:

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) Revenues from power distribution business:

Revenue from power distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued upto the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission. Interest is accounted on accrual basis on overdue bills.

(e) Interest income:

Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis.

(f) Dividend income:

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

(g) Lease income:

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight-line basis as per the terms of the agreements in the statement of profit or loss.

13. Employee benefits :

Employee benefits including contributions towards social security and 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 revalued 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 revaluation 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 lands 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 lands are amortised over the primary lease period of the lands.

(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 a part of the cost of such asset till such time 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. The company identifies primary business segment based on the different risks and returns, the organisation structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected. 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 statement of profit and loss on accrual basis.

18. Taxes on income:

(a) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

(b) Deferred tax is recognised on timing differences between the accounting 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.

(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) 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 recourses will be required to settle the obligation;

(2) a present obligation arising from past events, 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 advances) issued to parties for completion of assets.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 grant which is recognised as income in the statement of profit and loss over the period and in proportion in which depreciation is charged.

(b) Revenue grants are recognised in the statement of profit and loss 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 the 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 31-03-2013	As at 31-03-2012
2. SHARE CAPITAL		
Authorised:		
1,80,50,00,000 Equity Shares of ₹ 2 each	**361.00**	361.00
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 31-03-2013		As at 31-03-2012	
	No. of Shares	**₹ crore**	No. of Shares	₹ crore
Balance at the beginning of the year	**1805000000**	**361.00**	1380000000	276.00
Amalgmation of wholly owned subsidiary with the Company	**-**	**-**	425000000	85.00
Balance at the end of the year	**1805000000**	**361.00**	1805000000	361.00

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

(b) Terms / rights attached to equity shares:

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

During the year, the Company has declared and paid interim dividend of ₹ 0.80 per share. The Company has recommended a final dividend of ₹ 0.40 per share, subject to approval of shareholders at the ensuing Annual General Meeting.

In the event of liqudation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

		As at 31-03-2013		As at 31-03-2012	
		%	**No. of Shares**	%	No. of Shares
1	Avantha Holdings Limited	**39.90**	**255937034**	39.90	255937034
2	HDFC Trustee Company Limited	**9.05**	**58069500**	8.39	53842070
3	Life Insurance Corporation of India	**5.46**	**35043515**	5.81	37282492

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

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

	As at 31-03-2013	As at 31-03-2012
	No. of Shares	No. of Shares
Shares issued as fully paid-up bonus shares	**274924944**	274924944

(f) Aggregate number of shares issued as GDRs:

	As at 31-03-2013		As at 31-03-2012	
	%	**No. of Shares**	%	No. of Shares
The Bank of New York	**0.23**	**1474294**	0.25	1571810

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2013		As at 31-03-2012	
3. RESERVES AND SURPLUS				
Capital reserve on consolidation				
As per last balance sheet		**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	**14.02**		14.27	
Add: Addition during the year {Refer Note (a) below}	**18.51**		-	
Less: Transferred to Statement of profit and loss {Refer Note (a) below}	**(1.60)**		(0.25)	
		30.93		14.02
Statutory reserve:				
As per last balance sheet {Refer Note (b) below }	**63.02**		57.30	
Addition / (deduction) during the year	**-**		5.72	
		63.02		63.02
Government grant:				
As per last balance sheet	**-**		-	
Addition / (deduction) during the year	**0.10**		-	
		0.10		-
Foreign currency transalation reserve:				
As per last balance sheet	**80.71**		(7.38)	
Addition / (deduction) during the year	**58.58**		88.09	
		139.29		80.71
Hedge reserve:				
As per last balance sheet	**(5.02)**		-	
Addition / (deduction) during the year {Refer Note (c) below}	**0.87**		(5.02)	
		(4.15)		(5.02)
Balance in Statement of profit and loss:				
As per last balance sheet	**2990.85**		2743.13	
Add: Profit / (loss) for the year	**(36.14)**		373.59	
Less: Transferred to statutory reserve	**-**		(5.72)	
Less: Employee benefits	**-**		(15.77)	
Profit available for distribution:	**2954.71**		3095.23	
1st Interim dividend	**25.66**		51.32	
2nd Interim dividend	**25.66**		12.83	
3rd Interim dividend	**-**		25.66	
Proposed dividend	**25.66**		-	
Additional tax on dividend	**12.76**		14.57	
		2864.97		2990.85
		3433.22		3482.64

Notes:

(a) Depreciation on revalued amount of fixed assets recouped from Revaluation reserve ₹ 1.60 crore. {Also refer Note 13(b), *infra*}

(b) Statutory reserves represents profits set aside as per the local statutory requirement of overseas subsidiaries 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.

₹ crore

	As at 31-03-2013	As at 31-03-2012
4. MINORITY INTEREST		
Opening balance	**15.66**	15.72
Addition / (deletion) during the year	**(2.43)**	0.72
Share of (loss) / profit for the year	**(1.12)**	(0.65)
Dividend to minority shareholders	**(2.63)**	(0.13)
Closing balance	**9.48**	15.66

	As at 31-03-2013	As at 31-03-2012
5. LONG-TERM BORROWINGS		
Secured loans		
Term loans from banks {Refer Note (a) below}	**1482.87**	555.27
Bonds {Refer Note (a) below}	**66.61**	52.63
Unsecured loans		
Interest-free sales tax deferral loans from State Government {Refer Note (c) below}	**0.75**	2.06
Lease finance {Refer Note (d) below}	**4.78**	6.30
	1555.01	616.26

Notes:

(a) Term loans from banks:

(i) The long-term loan of ₹ 17.40 crore (Previous year ₹ 18.80 crore) is secured by way of fixed and floating charge on all assets of CG Power Systems Ireland Limited. This loan is repayable in eighty equal quarterly installments from the drawdown in February, 2003.

(ii) The long-term loan of ₹ 72.38 crore (Previous year ₹ 80.58 crore) is secured by way of fixed and floating charge on all assets of CG Automation Solution USA Inc and CG Holdings USA Inc. This loan is repayable in ten equal half yearly installments from drawdown in June, 2011.

(iii) The long-term loan of ₹ 197.00 crore (Previous year ₹ 192.39 crore) is secured by way of fixed and floating charge on all assets of CG Electric Systems Hungary Zrt. Repayment of the loan will commence from December, 2022 and will be repayable in four equal annual installments.

(iv) The long-term loan of ₹ 11.12 crore (Previous year ₹ 10.86 crore) is securred by way of fixed and floating charge on all assets of CG Electric Systems Hungary Zrt., and is also guaranteed by the Parent Company. This loan will be payable by a single installment in September, 2016.

(v) The long-term loan of ₹ 155.67 crore (Previous year ₹ 190.03 crore) is secured by first ranking pleage over 100% of the shares of Crompton Greaves Holdings Sweden AB held by CG Industrial Holdings AB and mortgage of fixed assets of CG Drives and Automation Group, Sweden. Repayment of loan will commence from December, 2013 and will be repayable in five equal annual 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 CG Power Systems Belgium N.V and CG Holdings Belgium N.V. These facilities also include long-term loan of ₹ 54.66 crore (Previous year ₹ 62.61 crore). This long-term loan is re-payable in four equal yearly installments from drawdown in May, 2010.

(vii) The long-term loan of ₹ 943.25 crore (Previous year Nil) is secured by pledge over 100% shares of ZIV Group, mortgage of fixed assets located at Spain and guaranteed by the Parent Company. Repayment of loan will commence from January, 2014 and will be repayable in unequal annual and half yearly installments.

(viii) The long-term loan of ₹ 31.39 crore (Previous year Nil) is secured by first priority on all accounts receivables of the CG Power Systems USA and a lien senior in priority to all liens other than liens granted in favour of leased equipments.

(b) Borrowings by way bonds:

(i) BUILD Missouri Revenue Bonds, Series 2010 with interest payable semi-annual 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 ₹ 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.

(v) Soft loans of ₹ 14.13 crore (Previous year Nil) from Government / Ministry of Spain which are repayable in periodical installments from the year 2012 to 2022.

(c) The Company has opted for the deferral scheme of sales tax, which is payable as per the scheme framed by State Government.

₹ crore

(d) Finance lease:

Finance lease obligations are repayable in equated monthly installments.

The assets acquired on finance lease mainly comprise cars and equipments. The lease has a primary period, which is fixed and non-cancellable. The Group has an option to renew the lease for a secondary period.

The minimum lease rentals as at 31st March, 2013 and the present value as at 31st March, 2013 of minimum lease payments in respect of assets acquired under finance leases are as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2012-13	2011-12	2012-13	2011-12
Due within one year	**2.62**	2.06	**1.97**	1.99
Due one to five years	**5.35**	6.14	**4.78**	5.08
Due beyond five years	**-**	1.58	**-**	1.22
Total	**7.97**	9.78	**6.75**	8.29
Less: Future finance charges	**1.22**	1.49		
Present value of minimum lease payable	**6.75**	**8.29**		

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 31-03-2013		As at 31-03-2012	
	Deferred tax assets	**Deferred tax liabilities**	Deferred tax assets	Deferred tax liabilities
Difference between book and tax depreciation		**138.41**		121.43
Expenses allowable for tax purposes when paid / on payment of TDS	**51.95**		41.09	
Unabsorbed carried forward tax losses / depreciation	**203.94**		113.91	
Other items giving rise to timing differences	**59.06**	**8.45**	31.89	14.16
	314.95	**146.86**	186.89	135.59
Net deferred tax (liability) / asset	**168.09**		51.30	
Deferred tax assets on acquisition of subsidiaries	**30.57**		24.37	
Deferred tax assets as per Canadian GAAP (IFRS)	**-**		7.18	
Effect of translation gain / loss	**2.68**		1.13	
Net (asset) / liability credited / charged to Statement of profit and loss	**83.54**		34.63	
	116.79		67.31	
Net incremental asset	**116.79**		67.31	

7. OTHER LONG-TERM LIABILITIES

	As at 31-03-2013		As at 31-03-2012	
Other payables:				
Deposits	**27.33**		25.04	
Others	**52.13**		7.71	
		79.46		32.75
Due to erstwhile shareholders of acquired subsidiaries		**65.13**		154.68
		144.59		187.43

8. LONG-TERM PROVISIONS

	As at 31-03-2013	As at 31-03-2012
Employees benefits (Refer Note below)	**73.78**	83.84
	73.78	83.84

The Group has recognised liabilities towards Employee benefits as per the applicable GAAP in the country of domicile.

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2013	As at 31-03-2012
9. SHORT-TERM BORROWINGS		
Secured loans		
Term loans		
From banks (Refer Note below)	**254.05**	293.18
Working capital demand loan		
From banks (Refer Note below)	**42.42**	23.06
Unsecured loans		
From banks	**-**	42.17
From associate	**-**	10.18
	296.47	368.59

Note :

The Group has availed various short-term borrowings and working capital demand loan. These loans are secured by hypothecation of inventories, book debts and trade receivables, both present and future.

	As at 31-03-2013	As at 31-03-2012
10. TRADE PAYABLES		
Acceptances	**257.32**	193.24
Sundry creditors		
Due to associates	**22.07**	16.61
Due to others	**2182.44**	1897.73
	2461.83	2107.58

	As at 31-03-2013		As at 31-03-2012	
11. OTHER CURRENT LIABILITIES				
Current maturities:				
Long-term borrowings:				
From banks {Refer Note 5(a), *supra*}	**171.15**		49.02	
From financial institutions {Refer Note 5(a) and Note 9, *supra*}	**4.37**		6.12	
		175.52		55.14
Lease finance {Refer Note 5(c), *supra*}		**1.97**		1.99
Interest free deferral loans from State Government {Refer Note 5(b), *supra*}		**0.38**		2.06
Interest accrued but not due on borrowings		**4.26**		2.43
Advances from customers		**918.11**		849.89
Investor Education and Protection Fund:				
Unclaimed dividend	**1.90**		1.86	
Unclaimed matured fixed deposits	**0.00**		0.04	
		1.90		1.90
Due to directors		**10.03**		8.76
Due to customers:				
Progress bills raised	**2089.92**		1862.34	
Less: Construction at cost	**6.77**		7.06	
Less: Construction and project related work, at realisable value	**2016.82**		1788.05	
		66.33		67.23
Other payables:				
Security deposits	**0.73**		0.20	
Statutory dues	**59.84**		71.91	
Employee dues	**146.83**		135.45	
Others	**168.88**		147.50	
		376.28		355.06
		1554.78		1344.46

₹ crore

	As at 31-03-2013	As at 31-03-2012
12. SHORT-TERM PROVISIONS		
Taxes (net of advance tax)	**49.54**	22.11
Interim dividend	**-**	25.66
Proposed dividend	**25.66**	-
Additional tax on dividend	**4.36**	4.16
Employee benefits	**3.19**	3.33
Others provisions (Refer Note below)	**265.71**	239.59
	348.46	294.85

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

Note:

(1) Movement in provisions:

	Warranties		Sales tax / VAT		Excise duty / Service tax	
Nature of provisions	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Carrying amount at the beginning of the year	**104.02**	128.59	**20.66**	21.91	**7.46**	6.29
Addition on acquisition of subsidiaries during the year	**0.03**	1.57	**-**	-	**-**	-
Additional provision made during the year #	**39.37**	34.04	**1.71**	5.50	**1.39**	1.18
Amounts used during the year	**42.35**	22.98	**1.31**	1.64	**-**	-
Unused amounts reversed during the year #	**26.47**	43.51	**1.96**	5.11	**0.09**	0.01
Translation adjustment	**6.57**	6.31	**-**	-	**-**	-
Carrying amount at the end of the year	**81.17**	104.02	**19.10**	20.66	**8.76**	7.46

	Liquidated damages		Other litigation claims		Environmental obligations	
Nature of provisions	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Carrying amount at the beginning of the year	**33.81**	21.90	**47.37**	43.89	**17.83**	19.90
Addition on acquisition of subsidiaries during the year	**-**	-	**-**	-	**-**	-
Additional provision made during the year #	**84.32**	20.52	**1.34**	1.51	**2.13**	2.22
Amounts used during the year	**12.88**	1.51	**0.83**	-	**2.13**	4.49
Unused amounts reversed during the year #	**29.24**	8.77	**-**	0.91	**5.10**	1.12
Translation adjustment	**0.31**	1.67	**1.10**	2.88	**4.26**	1.32
Carrying amount at the end of the year	**76.32**	33.81	**48.98**	47.37	**16.99**	17.83

	Onerous contracts		Total	
Nature of provisions	2012-13	2011-12	2012-13	2011-12
Carrying amount at the beginning of the year	**8.44**	1.35	**239.59**	243.83
Addition on acquisition of subsidiaries during the year	**-**	-	**0.03**	1.57
Additional provision made during the year #	**10.51**	8.22	**140.77**	73.19
Amounts used during the year	**-**	-	**59.50**	30.62
Unused amounts reversed during the year #	**4.59**	1.40	**67.45**	60.83
Translation adjustment	**0.03**	0.27	**12.27**	12.45
Carrying amount at the end of the year	**14.39**	8.44	**265.71**	239.59

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 / VAT represents 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 obligations 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 CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	Gross block (Cost / Valuation)							Depreciation / Amortisation						Net block	
	As at 01-04-2012	On acquisition of subsidiaries	Revaluation	Additions	Deductions	Translation adjustments	As at 31-03-2013	Upto 31-03-2012	On acquisition of subsidiaries	For the year	Deductions	Translation adjustments	Upto 31-03-2013	As at 31-03-2013	As at 31-03-2012
13. FIXED ASSETS															
(i) Tangible assets															
Freehold land	41.38	47.56	4.68	-	-	2.30	**95.92**	-	-	-	-	-	**-**	**95.92**	41.38
Leasehold land	17.46	-	-	-	-	-	**17.46**	2.99	-	0.15	-	-	**3.14**	**14.32**	14.47
Buildings	879.38	51.93	13.83	40.78	0.61	23.67	**1008.98**	410.72	5.96	34.28	0.29	11.24	**461.91**	**547.07**	468.66
Plant and equipments	1742.79	81.65	-	171.18	179.10	33.92	**1850.44**	1208.81	59.24	84.68	176.10	25.10	**1201.73**	**648.71**	533.98
Railway sidings	0.02	-	-	-	0.02	-	**-**	0.01	-	-	0.01	-	**-**	**-**	0.01
Furniture and fixtures	108.70	16.97	-	11.66	9.71	0.95	**128.57**	76.28	11.72	8.05	8.60	0.43	**87.88**	**40.69**	32.42
Office equipments	125.87	9.45	-	13.15	34.40	5.24	**119.31**	105.97	7.00	10.49	33.82	4.46	**94.10**	**25.21**	19.90
Vehicles	42.16	0.66	-	3.17	4.58	0.79	**42.20**	28.38	0.37	3.55	3.96	0.56	**28.90**	**13.30**	13.78
Leased assets:															
Buildings	4.86	-	-	-	-	-	**4.86**	1.15	-	0.08	-	-	**1.23**	**3.63**	3.71
Plant and equipments	62.75	-	-	0.52	45.58	3.80	**21.49**	9.18	-	1.15	0.33	0.24	**10.24**	**11.25**	53.57
Sub-total (i)	**3025.37**	**208.22**	**18.51**	**240.46**	**274.00**	**70.67**	**3289.23**	**1843.49**	**84.29**	**142.43**	**223.11**	**42.03**	**1889.13**	**1400.10**	**1181.88**
(ii) Intangible Assets															
Goodwill	832.01	433.19	-	-	63.70	21.05	**1222.55**	251.56	-	(12.74)	-	4.56	**243.38**	**979.17**	580.45
Computer software	134.66	13.20	-	27.70	0.97	1.98	**176.57**	97.60	7.81	18.04	0.97	0.38	**122.86**	**53.71**	37.06
Technical know-how	59.22	-	-	1.30	-	0.14	**60.66**	9.96	-	9.43	-	0.10	**19.49**	**41.17**	49.26
Commercial rights	43.52	-	-	-	-	-	**43.52**	10.58	-	6.35	-	-	**16.93**	**26.59**	32.94
Research and development	171.33	45.58	-	23.17	0.86	11.10	**250.32**	65.50	45.41	16.83	0.04	6.69	**134.39**	**115.93**	105.83
Brand names and customer lists	142.62	156.10	-	-	7.46	8.31	**299.57**	21.78	0.13	24.18	-	0.30	**46.39**	**253.18**	120.84
Sub-total (ii)	**1383.36**	**648.07**	**-**	**52.17**	**72.99**	**42.58**	**2053.19**	**456.98**	**53.35**	**62.09**	**1.01**	**12.03**	**583.44**	**1469.75**	**926.38**
Total (i+ii)	**4408.73**	**856.29**	**18.51**	**292.63**	**346.99**	**113.25**	**5342.42**	**2300.47**	**137.64**	**204.52**	**224.12**	**54.06**	**2472.57**		
Previous year	3780.47	505.71	-	332.84	431.18	220.89	4408.73	1949.03	57.32	260.17	92.18	126.13	2300.47		

Notes:

(a) During the year, the Company has reversed the contingent consideration of ₹ 71.16 crore payable in respect of acquisition of a subsidiary in the past, since the performance parameters as agreed, have not been achieved. The said performance parameters are highly unlikely to be achieved considering global economic environment. The reduction in the contingent consideration has been adjusted against Gross block of Goodwill of ₹ 63.70 crore and brand name and customer list of ₹ 7.46 crore. Consequently, the excess depreciation / amortization of ₹ 12.74 crore and ₹ 1.49 crore respectively, which was charged in the past, has been adjusted against the current year's depreciation / amortisation.

(b) CG Power Systems Canada Inc. has revalued its land and buildings while converging with IFRS from the local GAAP.

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2013	As at 31-03-2012
14. NON-CURRENT INVESTMENTS		
Quoted investments		
Investment in Government or trust securities	**4.48**	4.60
Unquoted investments		
Investment in equity instruments		
Associate companies	**277.48**	272.54
Others	**8.01**	8.01
Investments in debentures or bonds		
Others	**0.06**	0.06
Others	**0.05**	0.05
	290.08	285.26
Notes:		
Quoted investments		
Book value	**4.48**	4.60
Market value	**4.48**	4.60
Unquoted investments		
Book value	**285.60**	280.66

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

	As at 31-03-2013	As at 31-03-2012
15. LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good, unless otherwise stated		
Capital advances	**13.21**	23.18
Deposits	**11.41**	9.75
	24.62	32.93

	As at 31-03-2013	As at 31-03-2012
16. CURRENT INVESTMENTS		
Quoted investments		
Investment in Government or trust securities	**0.25**	0.24
Investments in equity instruments	**0.77**	0.78
Investment in mutual funds	**499.69**	500.13
	500.71	501.15
Notes:		
Quoted invetsments		
Book value	**500.71**	501.15
Market value	**500.71**	501.79

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

₹ crore

	As at 31-03-2013		As at 31-03-2012	
17. INVENTORIES				
Raw materials	**537.75**		400.88	
Add: Goods-in-transit	**67.18**		37.62	
		604.93		438.50
Work-in-progress - manufacturing		**799.26**		591.70
Finished goods- manufacturing	**141.74**		140.65	
Add: Excise duty on finished goods	**7.09**		3.98	
		148.83		144.63
Stock-in-trade		**77.85**		38.35
Stores, spares and packing materials		**4.97**		9.17
Loose tools		**0.88**		0.92
		1636.72		1223.27

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

	As at 31-03-2013		As at 31-03-2012	
18. TRADE RECEIVABLES				
Unsecured				
Debts overdue for six months				
Considered good	**371.02**		299.70	
Considered doubtful	**114.12**		72.87	
	485.14		372.57	
Less: Allowance for doubtful debts	**114.12**		72.87	
		371.02		299.70
Other debts				
Considered good		**2789.45**		2843.56
		3160.47		3143.26

₹ crore

	As at 31-03-2013		As at 31-03-2012	
19. CASH AND BANK BALANCES				
Cash and cash equivalents:				
Balances with banks:				
On current accounts	**468.98**		325.07	
On deposit accounts {with less than 12 months maturity Refer Note (a) below}	**53.59**		140.15	
	522.57		465.22	
Cash on hand	**0.71**		1.03	
		523.28		466.25
Other balances:				
Earmarked balances with banks:				
Unpaid dividend {Refer Note (b) below}	**1.90**		27.52	
Unpaid matured fixed deposits and interest thereon {Refer Note (b) below}	**0.01**		0.08	
Others	**54.42**		1.34	
	56.33		28.94	
Others				
On deposit accounts {With more than 12 months maturity Refer Note (a) below}	**3.75**		2.40	
		60.08		31.34
		583.36		497.59

Notes:

(a) Deposits include ₹ 2.80 crore (Previous year ₹ 2.40 crore) under lien with banks and ₹ 0.08 (Previous year ₹ 0.06) balances held as margin monies.

(b) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2013.

	As at 31-03-2013		As at 31-03-2012	
20. SHORT-TERM LOANS AND ADVANCES				
Unsecured, considered good, unless otherwise stated				
Security deposits:				
Considered good	**41.79**		38.08	
Considered doubtful	**1.47**		1.28	
	43.26		39.36	
Less: Allowance for bad and doubtful advances	**1.47**		1.28	
		41.79		38.08
Loans and advances to related parties:				
Associates	**0.00**		0.00	
Other related party	**10.45**		9.67	
		10.45		9.67
Advances recoverable in cash or in kind or for value to be received:				
Considered good	**216.42**		352.78	
Considered doubtful	**9.49**		9.06	
	225.91		361.84	
Less: Allowance for bad and doubtful advances	**9.49**		9.06	
		216.42		352.78
Balances with excise, customs, service tax and value added tax, etc.		**88.47**		88.77
		357.13		489.30

₹ crore

	As at 31-03-2013		As at 31-03-2012	
21. OTHER CURRENT ASSETS				
Interest accrued on investments and deposits		**0.21**		0.33
Due from customers				
Work-in-progress - contracts				
At cost	**11.05**		10.50	
At realisable sales value	**969.10**		622.11	
	980.15		632.61	
Less: Progress payments	**811.61**		533.60	
		168.54		99.01
Other receivables		**49.68**		48.68
		218.43		148.02

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	2012-13		2011-12	
22. REVENUE FROM OPERATIONS				
Sale of products	**12457.61**		11570.86	
Sale of services	**75.80**		44.26	
		12533.41		11615.12
Less: Excise duty		**438.97**		366.54
		12094.44		11248.58

	2012-13	2011-12
23. OTHER INCOME		
Interest income	**24.56**	10.36
Dividend income	**0.02**	0.05
Gain on sale of investments (net)	**23.45**	16.11
Other non-operating income (net of expenses):		
Income from lease of premises / business service centers	**21.00**	18.33
Government grant	**11.38**	2.64
Miscellaneous income	**19.59**	15.27
	100.00	62.76

	2012-13		2011-12	
24. COST OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS				
Opening stock	**438.50**		424.06	
Add: Purchases	**6722.33**		6235.31	
Less: Closing stock	**604.93**		438.50	
	6555.90		6220.87	
Less: Scrap sales	**125.97**		111.23	
		6429.93		6109.64
Add: Sub-contracting charges		**355.60**		333.67
		6785.53		6443.31

	2012-13	2011-12
25. PURCHASES OF STOCK-IN-TRADE		
Purchases of stock-in-trade	**1811.80**	1265.47
	1811.80	1265.47

	2012-13		2011-12	
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	**148.83**		144.63	
Work-in-progress	**799.26**		591.70	
	948.09		736.33	
Opening stock				
Finished goods	**144.63**		102.49	
Work-in-progress	**591.70**		607.91	
	736.33		710.40	
		(211.76)		(25.93)
Changes in inventories of stock-in-trade				
Closing stock				
Stock-in-trade	**77.85**		38.35	
Opening stock				
Stock-in-trade	**38.35**		40.49	
		(39.50)		2.14
		(251.26)		(23.79)

₹ crore

	2012-13	2011-12
27. EMPLOYEE BENEFITS		
Salaries, wages and bonus	**1386.01**	1132.93
Contribution to provident and other funds	**225.91**	191.50
Post retirement medical benefits	**8.13**	7.59
Workmen and staff welfare	**120.44**	134.19
	1740.49	1466.21

	2012-13	2011-12
28. FINANCE COSTS		
Interest on loans	**95.43**	57.63
Loss / (gain) on foreign currency transactions and translation (net)	**0.06**	(0.93)
	95.49	**56.70**

	2012-13	2011-12
29. DEPRECIATION AND AMORTISATION		
Depreciation and amortisation	**204.52**	260.17
Less: Recoupment from revaluation reserve {Refer Note 3(a), *supra*}	**1.60**	0.21
	202.92	**259.96**

	2012-13	2011-12
30. OTHER EXPENSES		
Consumption of stores and spares	**94.66**	75.34
Power and fuel	**99.90**	90.91
Rent	**85.12**	72.02
Repairs to buildings	**19.84**	17.01
Repairs to machinery	**43.88**	35.74
Insurance	**20.05**	25.40
Rates and taxes	**61.59**	47.32
Freight and forwarding	**335.00**	278.85
Packing materials	**75.47**	68.68
After sales services including warranties	**51.04**	41.88
Sales promotion	**114.03**	60.36
Legal and professional charges	**150.34**	124.72
Miscellaneous expenses	**473.80**	355.51
	1624.72	1293.74

₹ crore

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

		As at 31-03-2013	As at 31-03-2012
31. CONTINGENT LIABILITIES AND COMMITMENTS			
A	**Contingent Liabilities** (to the extent not provided for)		
	(a) Claims against the Company not acknowledged as debts	**9.37**	9.26
	(b) Sales tax / VAT liability that may arise in respect of matters in appeal	**14.43**	8.91
	(c) Excise duty / service tax liability that may arise in respect of matters in appeal	**5.40**	7.08
	(d) Income tax liability that may arise in respect of matters in appeal	**2.90**	1.90
	(e) Bills discounted	**79.89**	87.17
B	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**60.71**	71.27

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 31-03-2013	Proportion of Ownership Interest either directly or through subsidiary As at 31-03-2012
Subsidiaries:				
1	CG Energy Management Limited	India	**100.00**	100.00
2	CG PPI Adhesive Products Limited	India	**81.42**	81.42
3	CG-ZIV Power Automation Solutions Limited	India	**100.00**	70.00
4	CG Power Solutions Limited	India	**100.00**	100.00
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. (w.e.f. 15th November, 2012)	Belgium	**-**	100.00
9	CG Power Systems Ireland Limited	Ireland	**100.00**	100.00
10	CG Sales Networks France S.A.	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 Service Systems France SAS	France	**100.00**	100.00
23	CG Power Solutions USA Inc.	USA	**100.00**	100.00
24	CG Holdings Germany GmbH	Germany	**100.00**	100.00
25	CG Power Solutions UK Limited	United Kingdom	**100.00**	100.00
26	CG Holdings USA Inc.	USA	**100.00**	100.00
27	CG Power County LLC	USA	**100.00**	100.00
28	CG Power Systems Brazil LTDA.	Brazil	**100.00**	100.00
29	CG Power Solutions Saudi Arabia Ltd	Saudi Arabia	**51.00**	51.00
30	CG Sales Networks Singapore PTE. Limited	Singapore	**100.00**	100.00
31	Crompton Greaves Holdings Mauritius Limited	Mauritius	**100.00**	100.00
32	CG International Holdings Singapore PTE. Limited	Singapore	**100.00**	100.00
33	CG Industrial Holdings Sweden AB	Sweden	**100.00**	100.00
34	P-EM 2007 A/S (w.e.f. 12th April, 2012)	Denmark	**-**	100.00
35	Crompton Greaves Holdings Sweden AB	Sweden	**100.00**	100.00
36	Emotron Holdings AB (merged w.e.f. 25th June, 2012)	Sweden	**-**	100.00
37	CG Drives and Automation Sweden AB	Sweden	**100.00**	100.00
38	CG Drives and Automation Netherlands B.V.	The Netherlands	**100.00**	100.00
39	Emotron Drives UK Limited (w.e.f. 26th February, 2013)	United Kingdom	**-**	100.00
40	Emotron El-Fi UK Limited (w.e.f. 26th February, 2013)	United Kingdom	**-**	100.00
41	CG Drives and Automations Germany GmbH	Germany	**100.00**	100.00
42	Scandialogic AB	Sweden	**-**	100.00
43	Emotron Drives AB	Sweden	**-**	100.00
44	Emotron El-Fi AB	Sweden	**-**	100.00
45	Emotron Latin America Inc.	USA	**100.00**	100.00
46	CG Automation Solutions USA Inc.	USA	**100.00**	100.00
47	ZIV Aplicaciones y Tecnologia S.L.	Spain	**100.00**	NA
48	ZIV Metering Solutions S.L.	Spain	**100.00**	NA
49	ZIV Grid Automation S.L.	Spain	**100.00**	NA
50	ZIV Communications S.A.	Spain	**100.00**	NA
51	ZIV USA Inc.	USA	**100.00**	NA
52	ZIV Do Brasil LTDA	Brazil	**100.00**	NA
53	ZIV I+D Smart Energy Networks	Spain	**100.00**	NA

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 31-03-2013	Proportion of Ownership Interest either directly or through subsidiary As at 31-03-2012
Associates:				
1	CG Lucy Switchgears Limited	India	**50.00**	50.00
2	Avantha Power & Infrastructure Limited	India	**23.14**	23.14
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.	Japan	**40.00**	40.00

Subsidiaries:

Serial No. 8, 34, 39, 40 : Liquidated during the year

Serial No. 42 to 44 : Merged w.e.f. 11th May, 2012

Serial No. 47 to 53 : Acquired during the year w.e.f. 28th July, 2012

(b) In the case of CG Power Solution Saudi Arabia Ltd and Saudi Power Transformer Company, the financial statements as at 31st December, 2012 have been considered.There were no material adjustments required for any significant events or transactions for the three months upto 31st March 2013.

(c) For the purposes of consolidation, the financial statements of the foreign subsidiaries and associates as at 31st March, 2013, have been restated to comply with the Generally Accepted Accounting Principles in India.

(d) The Parent Company, during the year, through its overseas subsidiary, has acquired Spain based ZIV Aplicaciones y Tecnologia S.L. and its subsidiaries (ZIV Group). The ZIV group is engaged in business of providing digital equipments for grid automation and advanced metering infrastructure. The ZIV Group has strong focus on R&D and product engineering having its manufacturing plants in Spain, USA and Brazil.

(e) The Parent Company has acquired balance 30 % shares in CG- ZIV Power Automation Solutions Limited from ZIV Aplicaciones y Tecnologia S.L.

₹ crore

	Effect on Group Profit After Minority Interest	Net Assets as at 31-03-2013
	Increase / (Decrease)	Increase / (Decrease)
33. THE EFFECT OF ACQUISITIONS / DIVESTMENTS OF SUBSIDIARIES DURING THE YEAR		
Acquisitions	**(0.40)**	974.37
	(0.40)	974.37

	As at 31-03-2013	As at 31-03-2012
34. GOODWILL ON CONSOLIDATION		
Opening Balance	**580.45**	288.79
Add: Goodwill on acquisition of subsidiaries / net assets during the year	**433.19**	349.12
Less: Reduction of goodwill during the year	**50.96**	17.88
Less: Goodwill charged to the Statement of profit and loss during the year	**-**	65.91
Translation adjustment	**16.49**	26.33
Closing balance	**979.17**	580.45

	2012-13	2011-12
35. EXPENSES CAPITALISED DURING THE YEAR		
(a) Raw materials consumed	**9.62**	10.79
(b) Empolyee benefits	**11.19**	16.12
(c) Other expenses	**3.86**	4.04
	24.67	30.95

	2012-13	2011-12
36. DISCLOSURES UNDER ACCOUNTING STANDARD (AS) 7 CONSTRUCTION CONTRACTS		
(a) Contract revenue recognised for the financial year	**1258.26**	1759.75
(b) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	**3003.74**	2427.72
(c) Amount of customer advances outstanding for contracts in progress as at the reporting date	**162.95**	164.61
(d) Retention amount due from customer for contract in progress as at the reporting date	**153.08**	141.09

₹ crore

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

(a) Defined contribution plans

Amount of ₹ 208.68 crore (Previous year ₹ 171.13 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	
		2012-13 (Funded)	2011-12 (Funded)	2012-13 (Non-funded)	2011-12 (Non-funded)	2012-13 (Non-funded)	2011-12 (Non-funded)
I	**Change in obligation during the year**						
1	Liability at the beginning of the year	**47.72**	42.45	**21.51**	18.95	**12.83**	9.10
2	Interest cost	**3.94**	3.59	**1.78**	1.55	**0.91**	0.62
3	Current service cost	**2.81**	2.96	**1.82**	1.74	**0.40**	0.30
4	Past service cost	**0.01**	-	**(0.01)**	-	**-**	-
5	Liability transfer from other Company	**0.00**	0.73	**0.02**	0.27	**-**	-
6	Benefits paid	**(4.86)**	(3.62)	**(3.28)**	(3.79)	**(4.49)**	(3.86)
7	Actuarial (gains) / losses	**3.01**	1.61	**3.00**	2.79	**6.82**	6.67
8	Liability at the end of the year	**52.63**	47.72	**24.84**	21.51	**16.47**	12.83
II	**Change in fair value of plan assets during the year**						
1	Fair value of plan assets at the beginning of the year	**47.75**	42.14	**-**	-	**-**	-
2	Expected return of plan assets	**3.83**	3.70	**-**	-	**-**	-
3	Contributions	**6.03**	5.93	**3.28**	3.79	**4.49**	3.86
4	Transfer from other company	**-**	0.73	**-**	-	**-**	-
5	Benefits paid	**(4.86)**	(3.62)	**(3.28)**	(3.79)	**(4.49)**	(3.86)
6	Actuarial gain / (loss)	**(0.14)**	(1.13)	**-**	-	**-**	-
7	Fair value of plan assets at the end of the year	**52.61**	47.75	**-**	-	**-**	-
8	Total actuarial gain / (loss) to be recognised	**(3.15)**	(2.74)	**(3.00)**	(2.79)	**(6.82)**	(6.67)
III	**Actual return on plan assets**						
1	Expected return on plan assets	**3.83**	3.70	**-**	-	**-**	-
2	Actuarial gain / (loss)	**(0.14)**	(1.13)	**-**	-	**-**	-
3	Actual return on plan assets	**3.69**	2.57	**-**	-	**-**	-
IV	**Net asset / (liability) recognised in the balance sheet**						
1	Liability at the end of the year	**(52.63)**	(47.72)	**(24.84)**	(21.51)	**(16.47)**	(12.83)
2	Fair value of plan assets at the end of the year	**52.61**	47.75	**-**	-	**-**	-
3	Amount recognised in the balance sheet	**(0.02)**	0.03	**(24.84)**	(21.51)	**(16.47)**	(12.83)
V	**Expenses recognised in the statement of profit and loss for the year**						
1	Current service cost	**2.81**	2.96	**1.82**	1.74	**0.40**	0.30
2	Interest cost	**3.94**	3.59	**1.78**	1.55	**0.91**	0.62
3	Expected return on plan assets	**(3.83)**	(3.70)	**-**	-	**-**	-
4	Actuarial (gains) / losses	**3.15**	2.74	**3.00**	2.79	**6.82**	6.67
5	Past service cost	**0.01**	-	**(0.01)**	-	**-**	-
6	Total expenses as per actuarial valuation	**6.08**	5.59	**6.59**	6.08	**8.13**	7.59
7	Optional payment	**0.67**	2.76	**-**	-	**-**	-
8	Total expenses included in employee benefits	**6.75**	8.35	**6.59**	6.08	**8.13**	7.59
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	**-**	-	**-**	-	**0.10**	0.07
	(ii) One percentage point decrease in discount rate	**-**	-	**-**	-	**(0.09)**	(0.06)
	(2) Increase / (decrease) on present value of defined benefits obligation as at 31st March, 2013						
	(i) One percentage point increase in Medical Inflation rate	**-**	-	**-**	-	**1.55**	1.21
	(ii) One percentage point decrease in Medical Inflation rate	**-**	-	**-**	-	**(1.27)**	(0.99)
VIII	**Actuarial assumptions**						
1	Discount rate	**8.00-8.25% p.a.**	8.25% p.a.	**8.00-8.25% p.a.**	8.25% p.a.	**8.00-8.25% p.a.**	8.25% p.a.
2	Rate of return on plan assets	**8.70% p.a.**	8.00% p.a.	**-**	-	**-**	-
3	Salary escalation	**5.00% p.a.**	4.00% p.a.	**5.00% p.a.**	4.00% 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	
		2012-13 (Funded)	2011-12 (Funded)
I	**Change in obligation during the year**		
1	Liability at the beginning of the year	**154.89**	134.64
2	Interest cost	**8.80**	8.30
3	Current service cost	**5.21**	3.55
4	Past service cost	**0.02**	0.02
5	Benefits paid	**(10.91)**	(12.80)
6	Actuarial (gains) / losses	**12.01**	7.02
7	Adjustment for expatriate employees	**1.58**	-
8	Employee contributions	**0.81**	0.84
9	Translation difference	**6.03**	13.32
10	Liability at the end of the year	**178.44**	154.89
II	**Change in fair value of assets during the year**		
1	Fair value of plan assets at the beginning of the year	**140.45**	123.86
2	Expected return of plan assets	**7.97**	8.09
3	Contributions	**20.14**	11.60
4	Benefits paid	**(10.91)**	(12.80)
5	Actuarial gain / (loss)	**8.38**	(2.38)
6	Translation difference	**5.24**	12.08
7	Fair value of plan assets at the end of the year	**171.27**	140.45
8	Total actuarial gain / (loss) to be recognised	**(3.63)**	(9.40)
III	**Actual return on plan assets**		
1	Expected return on plan assets	**7.97**	8.09
2	Actuarial gain / (loss)	**8.38**	(2.38)
3	Actual return on plan assets	**16.35**	5.71
IV	**Net asset / (liability) recognised in the balance sheet**		
1	Liability at the end of the year	**178.44**	154.89
2	Fair value of plan assets at the end of the year	**171.27**	140.45
3	Net liability at the end of the year	**7.17**	14.44
4	Related deferred tax (asset) / liability	**(0.22)**	(0.06)
5	Amount recognised in the balance sheet	**6.95**	14.38
V	**Expenses recognised in the statement of profit and loss for the year**		
1	Current service cost	**5.21**	3.55
2	Interest cost	**8.80**	8.30
3	Expected return on plan assets	**(7.97)**	(8.09)
4	Actuarial (gains) / losses	**3.63**	9.40
5	Past service cost	**0.02**	0.02
6	Effect of changes in foreign exchange	**0.79**	(1.16)
7	Total expenses as per actuarial valuation	**10.48**	12.02
8	Total expenses included in employee benefits	**10.48**	12.02
VI	**The major categories of plan assets as a percentage of total:**		
	Equity instruments	**51%**	52%
	Debt instruments	**42%**	42%
	Insurer managed funds	**6%**	5%
	Cash	**1%**	1%
VII	**Actuarial assumptions**		
1	Discount rate	**3.95% - 6.30% p.a.**	4.70% - 6.70% p.a.
2	Rate of return on plan assets	**3.50% - 7.25% p.a.**	2.00% - 6.50% p.a.
3	Salary escalation	**3.00% - 7.50% p.a.**	3.00% - 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 2012-13
Revenue						
External sales (net of excise duty)	**7328.28**	**2591.47**	**1785.05**	**389.64**	**-**	**12094.44**
Inter segment sales	**7.58**	**1.24**	**49.53**	**-**	**(58.35)**	**-**
Total	**7335.86**	**2592.71**	**1834.58**	**389.64**	**(58.35)**	**12094.44**
Segment results	**(110.41)**	**278.07**	**213.58**	**11.56**	**-**	**392.80**
Less: Finance costs						**70.93**
Less: Other unallocable expenditure net of unallocable income						**137.12**
Profit before exceptional item and tax						**184.75**
Less : Exceptional item						**120.71**
Profit after exceptional item and before tax						**64.04**
Tax expense						**100.91**
Profit after tax						**(36.87)**
Capital Employed:						
Segment assets	**6550.26**	**585.26**	**1281.97**	**159.69**	**1260.65**	**9837.83**
Segment liabilities	**3167.83**	**474.93**	**415.63**	**70.15**	**277.03**	**4405.57**
Net Assets	**3382.43**	**110.33**	**866.34**	**89.54**	**983.62**	**5432.26**
Capital expenditure	**222.59**	**18.43**	**68.23**	**12.57**	**18.00**	**339.82**
Depreciation and amortisation	**144.04**	**7.85**	**37.05**	**0.91**	**13.07**	**202.92**
Non-cash expenses other than depreciation	**34.11**	**2.52**	**7.06**	**0.36**	**-**	**44.05**

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations/ Unallocable Expenditure / Assets*	Total 2011-12
Revenue						
External sales (net of excise duty)	7183.49	2132.42	1787.12	145.55	-	11248.58
Inter segment sales	11.32	1.20	33.12	-	(45.64)	-
Total	7194.81	2133.62	1820.24	145.55	(45.64)	11248.58
Segment results	248.53	262.88	210.28	(5.39)	-	716.30
Less: Finance costs						46.34
Less: Other unallocable expenditure net of unallocable income						120.22
Profit before tax						549.74
Tax expense						182.14
Profit after tax						367.60
Capital Employed:						
Segment assets	5472.65	445.11	1208.31	73.62	1378.62	8578.31
Segment liabilities	2918.65	353.09	384.88	36.77	265.58	3958.97
Net Assets	2554.00	92.02	823.43	36.85	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

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

₹ crore

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

II Secondary Segments (Geographical Segments)

(a) The distribution of sales:

	2012-13	2011-12
Sales and service revenue:		
Domestic	**6327.91**	5714.70
Overseas	**5766.53**	5533.88
Total	**12094.44**	11248.58

(b) The location of tangible / intangible fixed assets:

	As at 31-03-2013	As at 31-03-2012
Domestic	**819.79**	723.10
Overseas	**2246.52**	1534.43
Total	**3066.31**	2257.53

III Continent-wise sales

	2012-13	2011-12
Continents		
Asia	**7408.11**	6769.85
Africa	**355.43**	390.43
North America	**1523.76**	1694.59
South America	**281.32**	241.98
Europe	**2336.43**	2013.19
Australia	**189.39**	138.54
Total	**12094.44**	11248.58

IV Segment Identification, Reportable Segment and definition of each Reportable Segment:

(a) Primary segment:

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

(i) Power Systems : Transformer, Switchgear, Turnkey Projects and Power SCADA (Supervisory control and data acquisition systems)

(ii) Consumer Products : Fans, Appliances, Luminaires, Light Sources and Pumps

(iii) Industrial Systems : Electric Motors, Alternators, Drives, Drives solutions, Traction Electronics and SCADA

(iv) Others : Power Distribution, Self Adhesive Tapes and Speciality Lables

(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

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 Pauwels Middle East Trading and Contracting (Pvt) Co. LLC

(ii) Key Management Personnel:

1 Gautam Thapar - Chairman and Promoter Director
2 Laurent Demortier - CEO & Managing Director

(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 Avantha Holdings Limited
5 Salient Business Solutions Limited
6 Avantha Realty Limited
7 Korba West Power Company Limited
8 Sabah Forest Industries Sdn. Bhd.
9 Malanpur Captive Power Limited
10 Avantha Technologies Limited
11 Corella Investments Limited
12 Lustre International Limited
13 Varun Prakashan Private Limited
14 Jhabua Power Limited

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

Sr. No.	Nature of transaction / relationship	2012-13	2011-12
1	**Purchase of goods and services**		
	Associate		
	CG Lucy Switchgear Limited	**58.99**	32.49
	Other Related Parties		
	BILT Graphic Paper Products Limited	**-**	0.34
	Ballarpur Industries Limited	**0.79**	0.26
	Total	**59.78**	33.09
2	**Sales of goods and services**		
	Associates		
	CG Lucy Switchgear Limited	**7.23**	3.42
	Avantha Power & Infrastructure Limited	**0.22**	0.15
	Other Related Parties		
	Ballarpur Industries Limited	**0.75**	0.41
	Solaris ChemTech Industries Limited	**0.24**	0.18
	BILT Graphic Paper Products Limited	**4.81**	5.41
	Korba West Power Company Limited	**13.85**	31.83
	Avantha Holdings Limited	**0.02**	0.07
	Sabah Forest Industries Sdn. Bhd.	**0.34**	5.59
	Jhabua Power Limited	**12.47**	-
	Total	**39.93**	47.06
3	**Sale of fixed assets**		
	Other Related Parties		
	Asia Aviation Limited	**-**	41.17
	Avantha Holdings Limited	**0.01**	240.50
	Total	**0.01**	281.67

₹ crore

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

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

Sr. No.	Nature of transaction / relationship	2012-13	2011-12
4	**Purchase of fixed assets**		
	Other Related Party		
	Asia Aviation Limited	-	0.01
	Total	-	0.01
5	**Interest expenses**		
	Associate	0.56	0.25
	CG Lucy Switchgear Limited	0.56	0.25
6	**Rental income**		
	Other Related Parties		
	Ballarpur Industries Limited	2.05	2.05
	Solaris ChemTech Industries Limited	0.53	0.52
	Total	2.58	2.57
7	**Interest income**		
	Other Related Party		
	Malanpur Captive Power Limited	0.86	0.81
	Total	0.86	0.81
8	**Payment of salaries, commission and perquisites**		
	Key Management Personnel		
	Gautam Thapar	4.50	5.57
	Sudhir Trehan	-	0.88
	Laurent Demortier	9.00	8.17
	Total	13.50	14.62
9	**Dividend paid**		
	Other Related Parties		
	Corella Investments Limited	0.87	0.72
	Avantha Holdings Limited	30.71	25.59
	Lustre International Limited	0.52	0.43
	Avantha Realty Limited	0.00	0.00
	Varun Prakashan Private Limited	0.00	0.00
	Total	32.10	26.74
10	**Rent paid**		
	Other Related Party		
	Avantha Realty Limited	2.04	2.04
	Total	2.04	2.04
11	**Other expenses**		
	Other Related Parties		
	Avantha Holdings Limited	78.42	28.13
	Avantha Realty Limited	0.67	0.60
	Avantha Technologies Limited	0.01	0.02
	Salient Business Solutions Limited	0.88	1.25
	Total	79.98	30.00

₹ crore

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

(c) Amount due to / from related parties

Sr. No.	Nature of transaction / relationship	As at 31-03-2013	As at 31-03-2012
1	**Accounts payable**		
	Associates		
	CG Lucy Switchgear Limited	**21.63**	16.61
	Pauwels Middle East Trading and Contracting (Pvt) Co. LLC	**0.44**	-
	Other Related Parties		
	Ballarpur Industries Limited	**0.01**	0.01
	Sabah Forest Industries Sdn. Bhd.	**-**	0.01
	Avantha Holdings Limited	**3.60**	-
	Salient Business Solutions Limited	**0.08**	-
	Total	**25.76**	16.63
2	**Accounts receivable**		
	Associates		
	CG Lucy Switchgear Limited	**1.65**	0.58
	Avantha Power & Infrastructure Limited	**0.00**	0.08
	Other Related Parties		
	BILT Graphic Paper Products Limited	**1.03**	3.12
	Ballarpur Industries Limited	**0.24**	0.13
	Solaris ChemTech Industries Limited	**0.24**	0.15
	Korba West Power Company Limited	**4.89**	9.34
	Sabah Forest Industries Sdn. Bhd.	**-**	0.19
	Avantha Holdings Limited	**0.01**	0.05
	Jhabua Power Limited	**4.87**	-
	Total	**12.93**	13.64
3	**Loans and advances receivable**		
	Associate		
	CG Lucy Switchgear Limited	**0.00**	0.00
	Other Related Party		
	Malanpur Captive Power Limited	**10.45**	9.67
	Total	**10.45**	9.67
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	**0.07**	1.93
	Total	**0.17**	14.99
5	**Dividend payable**		
	Other Related Parties		
	Corella Investments Limited	**0.29**	0.29
	Avantha Holdings Limited	**10.24**	10.24
	Lustre International Limited	**0.17**	0.17
	Avantha Realty Limited	**0.00**	0.00
	Varun Prakashan Private Limited	**0.00**	0.00
	Total	**10.70**	10.70
6	**Due to Key Management Personnel**		
	Gautam Thapar	**4.50**	5.57
	Laurent Demortier	**4.01**	1.75
	Total	**8.51**	7.32

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

40. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 20 EARNINGS PER SHARE

		2012-13	2011-12
Profit / (loss) for the year	₹ crore	**(36.14)**	373.59
Number of equity shares outstanding	Nos.	**641491536**	641491536
Face value of equity share	₹ share	**2.00**	2.00
Earnings per share (basic and diluted)	₹	**(0.56)**	5.82

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 gain of ₹ 0.87 crore (Previous year net loss of ₹ 5.02 crore) 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, 2013 are as under:

Sr. No.	Category of Derivative Instruments	As at 31-03-2013	As at 31-03-2012
1	**For hedging foreign currency risks:**		
	(a) Forward contracts for receivables including firm commitments and highly probable forecasted transactions	**579.72**	929.76
	(b) Forward contracts for payable including firm commitments and highly probable forecasted transactions	**230.61**	257.40
2	**For hedging commodity price risks**		
	Commodity futures	**69.52**	116.81
3	**Particulars of Unhedged foreign currency exposure as at the balance sheet date:**		
	(a) Trade receivables	**124.66**	39.56
	(b) Trade payables	**241.84**	152.88
	(c) Loans payables	**208.23**	193.16
	(d) Bank balance in current accounts and term deposit accounts	**16.22**	24.79
	(e) Investments in overseas associates	**17.17**	14.16

42. The Company has carried out right sizing of its operations in its facility at Mechelen, Belgium. The process had led to recognition of liability of ₹ 120.71 crore with respect to employee costs which have been considered as exceptional items. In addition, other restructuring related costs aggregating to ₹ 108.07 crore have also been accounted under appropriate operating expense heads.

43. The Company has changed its accounting policy effective 1st April, 2012 in respect of goodwill arising on acquisition of business. The Company would be doing an annual impairment testing for goodwill instead of past practise of amortisation. The management believes, this change in accounting policy aligns well with leading international practices and reflects enduring benefits to be derived from goodwill arising on acquisitions.

Had the Company not changed the accounting policy as above, depreciation and amortisation for the year ended 31st March, 2013 would have been higher by ₹ 68.01 crore and loss for the year would have been higher by the same amount.

44. Amounts shown as ₹ 0.00 represent amounts below ₹ 50,000 (Rupees Fifty Thousand).

45. Current year's figures include the results of the subsidiaries acquired during the year, i.e. ZIV Group in Spain. Consequently, figures for the current year are not comparable with the figures of the corresponding previous year. Figures of the previous year have been regrouped / reclassified, wherever necessary.

Signatures to Notes 1 to 45

For SHARP & TANNAN
CHARTERED ACCOUNTANTS
Registration No. 109982W

L. Vaidyanathan
PARTNER
Membership No. 16368
Mumbai, 24th May, 2013

Madhav Acharya
CHIEF FINANCIAL OFFICER

Wilton Henriques
COMPANY SECRETARY

Mumbai, 24th May, 2013

Laurent Demortier
CEO & MANAGING DIRECTOR

Gautam Thapar
CHAIRMAN

ACCOUNTS IN FOREIGN CURRENCY

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2013

	As at 31-03-2013		As at 31-03-2012	
	USD million	USD million	USD million	USD million
EQUITY AND LIABILITIES				
1. SHAREHOLDERS' FUNDS:				
(a) Share capital	**23.63**		25.22	
(b) Reserves and surplus	**539.48**		505.67	
		563.11		530.89
2. NON-CURRENT LIABILITIES:				
(a) Long-term borrowings	**0.14**		0.40	
(b) Deferred tax liabilities (net)	**9.18**		8.50	
(c) Other long-term liabilities	**5.03**		4.90	
(d) Long-term provisions	**7.02**		6.11	
		21.37		19.91
3. CURRENT LIABILITIES:				
(a) Short-term borrowings	**2.38**		0.04	
(b) Trade payables	**278.95**		230.17	
(c) Other current liabilities	**77.68**		93.93	
(d) Short-term provisions	**27.24**		23.43	
		386.25		347.57
TOTAL		**970.73**		898.37
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Fixed assets				
(i) Tangible assets	**111.32**		104.35	
(ii) Intangible assets	**10.35**		12.83	
(iii) Capital work-in-progress	**13.80**		11.46	
(iv) Intangible assets under development	**7.34**		4.13	
(b) Non-current investments	**102.16**		108.42	
(c) Long-term loans and advances	**3.34**		4.49	
		248.31		245.68
2. CURRENT ASSETS:				
(a) Current investments	**92.19**		98.46	
(b) Inventories	**101.04**		88.37	
(c) Trade receivables	**339.07**		341.15	
(d) Cash and bank balances	**53.20**		63.12	
(e) Short-term loans and advances	**127.76**		51.98	
(f) Other current assets	**9.16**		9.61	
		722.42		652.69
TOTAL		**970.73**		898.37

Note: Closing exchange rate considered for 1 USD as at 31st March, 2013 is ₹ 54.2850 and as at 31st March, 2012 is ₹ 50.8750

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13		2011-12	
	USD million	USD million	USD million	USD million
INCOME:				
Sales and services	**1390.93**		1423.53	
Less: Excise duty	**80.06**		75.87	
Revenue from operations		**1310.87**		1347.66
Other income		**18.13**		15.46
TOTAL REVENUE		**1329.00**		1363.12
EXPENSES:				
Cost of raw materials and components consumed and construction materials	**655.00**		720.57	
Purchases of stock-in-trade	**332.86**		262.96	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(7.90)**		(1.53)	
Employee benefits	**75.54**		75.55	
Finance costs	**4.67**		5.75	
Depreciation and amortisation	**13.20**		18.85	
Other expenses	**146.13**		140.35	
TOTAL EXPENSES		**1219.50**		1222.50
PROFIT BEFORE TAX		**109.50**		140.62
TAX EXPENSES:				
Current tax	**26.38**		40.08	
Deferred tax	**1.21**		(4.37)	
		27.59		35.71
PROFIT FOR THE YEAR		**81.91**		104.91
Earnings per share (basic and diluted) (in USD)		**0.13**		0.16

Note: Average exchange rate considered for 1 USD in 2012-13 is ₹ 54.4316 and in 2011-12 is ₹ 48.1233

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2013

	As at 31-03-2013		As at 31-03-2012	
	Euro million	Euro million	Euro million	Euro million
EQUITY AND LIABILITIES				
1. SHAREHOLDERS' FUNDS:				
(a) Share capital	**18.46**		18.90	
(b) Reserves and surplus	**421.40**		379.06	
		439.86		397.96
2. NON-CURRENT LIABILITIES:				
(a) Long-term borrowings	**0.11**		0.30	
(b) Deferred tax liabilities (net)	**7.17**		6.37	
(c) Other long-term liabilities	**3.93**		3.68	
(d) Long-term provisions	**5.48**		4.58	
		16.69		14.93
3. CURRENT LIABILITIES:				
(a) Short-term borrowings	**1.86**		0.03	
(b) Trade payables	**217.91**		172.55	
(c) Other current liabilities	**60.67**		70.41	
(d) Short-term provisions	**21.28**		17.56	
		301.72		260.55
TOTAL		**758.27**		673.44
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Fixed assets				
(i) Tangible assets	**86.96**		78.22	
(ii) Intangible assets	**8.08**		9.62	
(iii) Capital work-in-progress	**10.78**		8.59	
(iv) Intangible assets under development	**5.74**		3.10	
(b) Non-current investments	**79.80**		81.27	
(c) Long-term loans and advances	**2.60**		3.37	
		193.96		184.17
2. CURRENT ASSETS:				
(a) Current investments	**72.01**		73.81	
(b) Inventories	**78.93**		66.25	
(c) Trade receivables	**264.86**		255.74	
(d) Cash and bank balances	**41.55**		47.31	
(e) Short-term loans and advances	**99.80**		38.96	
(f) Other current assets	**7.16**		7.20	
		564.31		489.27
TOTAL		**758.27**		673.44

Note: Closing exchange rate considered for 1 Euro as at 31st March, 2013 is ₹ 69.4950 and as at 31st March 2012 is ₹ 67.8675

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13		2011-12	
	Euro million	Euro million	Euro million	Euro million
INCOME:				
Sales and services	**1080.00**		1035.19	
Less: Excise duty	**62.16**		55.17	
Revenue from operations		**1017.84**		980.02
Other income		**14.08**		11.24
TOTAL REVENUE		**1031.92**		991.26
EXPENSES:				
Cost of raw materials and components consumed and construction materials	**508.58**		524.00	
Purchases of stock-in-trade	**258.45**		191.23	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(6.13)**		(1.12)	
Employee benefits	**58.65**		54.94	
Finance costs	**3.63**		4.18	
Depreciation and amortisation	**10.25**		13.71	
Other expenses	**113.47**		102.06	
TOTAL EXPENSES		**946.90**		889.00
PROFIT BEFORE TAX		**85.02**		102.26
TAX EXPENSE:				
Current tax	**20.48**		29.15	
Deferred tax	**0.94**		(3.18)	
		21.42		25.97
PROFIT FOR THE YEAR		**63.60**		76.29
Earnings per share (basic and diluted) (in Euro)		**0.10**		0.12

Note: Average exchange rate considered for 1 Euro in 2012-13 is ₹ 70.1028 and in 2011-12 is ₹ 66.1764

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	As at 31-03-2013		As at 31-03-2012	
	USD million	USD million	USD million	USD million
EQUITY AND LIABILITIES				
1. SHAREHOLDERS' FUNDS:				
(a) Share capital	23.63		25.22	
(b) Reserves and surplus	632.44		684.55	
		656.07		709.77
2. MINORITY INTEREST		1.75		3.08
3. NON-CURRENT LIABILITIES:				
(a) Long-term borrowings	286.45		121.13	
(b) Deferred tax liabilities	27.05		26.65	
(c) Other long-term liabilities	26.64		36.84	
(d) Long-term provisions	13.59		16.48	
		353.73		201.10
4. CURRENT LIABILITIES:				
(a) Short-term borrowings	54.61		72.45	
(b) Trade payables	453.50		414.27	
(c) Other current liabilities	286.41		264.26	
(d) Short-term provisions	64.19		57.96	
		858.71		808.94
TOTAL		1870.26		1722.89
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Fixed assets				
(i) Tangible assets	257.92		232.31	
(ii) Intangible assets	270.75		182.09	
(iii) Capital work-in-progress	23.41		21.56	
(iv) Intangible assets under development	12.78		7.78	
(b) Non-current investments	53.43		56.07	
(c) Deferred tax assets	58.01		36.73	
(d) Long-term loans and advances	4.53		6.47	
		680.83		543.01
2. CURRENT ASSETS:				
(a) Current investments	92.24		98.51	
(b) Inventories	301.50		240.45	
(c) Trade receivables	582.20		617.84	
(d) Cash and bank balances	107.46		97.81	
(e) Short-term loans and advances	65.79		96.18	
(f) Other current assets	40.24		29.09	
		1189.43		1179.88
Total		1870.26		1722.89

Note: Closing rate considered for 1 USD for 2012-13 is ₹ 54.2850 and for 2011-12 is ₹ 50.8750

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13		2011-12	
	USD million	USD million	USD million	USD million
INCOME:				
Sales and services	**2302.60**		2413.62	
Less: Excise duty	**80.65**		76.17	
Revenue from operations		**2221.95**		2337.45
Other income		**18.37**		13.04
TOTAL REVENUE		**2240.32**		2350.49
EXPENSES:				
Cost of raw materials and components consumed and construction materials	**1246.61**		1338.92	
Purchases of stock-in-trade	**332.86**		262.96	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(46.16)**		(4.94)	
Employee benefits	**319.76**		304.68	
Finance costs	**17.54**		11.78	
Depreciation and amortisation	**37.28**		54.02	
Other expenses	**298.49**		268.84	
TOTAL EXPENSES		**2206.38**		2236.26
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		**33.94**		114.23
Exceptional item		**(22.18)**		-
PROFIT BEFORE TAX		**11.76**		114.23
TAX EXPENSE:				
Current tax	**33.89**		45.04	
Deferred tax	**(15.35)**		(7.20)	
		18.54		37.84
PROFIT AFTER TAX		**(6.78)**		76.39
Minority interest in loss		**0.21**		0.13
Share of profit / (loss) of associate companies (net)		**(0.07)**		1.11
PROFIT / (LOSS) FOR THE YEAR		**(6.64)**		77.63
Earnings per share (basic and diluted) (in USD)		**(0.01)**		0.12

Note: Average exchange rate considered for 1 USD for 2012-13 is ₹ 54.4316 and for 2011-12 is ₹ 48.1233

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	As at 31-03-2013		As at 31-03-2012	
	Euro million	Euro million	Euro million	Euro million
EQUITY AND LIABILITIES				
1. SHAREHOLDERS' FUNDS:				
(a) Share capital	**18.46**		18.90	
(b) Reserves and surplus	**494.02**		513.15	
		512.48		532.05
2. MINORITY INTEREST		**1.36**		2.31
3. NON-CURRENT LIABILITIES:				
(a) Long-term borrowings	**223.76**		90.80	
(b) Deferred tax liabilities	**21.13**		19.98	
(c) Other long-term liabilities	**20.80**		27.61	
(d) Long-term provisions	**10.62**		12.35	
		276.31		150.74
4. CURRENT LIABILITIES:				
(a) Short-term borrowings	**42.66**		54.31	
(b) Trade payables	**354.25**		310.54	
(c) Other current liabilities	**223.73**		198.10	
(d) Short-term provisions	**50.14**		43.45	
		670.78		606.40
TOTAL		**1460.93**		1291.50
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Fixed assets				
(i) Tangible assets	**201.47**		174.14	
(ii) Intangible assets	**211.49**		136.50	
(iii) Capital work-in-progress	**18.28**		16.16	
(iv) Intangible assets under development	**9.99**		5.83	
(b) Non-current investments	**41.74**		42.03	
(c) Deferred tax assets	**45.32**		27.54	
(d) Long-term loans and advances	**3.54**		4.85	
		531.83		407.05
2. CURRENT ASSETS:				
(a) Current investments	**72.05**		73.84	
(b) Inventories	**235.51**		180.24	
(c) Trade receivables	**454.78**		463.15	
(d) Cash and bank balances	**83.94**		73.32	
(e) Short-term loans and advances	**51.39**		72.09	
(f) Other current assets	**31.43**		21.81	
		929.10		884.45
Total		**1460.93**		1291.50

Note: Closing rate considered for 1 Euro for 2012-13 is ₹ 69.4950 and for 2011-12 is ₹ 67.8675

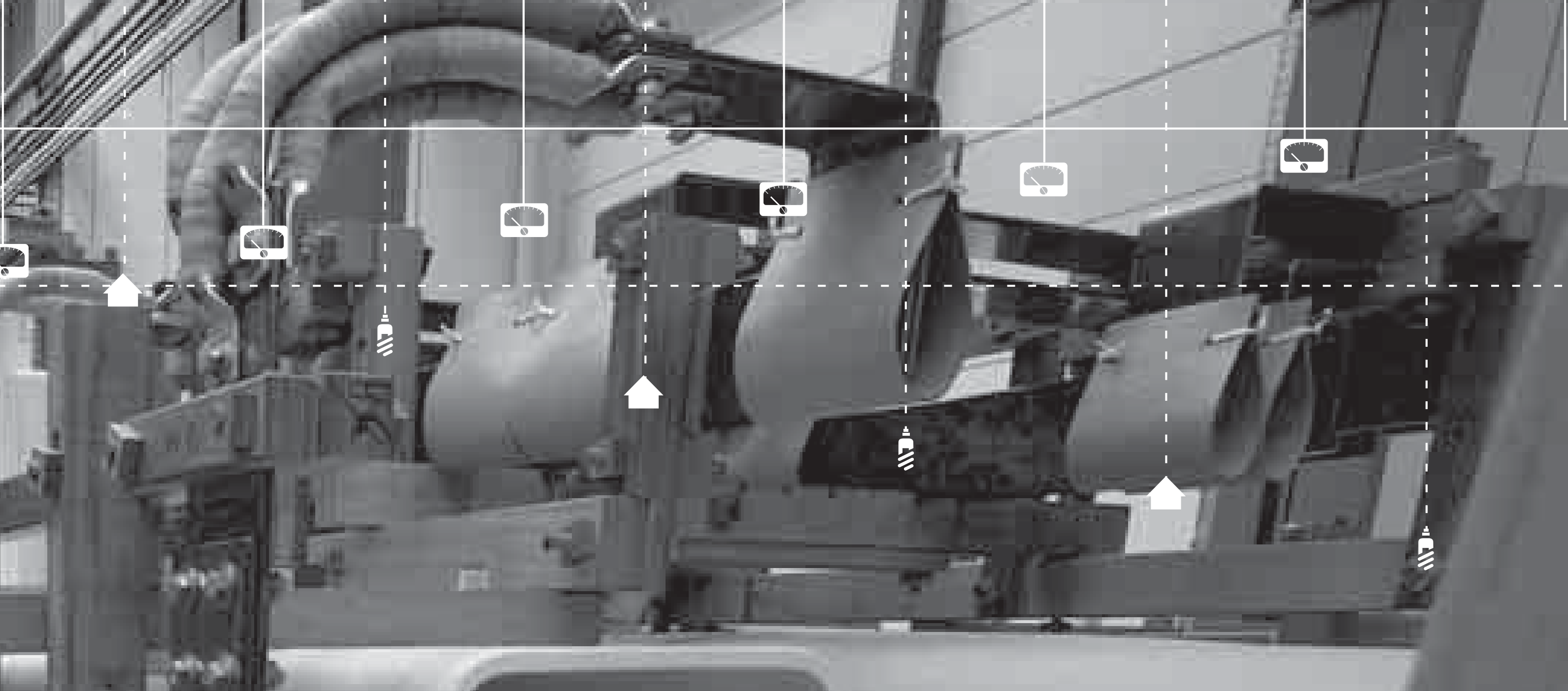
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13		2011-12	
	Euro million	Euro million	Euro million	Euro million
INCOME:				
Sales and services	**1787.86**		1755.18	
Less: Excise duty	**62.62**		55.39	
Revenue from operations		**1725.24**		1699.79
Other income		**14.26**		9.48
TOTAL REVENUE		**1739.50**		1709.27
EXPENSES:				
Cost of raw materials and components consumed and construction materials	**967.93**		973.65	
Purchases of stock-in-trade	**258.45**		191.23	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(35.84)**		(3.59)	
Employee benefits	**248.28**		221.56	
Finance costs	**13.62**		8.57	
Depreciation and amortisation	**28.95**		39.28	
Other expenses	**231.76**		195.50	
TOTAL EXPENSES		**1713.15**		1626.20
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		**26.35**		83.07
Exceptional item		**(17.22)**		-
PROFIT BEFORE TAX		**9.13**		83.07
TAX EXPENSE:				
Current tax	**26.31**		32.76	
Deferred tax	**(11.92)**		(5.23)	
		14.39		27.53
PROFIT AFTER TAX		**(5.26)**		55.54
Minority interest in loss		**0.16**		0.10
Share of profit / (loss) of associate companies (net)		**(0.06)**		0.81
PROFIT / (LOSS) FOR THE YEAR		**(5.16)**		56.45
Earnings per share (basic and diluted) (in Euro)		**(0.01)**		0.09

Note: Average exchange rate considered for 1 Euro for 2012-13 is ₹ 70.1028 and for 2011-12 is ₹ 66.1764

PRODUCTS AND SERVICES

CG's state-of-the-art
Power Transformer factory



Power Systems

CG INDIA

Transformers

- 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 Transformers
- Earthing Transformers
- Isolation Transformers

Switchgear

- Current Transformers upto 550 kV
- Capacitive Voltage Transformer upto 1200 kV
- Inductive Voltage Transformers up to 420 kV
- Condenser Bushings upto 550 kV (IEC) and upto 230 kV (ANSI)
- Coupling/Grading Capacitors upto 420 kV
- Indoor & Outdoor Vacuum Circuit Breakers upto 36 kV
- Indoor GIS upto 36 kV
- Gas Circuit Breakers upto 800 kV
- Lightning Arresters upto 1200 kV (Porcelain as well as Polymer Insulators)
- Disconnectors upto 245 kV
- Vacuum Interrupters upto 72.5 kV, 40 kA, 3150A
- LV & MV Vacuum Contactors upto 12kV, 630A
- LT STATCOM for Reactive Power Compensation
- LT STATCOM for Active Harmonic Filtering
- LT STATCOM for Voltage Phase Balancing
- HT APFC: 12kV
- LT APFC: LT
- 12 kV Automatic Vacuum Capacitor Switches
- Unitised Substation upto 24 kV
- Numerical Relays
- SF6 Insulated Vacuum Ring Main Units upto 24 kV
- Oil Ring Main Units upto 12 kV
- HV GIS 66-145 kV

Engineering Projects

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
- Engineered Packages
- Reactive Power Compensation
- Construction Packages for own EHV Equipments

Automation Systems

- Design, Engineering, Manufacturing, Testing and Commissioning of Control, Protection and Substation Automation System (SAS) for MV, HV, EHV, and UHV Substations
  - Line Distance Protection
  - Line Differential Protection
  - Transformer Differential Protection
  - Distributed Type Bus Bar Protection
  - Feeder (Bay) Control & Protection
  - Substation Server cum Gateway unit for SAS
  - Ethernet Switch for SAS
  - GPS time synchronization clock for SAS
- Design, Engineering, Manufacturing, Testing and Commissioning of Analog and Digital Power Line Carrier Communication (PLCC) System for MV, HV, EHV and UHV lines
  - Line Carrier Equipment
  - Line Teleprotection Equipment
  - Line Coupling Device
  - Standalone PLCC modem
- Distribution Automation System and AMI/ AMR
  - RTU/ Protocol Convertors/ Gateways
  - FRTU
  - SCADA
  - DMS
  - Smart Meters
  - Data Concentrators
  - Communication Modems
  - Industrial Ethernet Switches
  - Self Healing Networks
  - Smart Grid Solutions
  - Wind SCADA
  - Solar SCADA

CG Power System Service

- 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

Services Division

- Installation, Commissioning, Maintenance, Repair & Refurbishment of Transformers, OLTC s, GIS, AIS, of own make and other brands
- Site intervention Services and a Dedicated Repair Shop for Transformers up to 400 kV, all brands, Shell and Core type
- Fast lane for DT refurbishment
- Oil and SF6 treatment
- Condition Based Monitoring
- Asset Assessment and Diagnostics
- Lifetime Extension Programs
- Substation Operations
- Customer training
- Dedicated Service Satellites in
  - Belgium (Mechelen & Charleroi)
  - France (Fécamp, & Avignon): CG Service Systems France SAS
  - Hungary
  - Kuwait
  - Saudi Arabia
  - UK

Systems Division

- High Voltage Transmission Systems Engineering and Supervisory services
- Engineering Consultancy for transmission grid operators and Grid compliance analysis
- Turnkey AIS and GIS Transmission Projects up to 765 kV, including:
  - Rural Greenfield Electrification projects
  - Transmission Grid connections and Substations for On- and Offshore windparks
  - Industrial HV & MV Substation Installations up to 765 kV
  - Modular HV and MV substations up to 220 kV
  - Mobile GIS and AIS 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 cable and underground cable transmission projects up to 220 kV
  - Flexible AC Transmission Systems (FACTS)
- Transmission project asset leasing and renting
- Smart Grid Solutions
- Substation Control and Automation Systems
- Distribution Automation Systems
- Transmission MV and HV SCADA projects
- HV Substation refurbishment projects

CG POWER SYSTEMS IRELAND LTD

Distribution Transformer Division

- Distribution Transformers (up to 72 kV)
- Oil Filled Distribution Transformers
- Single phase transformers up to 100 kVA and 36 kV
- 3 phase transformers up to 5 MVA and 72 kV, filled with mineral oil, silicone oil, synthetic ester oils and vegetable oil
- SLIM Transformers (up to 36 kV)
- Special Purpose Transformers
- Compact Substations: Concrete, Metal & GRP
- Unit Substations, Micro Substations, Trafo box & PRCS
- Three Phase Very Low Loss Transformers
- Refurbishment of Transformers
- Amorphous trafos

CG POWER SOLUTIONS UK LTD

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

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

CG AUTOMATION SYSTEMS

Automation Products

- Substation Control and Automation Systems
- Distribution Automation Systems
- Remote Telemetry Units
- Distribution Automation Controllers
- IEC61850 systems
- IED integration
- Substation gateways
- Smart Grid Solutions
- Data concentrators
- Bay Control Units
- Protocol converters
- Self-healing Networks
- SCADA Systems
- Wind SCADA

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 USA

- Distribution Transformers filled with mineral oil, silicone oil, synthetic ester oils and vegetable oil
- Three-phase padmounted transformers up to 10 MVA and 34.5 kV
- Three-phase pole & platform mounted transformers up to 2.5 MVA and 34.5 kV
- Secondary Unit Substation Transformers up to 10 MVA and 34.5 kV
- Station Unit Transformers up to 10 MVA and 69 kV
- Modular Distribution Center Units up to 10 MVA and 34.5 kV
- SLIM & BioSLIM Transformers up to 5 MVA and 34.5 kV
- WindPAD Transformers up to 3 MVA and 34.5 kV: Designs Optimized for Wind Applications
- SolarPAD Transformers (4, 3 & 2 Winding) up to 2 MVA and 34.5 kV: Designs Optimized for Solar Applications
- Power Transformers up to 85 MVA and 161 kV, with and without LTC
- Generator Step-Up Transformers up to 85 MVA and 161 kV
- Dead Tank Breakers up to 72 kV
- Surge Arresters
- Field Commissioning & Testing Services
- Customer Training Services

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

Automation

SUBSTATION AUTOMATION SYSTEMS (SAS)

Telecommunications

- Power Line Carrier Systems
- Teleprotection Systems
- Power Line Accesories
- Line-Tuning Units
- GPS/ Concentrator/Diffuser

Automation

- SAS Server/Gateway
- RTU
- HMI & Scada
- IED Software

Protection

- Distance Protection
- Line Differential
- Busbar Differential
- Transformer Differential
- Overcurrent Multifunction
- Bay Control Unit
- Breaker
- Automatic Voltage Regulator
- Capacitor Bank
- Oscilo Recorder
- Self Powered
- Industrial

Cabinets & Services

DISTRIBUTION AUTOMATION SYSTEMS (DAS)

- Secondary Substation Automation
- Communications GPRS & MV PLC
- Sensors & Couplings
- Monitoring & Automation RTU
- Power Electronics
- Battery backup
- MV pole mounted solutions

- Metering
  - Meters & Smart Meters
  - Data concentrators
  - Communications
  - AMR/AMI solutions
- Distributed Energy Resources Integration
  - Power Electronics
  - Communications
  - Monitoring & Automation
  - Metering
- Electric Vehicle
  - Recharge points

TRANSIT

Automation and Supervisory Control for Electric, Transportation & Water Utilities

- Control Room Scada
- Remote Gateways & RTU's
- Emergency Trip System
- Train Tracking
- Fault Detection

PT CG POWER SYSTEMS INDONESIA

Transformers

- 3-phase Power Transformers 300 MVA–500 kV
- Single phase Transformers up to 250 MVA–500 kV
- Phase Shifting Transformers
- Mobile Transformers (up to 150 kV)
- Special Purpose Transformers
- Shunt Reactors

Systems Division

- GIS and AIS Substations up to 275 kV
- Industrial and Generation HV & MV Substations Installations up to 275 kV
- Mobile Substation up to 150 kV
- AIS/GIS
- Transmission MV and HV SCADA/ Automation projects
- Substation refurbishment projects
- High Voltage Transmission Systems Engineering
- Engineering Consultancy for transmission grid operators

Industrial Systems

HT MOTORS

- **HT & LT Induction Motor** including safe area, flame proof, increased safety and non sparking industrial duty machines power range upto 12 MW, Polarity upto 20 poles,Voltage up to 13.2 kV and in frame Size 315 to 1120 in horizontal frame & 740 to 2500 frame size in vertical frame, Squirrel Cage and Slip Ring Induction motors in enclosure type TEFC, CACA, CACW, SPDP & TETV.
- **Synchronous machines** from 1 MVA to 25 MVA in frame size 500 to 1120, upto 13.2 kV in enclosures type CACA,CACW & SPDP
- **Industrial duty DC machines** upto 2200 kW, in frame size from 315 to 710, Voltage upto 810 V, 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 70 MVA, Voltage upto 13.2 kV, Polarity upto 48 pole
- AC & DC Traction Motors
- Traction Alternators
- Generator refurbishment and overhauling at site and factory upto 300 MVA
- Stator and Rotor rewinding, balancing, testing and complete diagnostic at site

RAIL TRANSPORTATION & TRACTION

- AC & DC 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 & Auxiliary LT Motors
- Power and Auxiliary Converter for Electric Locomotives
- 25 kVA Underslung Coach Inverter for AC Coaches
- Train Control Electronics

RAILWAY SIGNALLING PRODUCTS

- Signalling Relays
- Point Machines
- Data Logger
- Integrated Power Supply System

BATTERY POWERED VEHICLE

- Brushless DC Motors
- Controller

INDUSTRIAL DRIVES & AUTOMATION

- LV Drives Systems upto 3 MW, Voltage upto 690 VAC
- MV Drives upto 12 MW, Voltage upto 13.8 kV
- LV Softstarters upto 1.6 MW, upto 690V
- DC Drives System upto 5400 kW, Voltage upto 1100 VDC
- Shaft Power Monitors
- Rotating Heat Exchanger Drives with Switched Reluctance Motors
- 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, Frame 63 to 450 (0.18 kW to 470 kW)
- TEFC Motors available in Squirrel cage & Slipring constructions, suitable for Safe Area & Hazardous Area
- AC Motors Apex Series, Frame 80 to 355LX (0.75 to 250 kW) IE 2 Efficiency
- AC Motor NEMA Range 56 to 504 (0.75 to 150kW) EPACT & OWP
- DC Motors Frame 100 to 315 (2.2 kW to 550 kW)
- Alternators Brushless Series Frame 132 to 400 (5 kVA to 1010 kVA)
- Alternator Ustad Series: Slipring Alternators from 5 kVA to 82.5 kVA

FHP MOTORS

- B42, B48 Frame: 30 to 370W, 2/4/6 Pole Sheet Metal Body Motors
- M50 Frame: 187 to 1500W, 2/4 Pole Sheet Metal Body Motors
- 100S Frame: 1125 to 2250W, 4/ 6 Pole Sheet Metal Body Motors
- 80–132 Metric Frame: 370 to 3750W, 4 Pole CI Body Single Phase Motors
- Flame Proof: 370 to 750W, 4 Pole Motors
- 63–112 Metric Frame: 370 to 750W, 2/4 Pole Aluminum Body Single Phase Motors
- Open Construction: 20 to187W, 4/6 Pole Motors for Domestic Appliances

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 in all grades & coatings for guaranteed watt loss & permeability as per customer requirement
- 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 1300 mm (51 inches) diameter by single point notching (3 operations in one stage, like OD, Slot & ID) and skip notching operation
- Notching operation with programmable tooling on Schular machines Scroll line for better RM utilization
- Compound blanking and segmental lamination blanking up to 1050 mm diameter/width
- Continuous Heat treatment line for laminations up to 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
- Metal Halide Lamps
- Sodium & Mercury Lamps
- Halogen Lamps
- LED Lamps & Tubes

Luminaires & Accessories

- LED Indoor Luminaires
- LED Industrial Fittings
- LED Street Lights
- LED Floodlights & Landscape Luminaires
- Domestic & Decorative Luminaires
- Retail Lighting
- Healthcare & Cleanroom Luminaires
- Office Lighting
- Lighting Management System
- Industrial Luminaires
- Street Lights
- Street Light Automation
- Flood Lights
- Landscape Lighting
- Induction Lighting for Industrial, Street & Flood Applications
- LED Street and Indoor Commercial Range
- High Masts, Stadium Masts & Poles
- Lighting Electronics & Gear
- Wiring Accessories
- Lighting Management Systems
- Lighting Projects
- Integrated Security Systems & Home Automation

FANS

- Fans Ceiling: Luxury Under light, Premium Fans, Decorative & Generic Fans
- Table, Pedestal & 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, Air Cooler, Torches

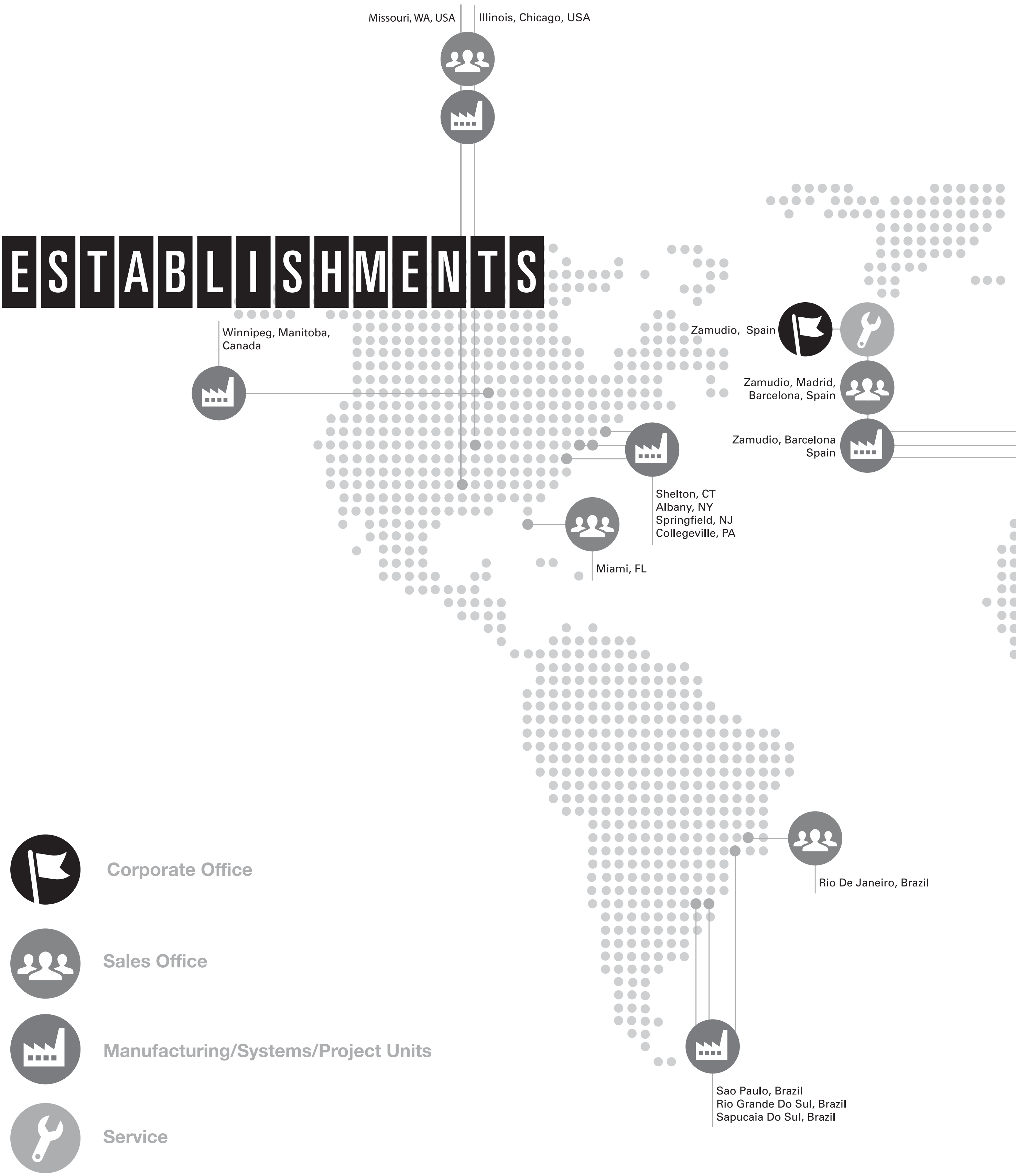
PUMPS

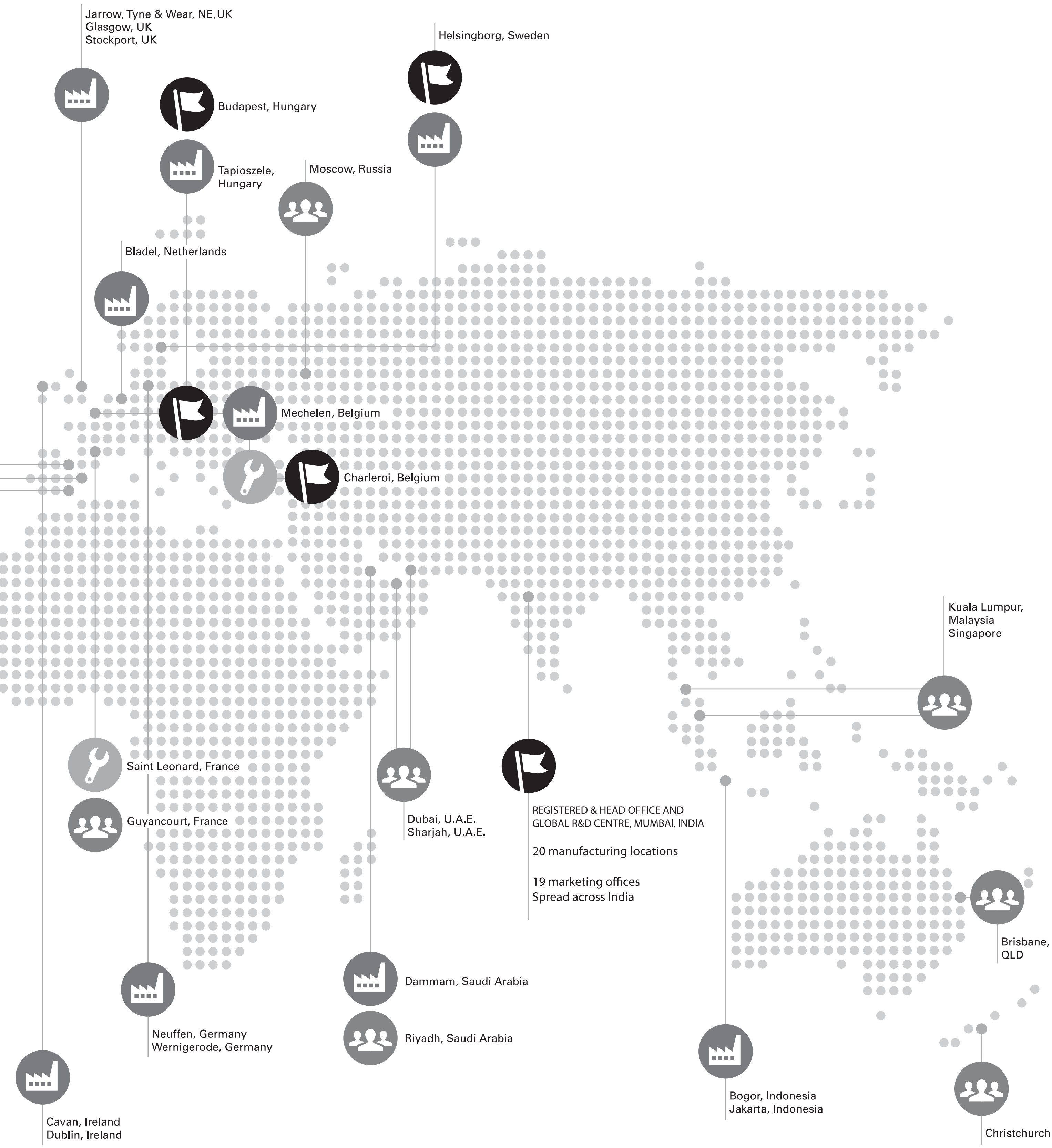
- Electrically driven Pumps
  - Centrifugal Monoblock Pump sets: Single/Two Stage
  - Self Priming Pump sets: Monobloc/Coupled
  - Submersible Pump sets for 75, 100, 150, 200 & 250 mm Borewells
  - Jet Centrifugal Pump sets: Single
  - Dewatering Pump sets
  - Vertical In Line Pump sets
  - Open well Submersible Pump sets
- Diesel Engines & Diesel Engine Pumps
- Petrol Kerosene Engine Pumps
- Compressor Pumps & Air Compressors
- Diesel Engine driven Pump sets
- Submersible Pumpsets: 100 mm with Oilfield Motors
- Cables suitable for submersible pumpsets 1.5 sq mm to 6 sq mm
- 3 PH/1 PH Control Panels for Submersible Motors
- Industrial Pumps: Horizantal Split case Pumps & End Suction Pumps
- Fire Fighting Pumps
- Pressure Boosting Pumps

INTERNATIONAL

Exports of all Crompton Greaves manufactured products.

ESTABLISHMENTS




Jarrow, Tyne & Wear, NE,UK
Glasgow, UK
Stockport, UK
Helsingborg, Sweden
Budapest, Hungary
Tapioszele, Hungary
Moscow, Russia
Bladel, Netherlands
Mechelen, Belgium
Charleroi, Belgium
Kuala Lumpur, Malaysia
Singapore
Saint Leonard, France
Guyancourt, France
Dubai, U.A.E.
Sharjah, U.A.E.
REGISTERED & HEAD OFFICE AND GLOBAL R&D CENTRE, MUMBAI, INDIA
20 manufacturing locations
19 marketing offices
Spread across India
Brisbane, QLD
Dammam, Saudi Arabia
Riyadh, Saudi Arabia
Neuffen, Germany
Wernigerode, Germany
Bogor, Indonesia
Jakarta, Indonesia
Christchurch
Cavan, Ireland
Dublin, Ireland

India

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Kundaim Ponda
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CONSUMER PRODUCTS
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Lighting Division

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Ganeshguri
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Kaju Bagan (Near DAV Junior School)
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Fax +91 (0)79 40012222
Email sagar.mohbe@cgglobal.com

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Near Harinagar Water Tank
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Fax +91 (0)265 2332458
Email sagar.mohbe@cgglobal.com

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Fax +91 (0)731 4232628
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Opp Modern High School
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Fax +91 (0)20 25534684
Email vidyadhar.apte@cgglobal.com

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Chowk
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Fax +91 (0)712 2537196
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28257375, 42247575
Fax +91 (0)44 28281596, 28231973
Email rangarajan.sriram@cgglobal.com

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Bannerghatta Road
Bilekahalli, Bangalore 560 076
Karnataka, India
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41391901
Fax +91 (0)80 41391900
Email pulacode.venkatesh@cgglobal.com

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Shanmugham Road
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Kerala, India
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FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1	Name of the Company	Crompton Greaves Limited
2	Annual Financial Statements for the year ended	31st March, 2013
3	Type of Observation	Un-qualified
4	Frequency of Observation	NA
5	*CEO/Managing Director*	For Crompton Greaves Limited L Demortier *CEO/Managing Director*
6	Chief Financial Officer	For Crompton Greaves Limited M Acharya *Chief Financial Officer*
7	Auditor of the company	For Sharp & Tannan L Vaidyanathan *Partner*
8	*Audit Committee Chairman*	For Crompton Greaves Limited Dr Omkar Goswami *Chairman Audit and Risk Committee*