

# Crompton Greaves Limited

Registered Office:

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

T: +91 22 2423 7777 F: +91 22 2423 7733 W: www.cgglobal.com

CIN: L99999MH1937PLC002641



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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	31 <sup>st</sup> March, 2014
3	Type of Audit 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  Milind P. Phadke Partner Membership No. 033013
8	Audit Committee Chairman	For Crompton Greaves Limited  Shirish Apte Chairman of Audit and Risk Committee

**PLEASE NOTE: The Venue for the Meeting will be Swatantryaveer Savarkar Rashtriya Smarak (4<sup>th</sup> Floor), at Shivaji Park.  
For travel arrangements, refer to Item (j) of the Notes.**

## **CROMPTON GREAVES LIMITED**

(CIN : L99999MH1937PLC002641)

Registered Office:

**CG House, Dr Annie Besant Road, Worli, Mumbai 400 030.**

**Email:** investorservices@cgglobal.com, **Website:** www.cgglobal.com

**Phone:** +91 22 24237777, **Fax:** +91 22 24237733

### **NOTICE**

NOTICE is hereby given that the Seventy Seventh Annual General Meeting of the Members of CROMPTON GREAVES LIMITED will be held on Tuesday, 5 August 2014 at 3.00 p.m. at 4th Floor, **Swatantryaveer Savarkar Rashtriya Smarak**, 252, Veer Savarkar Marg, Shivaji Park, Dadar, Mumbai – 400 028, to transact the following business :

#### **ORDINARY BUSINESS :**

##### **Adoption of Directors' Report and Accounts**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31 March 2014 including audited Balance Sheet as at 31 March 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

##### **Confirmation of Dividends**

2. To confirm the first and second interim dividends, aggregating to Rs. 0.80 per share (40%).

##### **Declaration of Final Dividend**

3. To declare a final dividend.

##### **Appointment of Auditors**

4. To appoint Sharp & Tannan, Chartered Accountants, Registration No 109982W, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

#### **SPECIAL BUSINESS :**

##### **Retirement by rotation of Director – Mr. SM Trehan**

5. To consider, and if thought fit, to pass with or without modification, as an **Ordinary Resolution** the following :

“RESOLVED that Mr. SM Trehan, Director liable to retire by rotation, who does not offer himself for re-appointment be not re-appointed as a Director of the Company and the vacancy so caused on the Board of the Company be not filled-up.”

##### **Appointment of Cost Auditors**

6. “RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, a remuneration of Rs. 7 lac plus taxes as applicable and reimbursement of out-of pocket expenses for the financial year ending 31 March 2015 to be paid to Messrs. Ashwin Solanki & Associates, Cost Accountants as approved by the Board of Directors of the Company, be and is hereby ratified and confirmed.”

#### **Appointment of Independent Director – Mr. S Apte**

7. To consider, and if thought fit, to pass with or without modification, as an **Ordinary Resolution** the following :

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and rules made thereunder, Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S Apte, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years, for a term up to 4 August 2019.”

#### **Appointment of Independent Director – Mr. S Labroo**

8. To consider, and if thought fit, to pass with or without modification, as a **Special Resolution** the following :

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and rules made thereunder, Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S Labroo, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years, for a term up to 4 August 2019.”

#### **Appointment of Independent Director – Dr. (Mrs) C Lewiner**

9. To consider, and if thought fit, to pass with or without modification, as an **Ordinary Resolution** the following :

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and rules made thereunder, Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. (Mrs) C Lewiner, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing her candidature for office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years, for a term up to 4 August 2019.”

#### **Appointment of Independent Director – Mr. S Prabhu**

10. To consider, and if thought fit, to pass with or without modification, as an **Ordinary Resolution** the following :

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and rules made thereunder, Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S Prabhu, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years, for a term up to 4 August 2019.”

#### **Appointment of Independent Director – Ms. M Pudumjee**

11. To consider, and if thought fit, to pass with or without modification, as a **Special Resolution** the following :

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and rules made thereunder, Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. M Pudumjee, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing her candidature for office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years, for a term up to 4 August 2019.”

## **Appointment of Independent Director – Dr. V von Massow**

12. To consider, and if thought fit, to pass with or without modification, as a **Special Resolution** the following :

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and rules made thereunder, Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. V von Massow, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years, for a term up to 4 August 2019.”

## **Creating mortgage/charge on the assets of the Company**

13. To consider, and if thought fit, to pass with or without modification, as a **Special Resolution** the following :

“RESOLVED that pursuant to the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include person(s) authorised and / or any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) for mortgaging and / or charging all or any of the movable and / or immovable properties, both present and future, or the whole or substantially the whole of the undertaking or the undertakings of the Company for securing any loan(s) obtained or as may be obtained from any bank, financial institution, bodies corporate, other entities, person or persons including securing those facilities which have already been sanctioned, including any enhancement therein together with interest, costs, charges, expenses and any other moneys payable by the Company and that the Board is further authorised to create a charge in whatsoever manner on the Company’s current assets, present and future, in favour of banks, financial institutions, bodies corporate, other entities, person or persons who may provide such credit facilities to the Company.

RESOLVED FURTHER that the Board be and is hereby authorised to do or cause to be done all such acts, deeds, matters and things as may be necessary, desirable, expedient for creating mortgage/charge on the assets of the Company and to give effect to this resolution.”

## **Alteration of Articles of Association**

14. To consider, and if thought fit, to pass with or without modification, as a **Special Resolution** the following :

“RESOLVED that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company be and is hereby amended by :

(i) deleting the existing Article 107 and substituting the following new Article 107 in place thereof :

### *Number of directors*

107. Until otherwise determined by a General Meeting and subject to Section 149 of the Act, the number of Directors shall not be less than four nor more than fifteen.

(ii) adding the following para at the end of existing Article 140 :

The Chairman is permitted to hold the position of both the Chairman as well as Managing Director/ CEO/ equivalent position thereof in the Company as per the recommendations of the Board of Directors of the Company.”

(iii) deleting the existing Article 109 and substituting the following new Article 109 in place thereof :

The Board may appoint an Alternate Director recommended for such appointment by the Director, (hereinafter called the “Original Director”) to act for him as an Alternate Director during his absence for a period of not

less than three months from India. An Alternate Director appointed under this Article shall not hold office as such for a longer period than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

(iv) deleting the existing Article 137 and substituting the following new Article 137 in place thereof :

Subject to Section 174 of the Act, quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one), or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the Meeting being not less than two, shall be the quorum during such time.”

#### **NOTES :**

(a) **Proxies :**

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting. A person can act as a proxy on behalf of members not more than 50 or such number of members holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

(b) **Book Closure :**

The register of Members and share transfer books of the Company shall remain closed from Friday, 1 August 2014 to Tuesday, 5 August 2014, both days inclusive.

(c) **Final Dividend :**

The Board of Directors of the Company, at its Meeting held on 29 May 2014, has recommended a Final Dividend of Rs. 0.40 per share (20%) for the Financial Year 2013-2014. The date of payment of final dividend is 12 August 2014.

(d) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of businesses at 5 to 14 is annexed hereto.

(e) **Unclaimed Dividends :**

In terms of the provisions of Section 205A and Section 205C of the Companies Act, 1956, dividends for financial years prior to 2007-2008, which have remained unclaimed, have been transferred to the Investor Education and Protection Fund and General Revenue Account of the Central Government, as applicable. Dividends pertaining to the financial years 2007-2008 to 2013-2014 which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund. Members who have, till date, not encashed their dividend warrants for these years can claim the dividend from the Company.

In April/May every year, the Company sends reminders to Shareholders who have not claimed their dividends to collect their unclaimed dividend amounts. Shareholders can also view the status of their unclaimed dividend at Investor Access web portal available on the CG website [www.cgglobal.com](http://www.cgglobal.com).

(f) ***Sending Notice and Annual Report through electronic means :***

- (i) Electronic copy of the Annual Report for 2013-2014 and Notice of the 77th Annual General Meeting of the Company are being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-2014 is being sent in the permitted mode.
- (ii) Members may also note that the Notice of the 77th Annual General Meeting and the Annual Report for financial year 2013-2014 will also be available on the Company's website [www.cgglobal.com](http://www.cgglobal.com) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days, excluding Saturday. Even after registering for e-communication, members are entitled to receive such communication in physical form free of cost, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: [investorservices@cgglobal.com](mailto:investorservices@cgglobal.com).

(g) ***Electronic voting :***

In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business at the General Meeting may be transacted through electronic voting system. The Company is providing a facility for voting by electronic means ("e-voting") to its members. The Company has engaged the services of Central Depository Services Limited ("CDSL") to provide e-voting facilities. Instructions for e-voting are indicated at the end of the Notice.

(h) ***Share Registrar & Transfer Agent :***

The Company's Share Registrar & Transfer Agent is **Datamatics Financial Services Limited** (DFSL) located at Plot No B-5, Part B Crosslane, MIDC Marol, Andheri (East), Mumbai 400 093. Contact details of DFSL are provided in the Corporate Governance Report.

(i) ***Investors Services Department :***

In addition to the Share Registrar & Transfer Agent, our Investor Services department, which is located at the Company's Corporate Office at 10th floor, CG House, Dr. Annie Besant Road, Worli, Mumbai - 400 030, will be happy to assist in case investors experience any difficulties in their interactions with DFSL.

The Investor Services department remains open to shareholders from 2.00 p.m. to 5.00 p.m., Monday to Friday. The telephone number is (022) 24237805; email address is [shirish.athalekar@cgglobal.com](mailto:shirish.athalekar@cgglobal.com). In order to enable us to provide you with more effective service, we would appreciate if you could call upon or phone our Investor Services department during these hours only.

(j) ***Arrangements – Annual General Meeting :***

Arrangements have been made for travel from Dadar Station (East) near Swaminarayan Temple to the venue for the Meeting. Vehicles (with a CG banner affixed) will depart at 2.00 pm from Dadar Station to enable the shareholders to reach the venue on time.

By Order of the Board

Mumbai, 29 May 2014

**M BHOSALE**  
*Company Secretary*



## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item no. 5**

In accordance with the provisions of Section 152 of the Companies Act, 2013, read together with the Articles of Association of the Company, Mr. SM Trehan is liable to retire by rotation at the ensuing Annual General Meeting of the Company.

Mr. Trehan has not offered himself for re-appointment. It is proposed not to appoint any director in place of Mr. SM Trehan.

The Board of Directors recommends the resolution as set out at Item No. 5 for approval of the members as an Ordinary Resolution. Except for Mr. SM Trehan, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

#### **Item no. 6**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31 March 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors needs to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2015.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

#### **Item no. 7**

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all Independent Directors of the Company must be appointed in accordance with the new Act, at a General Meeting of the Company, within one year of the commencement of the Act.

Accordingly, it is proposed to appoint Mr. S Apte as Independent Director in terms of the provisions of the Companies Act, 2013 for five consecutive years, for a term upto 4 August 2019. A notice has been received from a member alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Apte as a Director.

In the opinion of the Board, Mr. Apte fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and rules made thereunder as well as Clause 49 of the Listing Agreement with Stock Exchanges. Copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of appointment would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto the Annual General Meeting.

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. He has more than 30 years experience with Citigroup. He joined Citi in India and held various assignments in Corporate Banking, Risk Management, Corporate Finance and Investment Banking, before being appointed Markets and Banking Head for Citibank, India in 1992.

Mr. Apte moved to London in 1993 as Senior Risk Manager for Citigroup Central and Eastern Europe, Middle East and Africa (CEEMEA) region, and in 1995 became Corporate Finance Head for CEEMEA including India. In 1997, he was appointed President and Country Manager for Citibank, Poland.

Mr. Apte was responsible for Citibank's acquisition of Bank Handlowy in the year 2000, following which he was appointed Deputy President and Chief Operating Officer for Citibank Handlowy. During 2000 to 2003, he also led the merger and integration of Citibank Poland and Bank Handlowy.

Between 2003 and 2009, Mr. Apte was CEO for CEEMEA Region, before becoming CEO for Asia Pacific in 2009. He was a member of Citigroup's Executive and Operating Committees. In 2012 and 2013, Mr Apte was Chairman of Citi Asia Pacific Banking until he retired from Citi in early 2014. He was also a member of the Citigroup's Business Development Committee and its Senior Advisory Group. He was also Citibank's Senior Statesman at the London Business School.

Mr. Apte is a Director on the Boards of Citibank Japan Ltd and Bank Handlowy.

Mr. Apte is also Chairman of CG's Audit and Risk Committee, and Member of Corporate Social Responsibility Committee.

The Board considers that Mr. Apte's continued association would be of immense benefit and accordingly, the Board recommends the Ordinary Resolution in relation to appointment of Mr. Apte as an Independent Director, for the approval by the shareholders of the Company.

Mr. Apte does not hold any shares in the Company either in his individual capacity or beneficially for others and is not related to any Director of the Company.

Except for Mr. Apte, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

### **Item no. 8**

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all Independent Directors of the Company must be appointed in accordance with the new Act, at a General Meeting of the Company, within one year of the commencement of the Act.

Accordingly, it is proposed to appoint Mr. S Labroo as Independent Director in terms of the provisions of the Companies Act, 2013 for five consecutive years, for a term upto 4 August 2019. A notice has been received from a member alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Labroo as a Director.

In the opinion of the Board, Mr. Labroo fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and rules made thereunder as well as Clause 49 of the Listing Agreement with Stock Exchanges. Copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of appointment would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto the Annual General Meeting.

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

Mr. Labroo is a Director on the Boards of various companies which include AIS Adhesives Ltd, AIS Glass Solutions Ltd, Asahi India Map Auto Glass Ltd, Ballarpur Industries Ltd, Essel Marketing Pvt Ltd, Mahindra First Choice Wheels Ltd (Member – Audit Committee), Krishna Maruti Ltd, SKH Metals Ltd, Shield Autoglass Ltd, Maltex Malsters Ltd and Tahiliani Design Pvt Ltd.

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

Mr. Labroo is also a Member of the Audit and Risk Committee of the Company and the Chairman of the Nomination and Remuneration Committee of the Company.

Mr. Labroo has already served on the Board of the Company for more than five years. The Board considers that Mr. Labroo's continued association would be of immense benefit and accordingly, the Board recommends the Special Resolution in relation to appointment of Mr. Labroo as an Independent Director, as required by the Companies Act, 2013 and Listing Agreement with Stock Exchanges, for the approval by the shareholders of the Company.

Mr. Labroo does not hold any shares in the Company either in his individual capacity or beneficially for others and is not related to any Director of the Company.

Except for Mr. Labroo, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.



**Item no. 9**

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all Independent Directors of the Company must be appointed in accordance with the new Act, at a General Meeting of the Company, within one year of the commencement of the Act.

Accordingly, it is proposed to appoint Dr. (Mrs) C Lewiner as Independent Director in terms of the provisions of the Companies Act, 2013 for five consecutive years, for a term upto 4 August 2019. A notice has been received from a member alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Dr. Lewiner as a Director.

In the opinion of the Board, Dr. Lewiner fulfils the conditions for her appointment as an Independent Director as specified in the Companies Act, 2013 and rules made thereunder as well as Clause 49 of the Listing Agreement with Stock Exchanges. Copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of appointment would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto the Annual General Meeting.

Dr. 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, 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.

She is also a member of Board at Bouygues Group, EDF, Nexans, Eurotunnel, and TGS Nopec and the Non-Executive Chairwoman of TDF.

Dr. Lewiner is Member of the French Academy of Technology and of French Strategic Committee for Research.

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

Dr. Lewiner is also a Member of the Nomination and Remuneration Committee of the Company.

The Board considers that Dr. Lewiner's continued association would be of immense benefit and accordingly, the Board recommends the Ordinary Resolution in relation to appointment of Dr. Lewiner as an Independent Director, for the approval by the shareholders of the Company.

Dr. Lewiner does not hold any shares in the Company either in her individual capacity or beneficially for others and is not related to any Director of the Company.

Except for Dr. Lewiner, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

**Item no. 10**

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all Independent Directors of the Company must be appointed in accordance with the new Act, at a General Meeting of the Company, within one year of the commencement of the Act.

Accordingly, it is proposed to appoint Mr. S Prabhu as Independent Director in terms of the provisions of the Companies Act, 2013 for five consecutive years, for a term upto 4 August 2019. A notice has been received from a member alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Prabhu as a Director.

In the opinion of the Board, Mr. Prabhu fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and rules made thereunder as well as Clause 49 of the Listing Agreement with Stock Exchanges. Copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of appointment would be available for inspection by the members at the Registered Office of the

Company during normal business hours on any working day, excluding Saturday, upto the Annual General Meeting.

Mr. Prabhu 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, International summits and Parliamentary forums, 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. He 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 a director on the Board of United Phosphorus Limited, ICAI Accounting Research Foundation, Climate Change Association India and Shakti Sustainable Energy Foundation. He is also a Member of the Audit and Risk Committee of the Company.

The Board considers that Mr. Prabhu's continued association would be of immense benefit and accordingly, the Board recommends the Ordinary Resolution in relation to appointment of Mr. Prabhu as an Independent Director, for the approval by the shareholders of the Company.

Mr. Prabhu does not hold any shares in the Company either in his individual capacity or beneficially for others and is not related to any Director of the Company.

Except for Mr. Prabhu, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

#### **Item no. 11**

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all Independent Directors of the Company must be appointed in accordance with the new Act, at a General Meeting of the Company, within one year of the commencement of the Act.

Accordingly, it is proposed to appoint Ms. M. Pudumjee as Independent Director in terms of the provisions of the Companies Act, 2013 for five consecutive years, for a term upto 4 August 2019. A notice has been received from a member alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Ms. Pudumjee as a Director.

In the opinion of the Board, Ms Pudumjee fulfils the conditions for her appointment as an Independent Director as specified in the Companies Act, 2013 and rules made thereunder as well as Clause 49 of the Listing Agreement with Stock Exchanges. Copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of appointment would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto the Annual General Meeting.

Ms. Pudumjee is a postgraduate in Chemical Engineering from the Imperial College of Science & Technology, London. Ms. Pudumjee joined Thermax Limited as a trainee engineer in August 1990 and later on worked closely with the treasury and working capital management functions of Thermax, as also in the Environment Divisions of Thermax.

In 2001, she joined the Thermax Board and played an active role in the turnaround of Thermax, along with the Board and senior management of Thermax.

She took over as Chairperson of Thermax Limited, effective 5 October 2004.

Ms. Pudumjee is involved with several NGOs like Teach For India, Akanksha and Shakti Sustainable Energy Foundation.

Ms. Pudumjee is also the Chairperson of the Corporate Social Responsibility Committee of the Company.

Ms. Pudumjee has already served on the Board of the Company for more than five years. The Board considers that Ms Pudumjee's continued association would be of immense benefit and accordingly, the Board recommends the Special Resolution in relation to appointment of Ms. Pudumjee as an Independent Director, as required by the

Companies Act, 2013 and Listing Agreement with Stock Exchanges, for the approval by the shareholders of the Company.

Ms. Pudumjee does not hold any shares in the Company either in her individual capacity or beneficially for others and is not related to any Director of the Company.

Except for Ms. Pudumjee, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

#### **Item no. 12**

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all Independent Directors of the Company must be appointed in accordance with the new Act, at a General Meeting of the Company, within one year of the commencement of the Act.

Accordingly, it is proposed to appoint Dr. V von Massow as Independent Director in terms of the provisions of the Companies Act, 2013 for five consecutive years, for a term upto 4 August 2019. A notice has been received from a member alongwith the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Dr. von Massow as a Director.

In the opinion of the Board, Dr. von Massow fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and rules made thereunder as well as Clause 49 of the Listing Agreement with Stock Exchanges. Copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of appointment would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto the Annual General Meeting.

Dr. von Massow received his PhD in Agricultural Economics from Georgia Augusta University, Göttingen (Germany) in 1983. After initial work experience in Africa, he worked for 20 years as a Management Consultant with The Boston Consulting Group (BCG) in Europe, US and India; in 1993 he was promoted as Vice President and Director of BCG Inc. During his tenure with BCG he held a number of senior positions, including that of Managing Director for BCG, India. He brings with him a rich global experience of business models, governance, strategy and operations.

Since 2006, Dr. von Massow works as an Independent Non-Executive Director, based in London. His board mandates include companies and organizations in the (renewable) energy, environment and agriculture sectors in India, Germany and UK. He serves, among others, on the Board of Thermax Ltd. (India) and as Chairman of ADAS Ltd. (UK) and has been a Trustee of the Worldwide Fund for Nature (WWF) in Germany and UK for many years.

Dr. von Massow is also a Member of the Corporate Social Responsibility Committee of the Company; he chairs the CG Holdings Belgium Board which oversees the Company's activities outside India.

Dr. von Massow has already served on the Board of the Company for more than five years. The Board considers that Dr. von Massow's continued association would be of immense benefit and accordingly, the Board recommends the Special Resolution in relation to appointment of Dr. von Massow as an Independent Director, as required by the Companies Act, 2013 and Listing Agreement with Stock Exchanges, for the approval by the shareholders of the Company.

Dr. von Massow holds 2,687 Global Depository Receipts in the Company. Dr. von Massow does not hold any shares in the Company either in his individual capacity or beneficially for others and is not related to any Director of the Company.

Except for Dr. von Massow, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

#### **Item no. 13**

The members of the Company at their 54th Annual General Meeting held on Tuesday, 27 August 1991, by way of an Ordinary Resolution under Section 293 (1) (a) of the Companies Act, 1956, accorded consent to the Board of Directors for creating a mortgage or charge on its movable or immovable properties.

Section 180 (1) (a) of the Companies Act, 2013 requires that the Board of Directors shall not create mortgage or charge on its movable or immovable properties, except with the consent of the Company accorded by way of a Special Resolution.

Approval of the members is therefore sought by way of a Special Resolution under Section 180 (1) (a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 13 of the Notice, to enable the Board of Directors to create mortgage or charge on the Company's movable or immovable properties.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

**Item no. 14**

The existing Articles of Association are based on Companies Act, 1956. Some of the regulations in the existing Articles of Association are no longer in conformity with the Companies Act, 2013. Whilst the Company will need to review the Articles of Association in its entirety upon notification of all provisions and Rules under the new Act, certain provisions of the Articles of Association which are more restrictive than the Act require alignment with the Act, as proposed in the resolution at Item No. 14.

The Resolution at Item No. 14 of the Notice is set out as a Special Resolution for approval by the members in terms of Section 14 of the Companies Act, 2013. The Board of Directors recommends amendment to the Articles of Association of the Company.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

By Order of the Board

Mumbai, 29 May 2014

**M BHOSALE**  
*Company Secretary*

## COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

1. The e-Voting period will commence on 28 July 2014 (9.00 a.m. IST) and end on 30 July 2014 (6.00 p.m. IST).
2. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter.
3. Mr. PN Parikh of M/s Parikh & Associates, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-Voting process.
4. In case Members have any queries or issues regarding e-Voting, they may refer the Frequently Asked Questions (“FAQs”) and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to helpdesk : [evoting@cdslindia.com](mailto:evoting@cdslindia.com)

## E-VOTING PROCESS

1. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
2. Click on “Shareholders” tab
3. Select “CROMPTON GREAVES LIMITED” from the drop down menu and click on “SUBMIT”
4. Enter your User ID
  - For CDSL: 16 digits beneficiary ID
  - For NSDL: 8 Character DP ID followed by 8 digits Client ID
  - Members holding shares in Physical Form should enter Folio Number registered with the Company
5. Enter the Image Verification as displayed and click on Login
6. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password must be used. If you are a first time user follow the steps given below.
7. Fill up the following details in the appropriate boxes

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records.	

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits, enter the applicable number of 0's between the number and the first two characters of the name. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

8. After entering these details appropriately, click on “SUBMIT” tab.
9. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password must be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote,

provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the relevant EVSN of Crompton Greaves Limited.
12. On the voting page, you will see Resolution Description and against the same the options “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
13. Click on the “Resolutions File Link” if you wish to view the entire Resolution.
14. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
15. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
17. If Demat account holder has forgotten the changed password then enter the User ID and image verification code and click on Forgot Password & enter the details as prompted by the system.
18. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.



# CROMPTON GREAVES LIMITED

(CIN : L99999MH1937PLC002641)

Registered Office:

**CG House, Dr Annie Besant Road, Worli, Mumbai 400 030.**

**Email:** investorservices@cgglobal.com, **Website:** www.cgglobal.com

**Phone:** +91 22 24237777, **Fax:** +91 22 24237733

Date: May 29, 2014

Dear Shareholder,

## Sub: Registration of email address

In terms of Rule 18 (3) of the Companies (Management and Administration) Rules, 2014, we request the shareholders of Crompton Greaves Ltd., who have till date not registered their e-mail id(s) with the Company, to register their e-mail id(s) in order to receive the Notices of future Annual General Meetings and Annual Report of the Company in electronic form. This will also facilitate sending any other communication to shareholders, in electronic form.

We, therefore request you to fill up the registration form below and send it to Company's Share Registrar & Transfer Agent at Unit: Crompton Greaves Limited, Datamatics Financial Services Limited (DFSL), Plot No B-5, Part B Crosslane, MIDC Marol, Andheri (East), Mumbai 400 093 for registering your email address.

Shareholders who hold shares in Demat form are requested to approach concerned Depository Participant for updating / modifying the e-mail id(s) as the case may be.

For Crompton Greaves Limited

**MINAL BHOSALE**  
Company Secretary



## EMAIL REGISTRATION FORM

To\* :

The Company (for members holding shares in physical mode)/

The Depository Participants (for members holding shares in Demat mode)

### Sub: Registration of email address (Crompton Greaves Limited)

I/We would like to receive Notices, Annual Reports and other communication / documents from the Company in electronic mode. We request you to register my / our email address for receiving communication / documents electronically as per the following details:

Name of the Shareholder(s)	
Folio No. / DP ID / Client ID	
Email address	
Mobile No	

Date:

Place:

Signature of the Shareholder(s)\*\*

\* Please tick as applicable

\*\* Please ensure that the form is signed by the registered shareholder himself, alongwith joint shareholders, if any.



Smart solutions.  
Strong relationships.

### CROMPTON GREAVES LIMITED

(CIN : L99999MH1937PLC002641)

Registered Office : CG House, Dr Annie Besant Road, Worli, Mumbai 400 030.

#### ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member (In Block Letters)	Member's folio No. ....
	DP. ID No*.....
	Client ID No.*.....
Name of the Proxy (In Block Letters) (to be filled if the Proxy attends instead of the Member)	

No. of Shares held .....

I hereby record my presence at the 77th Annual General Meeting of the Company to be held on Tuesday, 5 August 2014 at 3.00 p.m. at 4th Floor, Swatantryaveer Savarkar Rashtriya Smarak, 252, Veer Savarkar Marg, Shivaji Park, Dadar, Mumbai – 400 028.

\* Applicable for investors holding shares in electronic form.

.....  
Member's/Proxy Signature



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Strong relationships.

### CROMPTON GREAVES LIMITED

(CIN : L99999MH1937PLC002641)

Registered Office : CG House, Dr Annie Besant Road, Worli, Mumbai 400 030.

#### PROXY FORM

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

- Name: .....Address: .....  
E-mail ID: ..... or failing him;
- Name: .....Address: .....  
E-mail ID: ..... or failing him;
- Name: .....Address: .....  
E-mail ID: .....

and whose signature (s) are appended overleaf as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 77th Annual General Meeting of the Company, to be held on Tuesday, 5 August 2014 at 3.00 p.m. at 4th Floor, Swatantryaveer Savarkar Rashtriya Smarak, 252, Veer Savarkar Marg, Shivaji Park, Dadar, Mumbai – 400 028 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.	Resolution	Optional	
		For	Against
1	Adoption of Directors' Report and Accounts		
2	Confirmation of Dividends		
3	Declaration of Final Dividend		
4	Appointment of Auditors		
5	Retirement by rotation of Director – Mr. SM Trehan		
6	Appointment of Cost Auditors		
7	Appointment of Independent Director – Mr. S Apte		
8	Appointment of Independent Director – Mr. S Labroo		
9	Appointment of Independent Director – Dr. (Mrs) C Lewiner		
10	Appointment of Independent Director – Mr. S Prabhu		
11	Appointment of Independent Director – Ms. M Pudumjee		
12	Appointment of Independent Director – Dr. V von Massow		
13	Creating mortgage/charge on the assets of the Company		
14	Alteration of Articles of Association		

Signed this..... day of..... 2014      Signature of shareholder \_\_\_\_\_

\_\_\_\_\_  
Signature of first proxyholder

\_\_\_\_\_  
Signature of second proxyholder

\_\_\_\_\_  
Signature of third proxyholder

Affix Revenue Stamp
---------------------------

**NOTES:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 77th Annual General Meeting.
3. It is optional to put an "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details of member(s) in above box before submission.





Smart solutions.  
Strong relationships.

# THE ELECTRICITY MATRIX

**CROMPTON GREAVES LIMITED**  
ANNUAL REPORT 2013-2014

CROMPTON GREAVES LIMITED 77th ANNUAL REPORT 2013-2014



**AVANTHA**  
GROUP COMPANY



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# CONSOLIDATED FINANCIAL HIGHLIGHTS

## Sales.

### by business unit

CONSOLIDATED NET SALES  
IN RS. CRORE

#### POWER SYSTEMS

7,336

8,478

↗ **15.6%**

#### CONSUMER PRODUCTS

2,593

2,847

↗ **9.8%**

#### INDUSTRIAL SYSTEMS

1,835

1,816

↘ **(1.0%)**

### all business units combined

IN RS. CRORE

#### NET SALES AND SERVICE

12,094

13,481

↗ **11.5%**

## Earnings.

### all business units combined

IN RS. CRORE

#### EBIDTA\*

459

854

↗ **86.1%**

#### PBT^

185

495

↗ **167.8%**

#### PROFIT / LOSS®

(36)

244

↗ **776.1%**

## Returns.

### all business units combined

IN PERCENTAGE POINTS

#### RETURN ON CAPITAL EMPLOYED#

4.7

10.0

↗ **5.3**

#### RETURN ON NET WORTH

(1.1)

7.0

↗ **8.1**

■ 2013  
■ 2014

\*Earnings before interest, depreciation and amortisation, taxes and exceptional item.

^Profit before taxes and exceptional item.

®After exceptional item, minority interest & share of associates (net)

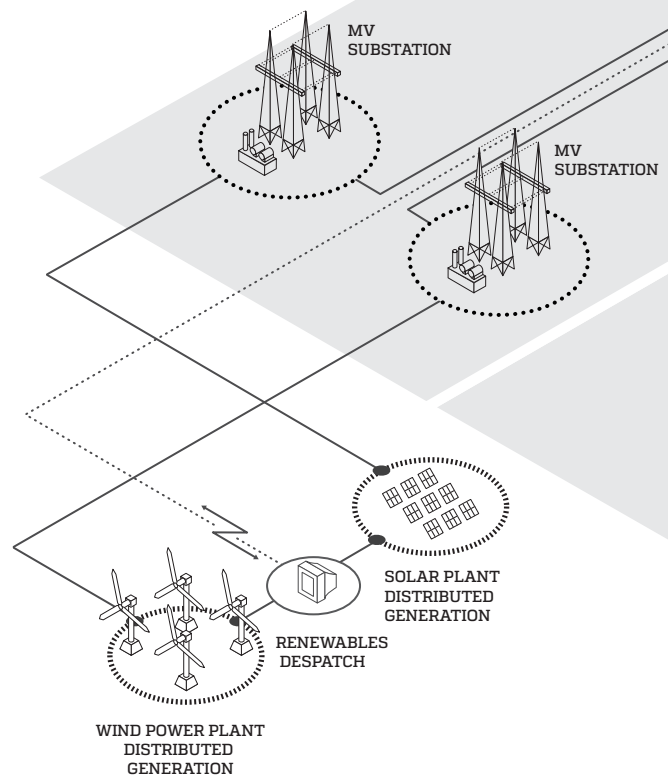
#Calculated excluding exceptional item.



# MAKING ELECTRICITY MORE PRODUCTIVE

**This is CG:** A global electrical company in 85 countries, with 9,500 people. It has a collective experience of 100+ years, spanning the entire spectrum of electricity and its applications. The journey starts from where electricity is generated: a river, the sun, the wind or a thermal plant. CG manages and tends electricity, preparing it to travel great distances, directing it intelligently to the end-user and helping convert it efficiently back into motive power, heat or light.

CG is among the world's leading makers of ultra high voltage transformers and switchgear, a leading electricity provider in Europe to offshore wind farms, and among the most trusted names in electrical equipment in the burgeoning Indian market. CG's technology runs intelligent grids in Latin America's largest photovoltaic farm in Chile and smartly distributes power to the Indian hinterland. CG manages the pumps that operate on Amsterdam's waterways, its motors grind stone for cement and chillies for dinner, its street lighting solutions save crores of rupees for the Puducherry administration in India. Wherever CG operates, it makes electricity generation and consumption smarter, cleaner and more efficient. **This is CG.**



## RENEWABLES

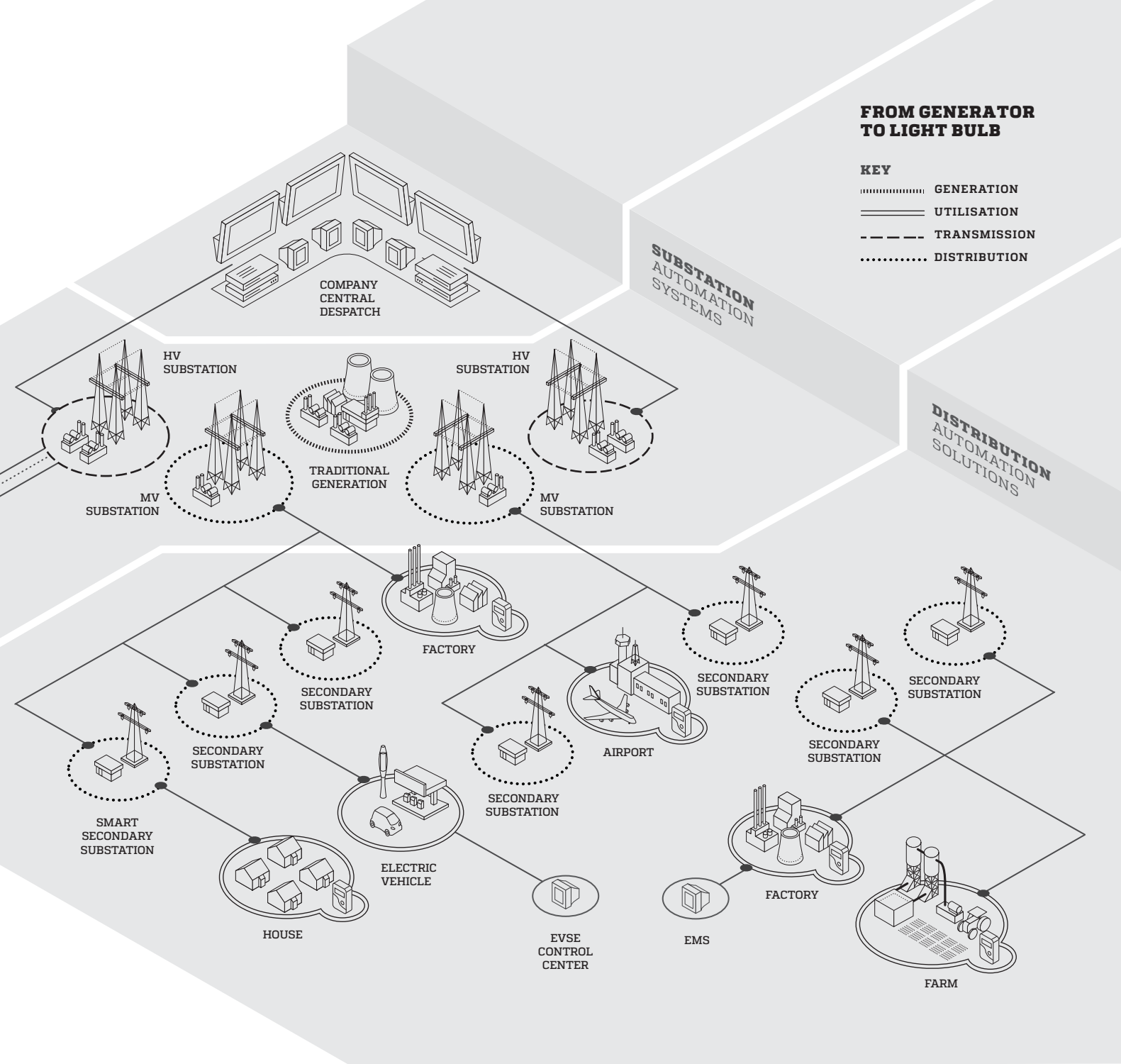
### Shrinking the carbon footprint

WIND  
SOLAR  
HYDRO

## FROM GENERATOR TO LIGHT BULB

### KEY

- ..... GENERATION
- ===== UTILISATION
- TRANSMISSION
- ..... DISTRIBUTION



### SMART GRID

## Managing electricity systems

DISTRIBUTION AUTOMATION  
SUBSTATION AUTOMATION  
TRANSIT AUTOMATION

### INFRASTRUCTURE

## Building smarter cities

THE ELECTRICAL HIGHWAY  
ADVANCED T&D  
LIGHTING SOLUTIONS

### UTILISATION

## Using electricity efficiently

CONSUMER  
INDUSTRIAL  
COMMERCIAL

SHRINKING  
THE CARBON  
FOOTPRINT





## RENEWABLES

**The race is on.** As the world's demand for electricity zooms even further, concerns about the environmental effects of generating it—and the standards of measuring the impact—are growing at a faster rate. Rules around efficiency and the adoption of renewables by suppliers are steadily developing. As a result, wind and solar are becoming mainstream, alongside the already established hydro energy. CG has been supporting this movement with creative leadership and smart solutions that connect the turbine, or the photovoltaic panel, to the grid.

### Wind

CG is not only a globally recognised provider of transformers to offshore wind platforms, but is also a provider of turnkey solutions for the entire electrical infrastructure. Its management tools can monitor turbines across the plant and maximise performance based on real-time information. ■ This year, innovative CG technology, developed earlier for Europe's offshore platforms, gave E.ON a low-weight, low-maintenance way to connect its sea wind farms to the network. ■ Projects in the Netherlands, France, Germany, Canada and the USA add to a glittering list of achievements which grows every year.

### Solar

CG is a front runner in utility-scale inverter transformers for solar farms in the US and other parts of North and South America. Its SolarPAD, a self-contained unit immersed in seed-based biodegradable fluid, is an innovative, high-performance product, smaller and lighter than a conventional substation, and at half its installation and maintenance cost. ■ In 2013, CG began supplying inverter transformers for a 579 MW installation in California. This project is to power 255,000 homes. ■ As many as 2,000 CG inverter transformers are currently operational across North America.

### Hydro

CG's innovative, cost-effective hydro generator has been designed to fit into a mobile hydro container. CG is well positioned to penetrate the hydro market in Europe with its hydro generators rated at 700kV, and jointly developed and manufactured in its India and Hungary facilities. Currently, the facilities are expected to produce 10 generators a year. Europe's installed capacity in hydro is 10 GW. ■ The concentrated small hydro market in SE Asia has opened up with a strategic Indonesian project. In India, CG already supplies transformers to hydro projects around the country.

**3,000 MVA**

handled by CG solar transformers in the USA and Canada

**50%**

of Europe's offshore wind farms use CG transformers

**42,000 MVA**

of wind power from over 18,000 CG wind generator transformers, worldwide

MANAGING  
ENERGY  
SYSTEMS





## SMART GRID

**3.75 mn**

smart meters  
ordered\* worldwide

\* includes 2 mn installed

**30,000**

data concentrators  
are operational in the  
field

**smart grid  
laboratory**

inaugurated in Spain

**It's a connected world.** Where instant communication is a norm and there's an app for everything, energy utilities can no longer remain the one-size-fits-all, rigid monoliths they used to be. Expect a new breed of connected devices that can sense local conditions and respond in real time, whether it's line losses, outages or varying consumption patterns. It's digital and puts the consumer at the centre, and CG has taken decisive strides towards it.

### Distribution Automation

CG's automation solutions are at the heart of the smart grid—smart meters, data concentrators, communications and charging stations—enabling timely, automatic management. ■ CG was part of the world's first major smart grid, by Iberdrola in Spain, and a new order of 1 million meters for the same utility underlines its presence. So does CG's participation in 10 advanced metering infrastructure pilots around the world. Today CG, through ZIV, is the main supplier of PRIME technology, smart meters and data concentrators worldwide. ■ CG is evolving through its varied experiences around the world.

### Substation Automation

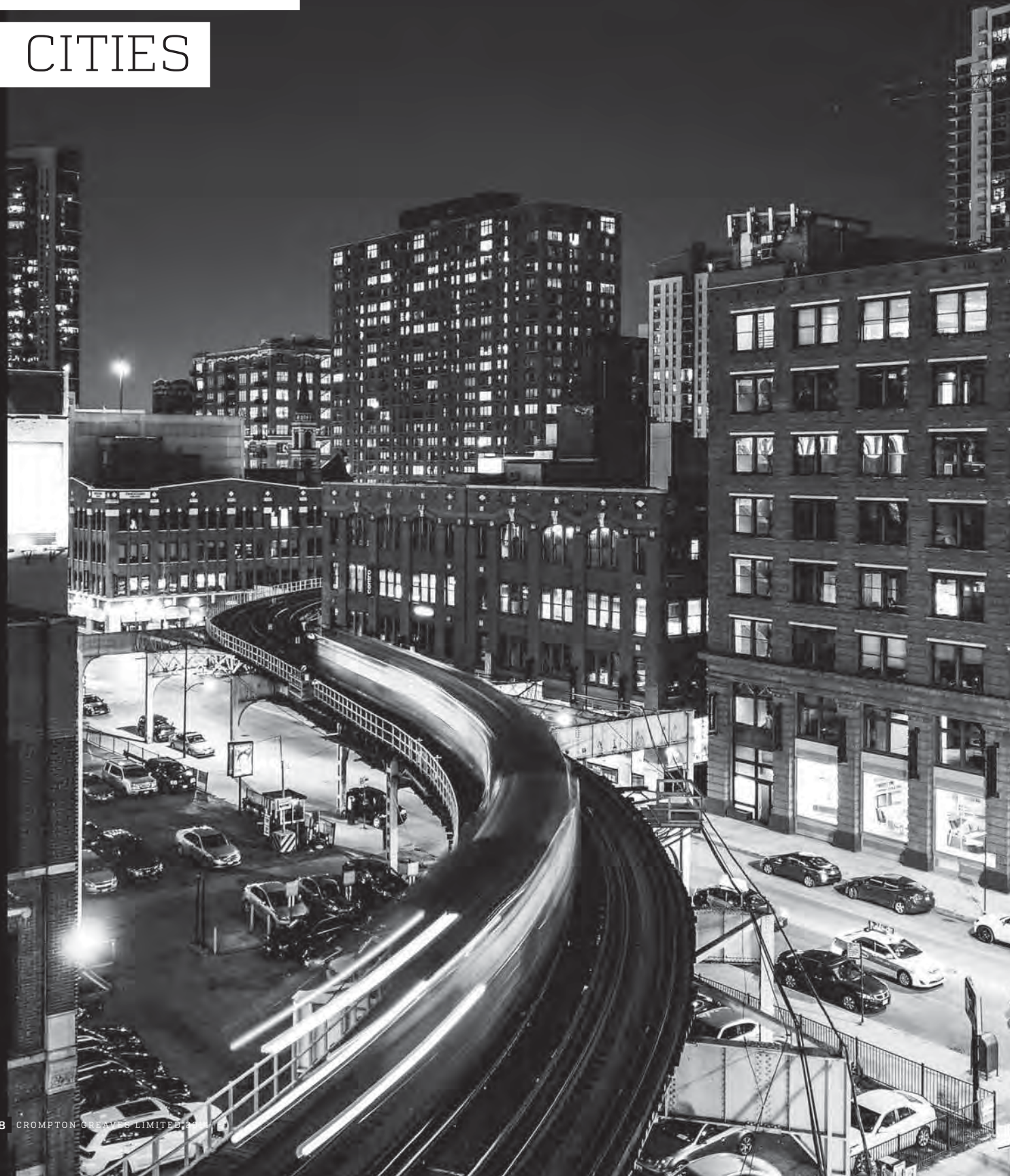
CG's automation products—protection, control and communication equipment—are built to the contemporary 61850 standards, and have earned key European approvals for protection and control products. ■ This year, CG installed a ZIV Substation Automation System in Chile, at Latin America's largest photovoltaic plant, providing engineering, system integration, commissioning and training. ■ A new, state-of-the-art unit in Bengaluru is devoted to smart grid devices to penetrate the nascent Indian market. ■ CG is well placed to ride the surge in demand in Europe. CG has also won important orders for complete systems from Iraq, Saudi Arabia and India.

### Transit Automation

CG's transit automation solutions control traction power in passenger and commuter railroads, subways, light rail, traction power control centres (SCADAs) and automated substation equipment and systems such as Remote Terminal Units (RTUs). These systems ensure that electricity tracks the train. ■ This year CG bagged orders for SCADAs and RTUs from three states in the US. ■ CG's transit solutions round off the automation offering, including the railway grid in the mix.



BUILDING  
SMARTER  
CITIES







**\*Frost & Sullivan  
Award 2014**

for Competitive Strategy,  
Innovation & Leadership  
in the HV Power  
Transmission Market  
category, South East Asia  
and the Pacific

**100,000 MVA**  
Power Transformer  
capacity

## INFRASTRUCTURE

**Electrical infrastructure makes a city.** With each decade, the dependence of cities on electricity grows. Cities in developed economies demand more sophistication; for example, a smart grid to 'fuel' cars seems imminent. Emerging economy cities are catching up and leapfrogging older technology; so, a newly built street is more likely to use the latest in efficient lighting. CG's solutions address the growing complexity and scale of this infrastructure, with smart devices and systems to bridge demand and supply.

### The Electrical Highway

CG's transmission offering spans the city's needs, from transmission to electrical transportation. ■ CG equipment—power transformers, breakers, instrumentation and automation—equip some of the largest electrical transmission lines around the world. CG solutions power the largest HV electrical substations from 132kV to 1,200kV. ■ CG solutions power electrical trains and cars. More than 3,000 CG traction motors run in India alone, in the world's most complex rail network. CG provides an urban-level solution to power EV cars, complete with charging stations and distribution infrastructure. ■ By enabling the electrical highway, CG is helping to build smarter cities.

### Advanced Transmission & Distribution

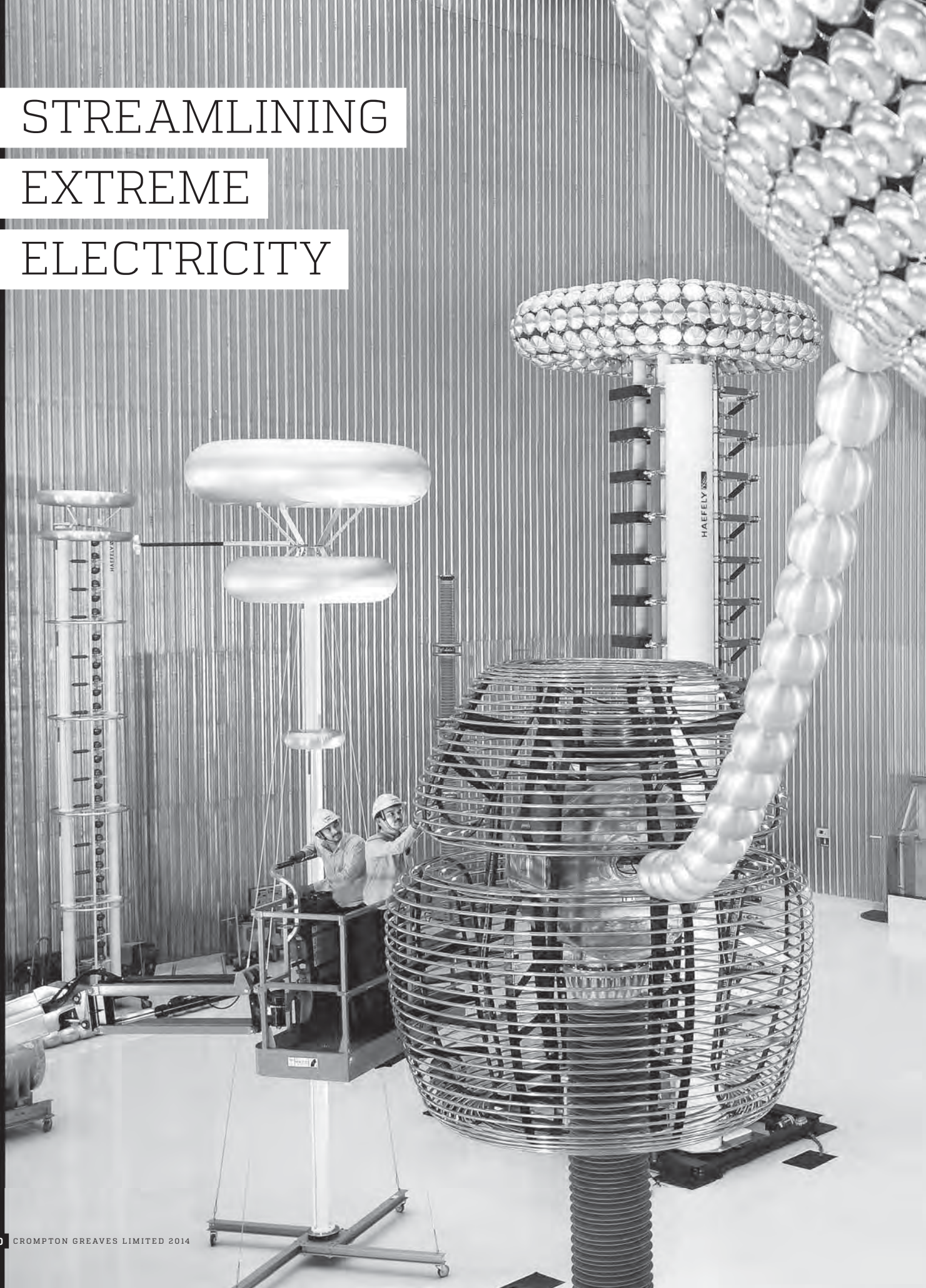
CG's award-winning\* power infrastructure offering is among the most comprehensive, straddling the entire voltage and application range. There's CG's renowned and globally proven transformer range for every use, a wide range of switchgear, an automation portfolio, turnkey installations and maintenance. ■ Plants in the USA, Canada, India, Hungary, Belgium, Indonesia and Brazil are positioned to supply both the fast growing markets of SE Asia and the Middle East, and the mature ones in Europe and America. ■ This mix of low cost, high-tech products and solutions with a global spread consolidates a strong high voltage offering.

### Lighting Solutions

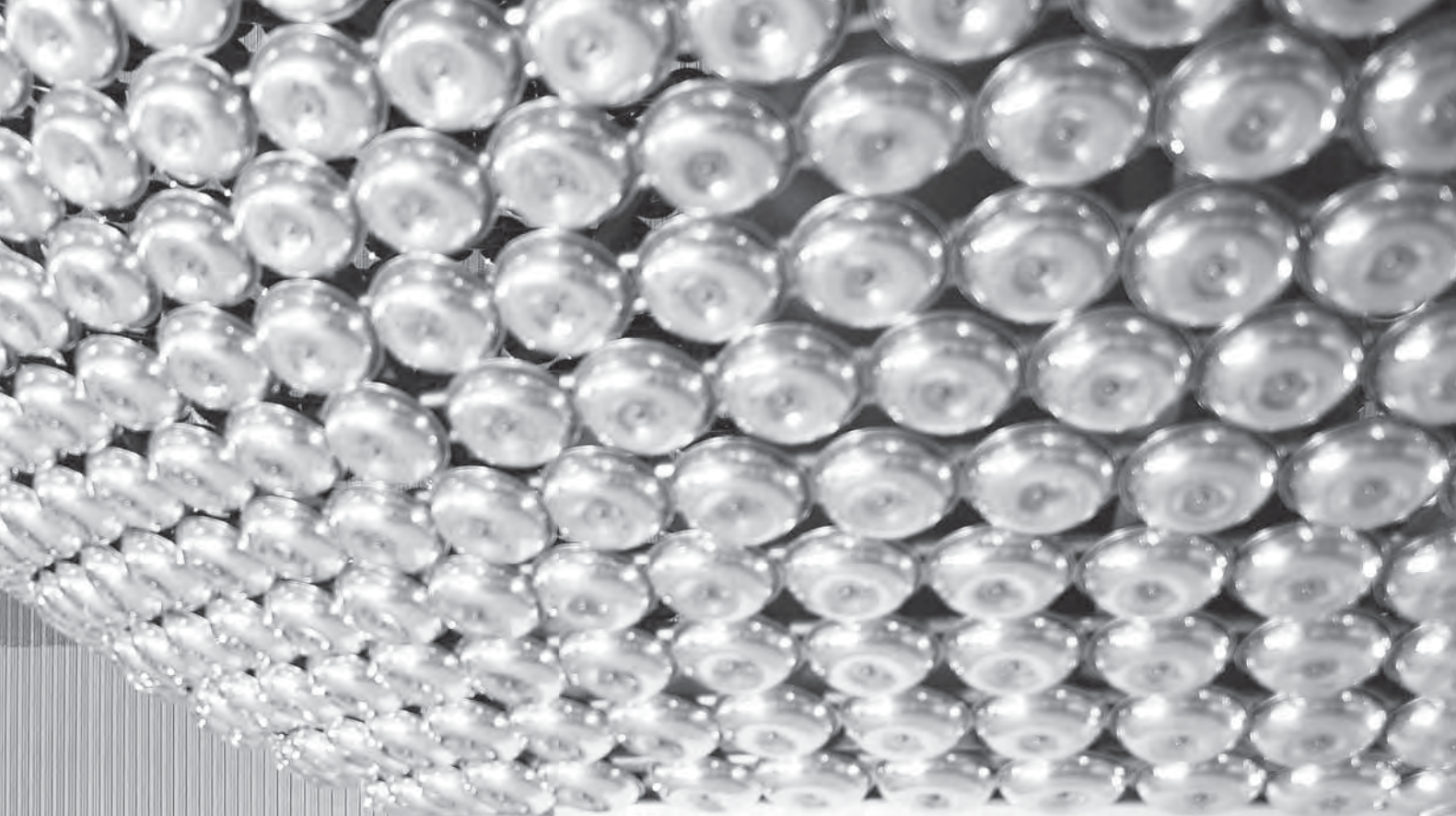
CG is changing the lighting landscape of India by working with civic bodies in Thane, Chandigarh, Ahmedabad and elsewhere helping the authorities adopt energy saving, low lifetime cost solutions built on LED. ■ CG's products save energy not just by using less energy in its lighting solutions but also by using sensors to manage usage better to send light exactly where, when and as much as is needed. Cities like Puducherry have saved more by adding smart metering and automation to the mix. ■ With its international technology partners, CG is continually improving the economics, efficiency and functionality of lighting, whether in homes, streets or public buildings.



# STREAMLINING EXTREME ELECTRICITY







## ULTRA HIGH VOLTAGE

As economies swell with millions of new consumers, it will be up to utilities to produce power where it's cheapest and transmit it over long distances to where it's needed. CG has an ambitious plan to establish an indigenous 1200kV system—the highest rated class of transformer and switchgear—which answers this future need. With our leadership in 765kV transformers, this is a new feat we are working towards.

This experimental 1200kV line has been set up by the Power Grid Corporation of India in collaboration with CG and other companies. The success of this pilot project and a gradual shift to this technology will demand a new generation of equipment, pushing the frontiers of engineering. We have already successfully test-charged a transformer, a capacitive voltage transformer (CVT) and a surge arrester. Along with future ultra high voltage (UHV) circuit breakers and gas insulated switchgear, these will be the backbone of the Indian UHV industry.

The inauguration of the INR 400 million UHV Research Centre in Nashik, India, is the first step towards a significant presence in 1200kV, at the extreme end of the UHV range. It is one of the few such facilities that is equipped with state-of-the-art infrastructure in a 118ft high space measuring 21,000 sq ft in an area that is free from electrical noise. The research centre facilitates reliable and economic new product development for the global extra-high and ultra-high voltage markets, spanning 800kV to 1200kV power transmission systems.

**100<sup>th</sup> UHV transformer**  
delivered to Power Grid Corporation of India Limited (PGCIL), in 2014

**1<sup>st</sup> Indian Company to**  
manufacture 800kV Breakers, running successfully at the Unnao substation in Uttar Pradesh, India

USING  
ELECTRICITY  
EFFICIENTLY





## UTILISATION

**Efficiency is an everyday business.** From managing the macro—megavolts and grids—to serving the micro, in a kitchen, factory or farmland. A fast urbanising India is adding millions of new consumers, many of whom see quality and reliability as basics, and ruthlessly evaluate efficiency and economy. CG has a large portfolio of energy-efficient products; the range is diverse and the brand enjoys trust. That's why 'smart solutions' is followed by 'strong relationships.'

### Consumer

CG's portfolio of energy-efficient products include "5-star" rated durable lights, fans, pumps and appliances for homes and offices. It is continually introducing smarter products like super-efficient LED bulbs, water heaters with the lowest standing costs and patented tank designs made from nano-tech based materials. Crompton pumps are the preferred way to fill overhead water tanks in millions of homes. The NEOLA is India's first microchip controlled mixer-grinder, enabling a number of smart automated features.

■ The Crompton brand not only taps long established loyalty, but also continues to innovate and modernise.

### Industrial

Many of CG's large range of industrial motors for hot, dusty and corrosive industrial conditions meet IE2 and IE3 efficiency standards and are known for moving loads. But stopping motors reliably and at the right time is also crucial; think cranes, hoists and elevators. Enter brake motors. CG's latest is Kibosh, a highly efficient, long-lasting, cool and quiet brake motor ideal for frequent stop-start conditions. ■ Its brake kit can be used to modify a large range of CG motors to a brake motor in just 30 minutes, making it a cost-optimising investment. It's aimed at an INR 56 crore market.

### Commercial

CG's range of products for commercial purposes is wide and deep. It has globally renowned motors that use new, efficient technology, elegant luminaires for offices and factories, and a range of pumps for farms. A new, sleek range of efficient submersible pumps has been manufactured in stainless steel to resist corrosion. Another range of pumps can be switched on or off with a mobile phone. A shutdown or power failure is conveyed to the farmer via an SMS alert. ■ CG serves discerning customers. Whether it's a large business or an individual farmer, every user deserves convenience, efficiency and lower running costs.

**10 million fans sold**

a first by an Indian company.

**180 SKUs launched**

last year, mostly in LED based fixtures



# 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**

MAcharya

### **Company Secretary**

MBhosale

### **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

## Dear Shareholder

**I** write this letter with a greater sense of optimism than a year ago. It has to do both with external factors and many positive developments relating to your Company. Let me start with the former.

FY2014 was the second successive year of absolute economic pain. For simplicity, I have chosen to depict the GDP growth rates over the last twelve quarters in the chart below. It paints a sad picture.

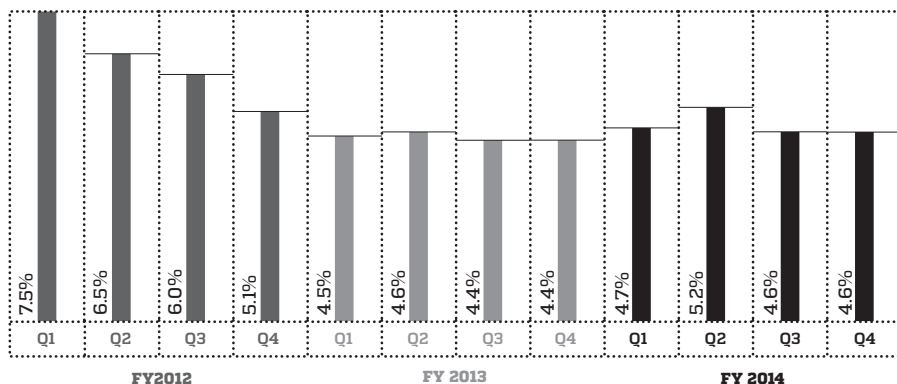
• Twelve quarters earlier, India still achieved 7.5% real GDP growth—lower than before, but reasonable enough. Three years later, it had dropped to 4.6%. The annual rates of GDP growth have been much below what these ought to be: 6.2% in FY2012, followed by 4.5% in FY2013 and 4.7% in FY2014.

• Matters were far worse in manufacturing, the activity that comprises your Company's

business. Here are the rates of growth in manufacturing according to the Central Statistical Organisation: -1.2% (April-June 2013); 1.3% (July-September 2013); -1.5% (October-December 2013); and -1.4% (January-March 2014). For the year as a whole, manufacturing growth clocked -0.7% in FY2014, coming after 1.1% in the previous year.

Why, then, in such a situation, am I reasonably optimistic about the year ahead? Because India has decided to put an end to non-performance at the centre. It has elected a Lok Sabha where the Bharatiya Janata Party (BJP) under Mr Narendra Modi has won 282 seats, thus securing a majority on its own. With the ruling National Democratic Alliance accounting for 336 seats, there are reasons to believe that India will finally see much needed action, reforms and performance at the centre.

## Quarterly GDP Growth







Smart solutions.  
Strong relationships.

**Crompton Greaves Limited**  
Automation Business Unit

**Factory:**  
Block - A, Ground Floor, Global Village Tech Park,  
RVCE Post, Bangalore - 560 059

**Registered Office:**  
CG House, Dr. Ambedkar Road  
Worli, Mumbai 400 030



**AVANTHA**  
GROUP COMPANY

ಕ್ರಾಂಪ್ಟನ್ ಗ್ರೀವ್ಸ್ ಲಿಮಿಟೆಡ್  
ಅಟೋಮೇಷನ್ ಬಿಸಿನೆಸ್ ಯುನಿಟ್

ಕಾರ್ಖಾನೆ:

ಬ್ಲಾಕ್ 'ಎ', ಗ್ರೌಂಡ್ ಫ್ಲೋರ್  
ಗ್ಲೋಬಲ್ ವಿಲೇಜ್ ಟೆಕ್ ಪಾರ್ಕ್,  
ಆರ್.ವಿ.ಸಿ.ಇ. ಆಂಟಿ  
ಬೆಂಗಳೂರು - 560 059

ನೋಂದಾಯಿತ ಕಛೇರಿ:

ಸಿ.ಬಿ.ನಗರ, ೩೫, ಅಮ್ಬೆಡ್ಕರ್ ರಸ್ತೆ,  
ವೊರ್ಲಿ, ಮುಂಬಯಿ - 400 030

India's first world-class  
automation unit at Bengaluru





**Automation is the  
smart key to the power  
and industrial business**

The results of the changes that one expects to be announced in the first 100 days of Mr Modi's government will take some time to play out. Given poor monsoon prospects, the rise in crude oil prices on account of the strife in Iraq and the possibility of the Reserve Bank of India maintaining tight monetary conditions, India will probably need three quarters before investments pick up to generate higher economic growth. Growth in FY2015 may remain modest. But I am reasonably certain that a stage will be set for securing a relatively long period of 7% to 7.5% GDP growth with policy stability.

That brings me to the state of affairs of your Company. Permit me to quote from my last year's letter to you. "The process of globalising a major business does not get completed in a single year... full fledged restructuring for creating a greater and more efficient global footprint takes time". I also wrote, "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 happy to state that your Company has started delivering better results. Here are some key facts from CG's consolidated profit and loss account:

● **Net sales and income** from services has grown by 11.5% to Rs.13,481 crore in FY2014. Incidentally, this is the fourth successive year when CG's consolidated top-line has exceeded US\$2 billion.

● **Operating EBIDTA** has increased by 78% to Rs.682 crore in FY2014, and by 60.5% to US\$113 million. The ratio of EBIDTA excluding other income to net sales has risen by 1.9 percentage points to 5.1%.

● **Operating PBT** (before exceptional item) has almost trebled to Rs.323 crore in FY2014; and increased by 166.6% to US\$54 million.

● **PAT** (before minority interests, share of associated companies and exceptional item) has more than trebled to Rs.258 crore. In



High Voltage Gas Insulated Switchgear for 'Export Import Industrial Park', Bengaluru

terms of US dollars, it has grown by 178.3% to US\$43 million.

● **ROCE** has risen by 5.3 percentage points to reach 10% and cash ROCE has increased by 6.1 percentage points to 14.5%.

It is the beginning of a long path. When I see the gradual improvement of your Company, I am reminded of a situation where one is trying to simultaneously re-engineer, turnaround and accelerate a super-tanker in heavy seas with headwinds. It is a difficult task. Yet, I am seeing changes. And can expect better days ahead.

Important parts of CG's power products business have done well. Plants in India and Indonesia have performed excellently and continue to remain profitable. So, too, the US operations. The facility in Hungary, which has been significantly modernised and expanded, is showing signs of stabilising; as is the one at Mechelen in Belgium after last year's restructuring. Some plants have continued to

have problems, such as the Canadian facility at Winnipeg. These will be addressed in the course of FY2015. The distribution transformer business is also facing headwinds in terms of orders, which has much to do with a subdued economic environment in Europe. As the situation improves, I expect this business to do better.

The power systems business has also done well in Europe, Middle East and North Africa and Indonesia. CG has won a very important project called Gemini in the Netherlands which involves supplying and setting up offshore and onshore substations and doing underwater cabling. I see tremendous scope for the systems business, especially in its ability to bring into play products, engineering, automation and EPC.

ZIV, your Company's acquisition in FY2013, which spearheads the automation business, is also showing success. Demand has picked up in Europe; there has been entry in emerging economies, including India; the new facility in Bengaluru is now ready to produce units out of India for South Asia, the Middle East and South East Asia; and we are seeing ZIV's products as key to smart grids and in providing intelligent solutions to motors and drives.

I see automation as the 'smart' key to the power and the industrial systems business. The right suite of automation products will allow CG to offer various types of smart interfaces in electro-mechanical products and systems, and go a long way in the evolution of intelligent machines and smart grids. I expect much out of automation.

Although Industrial Systems faced headwinds in FY2014, your Company has set up two world class global manufacturing facilities at Mandideep, Bhopal. These will allow the business to produce and sell best-in-class motors and drives to different parts of the world. I believe that the downturn in the business is temporary; and we should see better performance in the future.

The Consumer Products business has grown, though at a lesser pace than before. Nevertheless, it grew at an EBIDTA and EBIT greater than 20%, and a very healthy, industry-leading triple-digit ROCE.

The major task of this business is to create a significant marketing organisation and to fundamentally restructure itself from being a 'factory-driven' entity to a dynamic 'customer driven' enterprise no different from others that

sell consumer durables. This work has begun. I expect to start seeing results from the following year. Simply put, Consumer Products must become a dynamic, market-driven standalone business crafted for the 21st century.

Let me end by highlighting a major challenge for your Company. CG's senior management is not getting any younger. It must plan for the future and accelerate the process of identifying and selecting senior managers from within and outside to lead it over the next decade. Such people have to be young, dynamic, flexible, international and forever committed to delivering challenging goals. Also, there needs to be more women employees across CG, especially at the top three levels. The Board and I have specifically asked your CEO and Managing Director to bring about this transition quickly and efficiently.

CG has done better than last year. But it is the beginning of the climb back to the top. We will get there—perhaps faster than we think.

As always, thank you for your support.

Yours sincerely,

**Gautam Thapar**  
CHAIRMAN



# EXECUTIVE COMMITTEE





**STANDING (FROM LEFT TO RIGHT)**

**Ravi Rajagopal**

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

**Sanjay Jorapur**

Executive Vice President &  
Global Head  
(Human Resources)

**Jayant Kulkarni**

Executive Vice President &  
President  
(Power Business Unit)

**Norberto Santiago Elustondo**

Executive Vice President &  
President  
(Automation Business Unit)

**Ash Gupta**

Executive Vice President &  
President  
(Consumer Business Unit)

**SITTING (FROM LEFT TO RIGHT)**

**Dileep Patil**

Executive Vice President &  
Chief Technology Officer

**Laurent Demortier**

CEO & Managing Director

**Madhav Acharya**

Executive Vice President,  
Chief Financial Officer &  
Chief Information Officer

**Anil Raina**

Executive Vice President &  
President  
(Industrial Business Unit)

# MANAGEMENT DISCUSSION & ANALYSIS

**Crompton Greaves Limited** ('CG' or the 'the Company') is a global enterprise providing end-to-end solutions to utilities, industries and consumers for management and application of electrical energy, in an efficient and sustainable manner.

**C**G provides highly differentiated products and services covering the entire value chain of electrical offerings, from ultra-high voltage (UHV), high voltage (HV), medium voltage (MV) and low voltage (LV). Thus, the Company's diverse portfolio benefits consumers across the electricity supply lifecycle—from generation to transportation to end-users. Moreover, CG offers a comprehensive suite of automation solutions for efficient electrical distribution. Its customers cover major utilities and industries across the globe, in generation, transmission, distribution, renewables, oil and gas, cement, metals and mining and the transportation sector.

The CG Consumer business meets the electrical needs of individuals and households through a variety of end-user electrical products sold under the brand Crompton—which has been a house-hold name in India for many years.

CG has manufacturing, systems, services and sales facilities at 43 locations, spread across 5 continents. It does business in 85 countries across the world.

## The CG Organisation

CG's offerings are built around its strategic Business Units (BUs): Power, Industrial, and Consumer. Each BU is responsible for revenue

growth, profitability and capital efficiency through strategic levers and business activities. These involve, among others, geographical expansion of markets and the manufacturing footprint, design, technology, supply chain, manufacturing, sales support, tendering and quotations, contract management, installation, testing and commissioning for the products.

## Power Systems

Leveraging a vertically and horizontally integrated model, CG's Power BU offers an extensive portfolio of manufactured equipment ranging from high voltage transmission products to those needed for distribution, as well as integrated solutions for network management. Its operations can be classified into four divisions:

● **Products** comprising Power Transformers, EHV Switchgear, MV Switchgear and Distribution Transformers. It has facilities in Mechelen (Belgium), the state of Rio Grande do Sul (Brazil), Winnipeg (Canada), Tapioszele (Hungary), Bogor (Indonesia), Cavan (Ireland), Saudi Arabia, Washington (Missouri, USA), and in India at Kanjur Marg (Mumbai), Malanpur and Mandideep (Madhya Pradesh), Nashik and Aurangabad (Maharashtra).

● **Systems and Solutions** which provide comprehensive turnkey solutions and services

Rs.1 crore is Rs.10 million. FY2014 stands for fiscal year 2013-14, i.e. from 1 April 2013 to 31 March 2014. analogously, FY2013 and other fiscal years. All figures in US\$ for FY2014 are translated at an average exchange rate of US\$1 = 60.3575. For FY2013, these are translated at US\$1 = Rs.54.4316.





## BUSINESS PERFORMANCE FY2014

### UNEXECUTED ORDER BOOK

Rs.9,293 crore  
↑1.8%

The unexecuted order book (UEOB) as on 31 March 2014 was at Rs.9,293 crore, or 1.8% higher compared to the previous year.

### NET SALES & SERVICES

Rs.13,481 crore  
↑11.5%

Given the muted economic situation across most of the developed world which happen to be CG's markets as well as in India, the Company has done well to increase net sales and services by 11.5% to Rs.13,481 crore in FY2014. This translates to US\$2.2 billion.

### EBIDTA

Rs.854 crore  
↑86.1%

There has been a significant upturn in CG's earnings before interest, depreciation, taxes, and amortisation (EBIDTA). This has grown by over 86% to Rs.854 crore in FY2014 including Other Income.

### EBIDTA (EXCLUDING OTHER INCOME)

Rs.682 crore  
↑78.0%

Excluding Other Income, EBIDTA grew by 78.0% to Rs.682 crore.

### PROFIT BEFORE INTEREST & TAX

Rs.591 crore  
↑131.3%

Hence, profits before interest and taxes (PBIT) has risen 131.3% to Rs.591 crore in FY2014.

### PBT (BEFORE EXCEPTIONAL ITEM)

Rs.495 crore  
↑167.8%

Similarly, there has been a sharp growth in profit before taxes (PBT) before exceptional items. This has increased by almost 168% to Rs.495 crore in FY2014.

### PROFIT AFTER TAX

Rs.244 crore  
↑776.1%

Profit after taxes net of minority interests and share of profit / loss of associate companies, but excluding extraordinary items (or PAT) has moved from losses in the previous year to profits of Rs.244 crore in FY2014.

### RETURN ON CAPITAL EMPLOYED

10.0%  
↑5.3pp\*

Significantly better performance overall has led to the return on capital employed (ROCE) improving by 5.3 percentage points to 10% in FY2014.

### EARNINGS PER SHARE\*\*

Rs.3.86  
↑789.3%

Earnings per share (EPS) excluding extraordinary items has turned around from a loss of Rs.0.56 in the previous year to Rs.3.86 in FY2014.

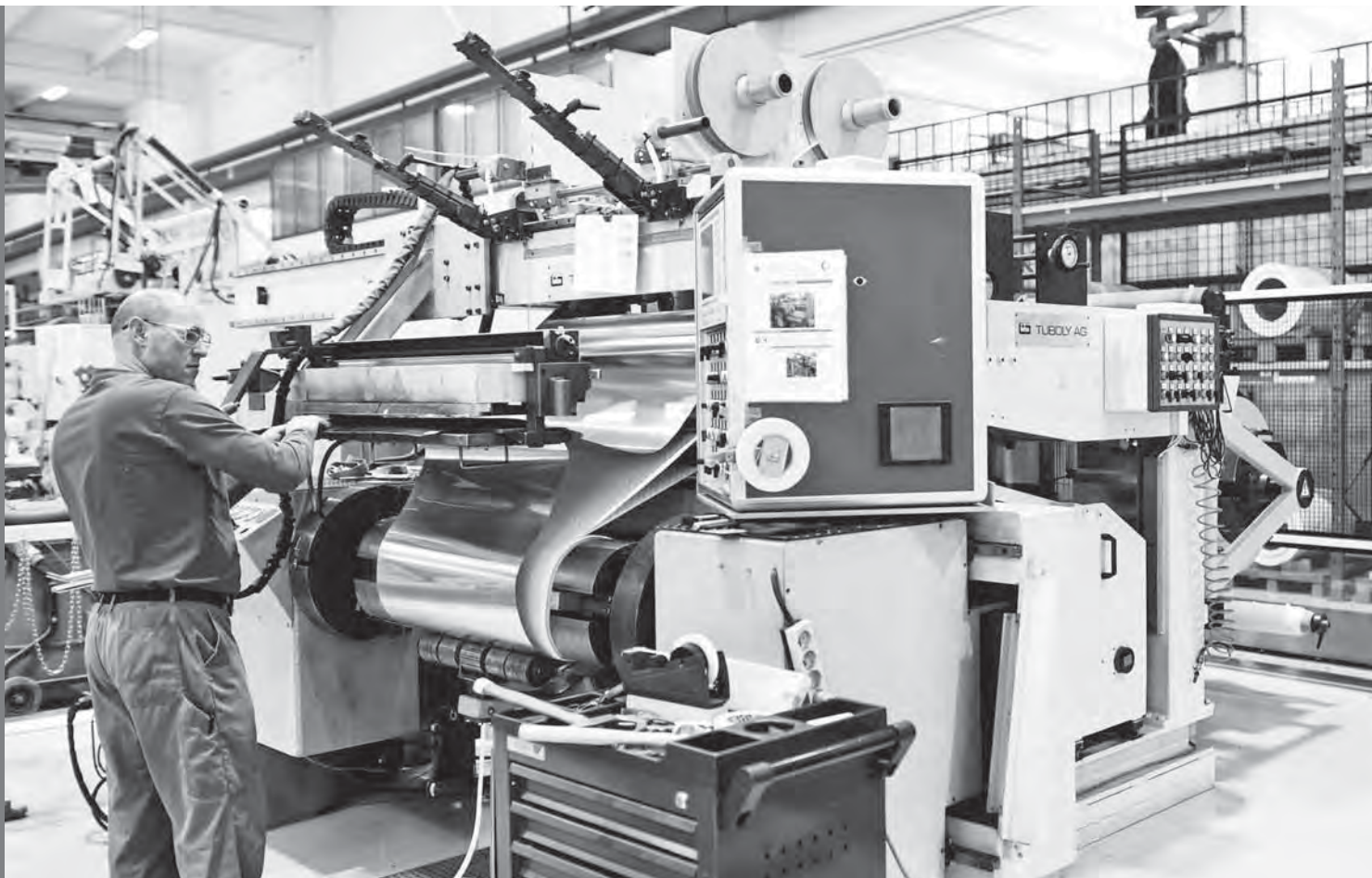
Note: Figures for FY2013 have been re-grouped wherever necessary in order to make them comparable with those of FY2014.

\* Percentage Points

\*\* Calculated on the basis of weighted average number of shares

Over 1000 transformers supplied and installed worldwide in wind offshore projects





for design, manufacture, supply, construction, installation, testing, commissioning, and servicing of large scale turnkey projects. It has offices in Mechelen (Belgium), Budapest (Hungary), Stockport (UK), Jakarta (Indonesia), Saudi Arabia, New York, Pennsylvania and Texas (USA) and Gurgaon (Haryana).

● **Automation** which provides equipment and services to manage and control the flow of electricity in transmission and distribution grids. It also provides digitised automation solutions for power utilities, rapid transport services and other related activities. It has facilities in Niteroi (Brazil), Dublin (Ireland), Barcelona (Spain), Springfield (New Jersey, USA) and Bengaluru (Karnataka).

● **Services** comprising retrofit and maintenance solution, measurement and diagnostics of electrical systems, field services, spare parts sale and training related services. It has facilities in the United Arab Emirates (UAE), Washington (Missouri, USA), Madrid (Spain), Stockport (UK), Charleroi (Belgium) and Fecamp (France). The division offers services

where the customer is based, directly or through its service partners.

Power BU also runs a distribution franchise at Jalgaon (Maharashtra).

The end-to-end solution competency from Systems and Solutions, Automation and Services business together complete the offering for customers—from meeting product needs to installation, connection, maintenance and servicing, across the life cycle of the equipment or substations.

The Automation business lies at the core of CG's strategy to promote smarter grids for increased energy efficiency. This business has recorded significant growth over last year; growing its sales by 74.1% and order input by 168.9%. It is however not yet a reportable segment in financial and accounting terms and hence, its operations are reported under the Power BU, with whom it leverages maximum synergy. CG expects this business to play an increasingly significant role in the future.

## Industrial Systems

Industrial Systems provide equipment and services for energy conversion for industrial applications. The BU has three verticals:

● **Products** comprising high tension (HT) motors ranging up to 25 MW; low tension (LT) motors ranging up to 1.5 MW; fractional horse power (FHP) motors; direct current (DC) motors; AC generators; traction machines for railway transportation; and stamping products. It has facilities at Tapioszele (Hungary), Mandideep and Pithampur (Madhya Pradesh), Kanjur Marg (Mumbai, Maharashtra), Ahmednagar (Maharashtra) and Colvale and Kundaim (Goa).

● **Drives and Industrial Automation** which involves AC and DC drives, variable frequency drives, solutions based on insulated gate bipolar transistor (IGBT) technology and traction electronics for the railways. It has facilities at Helsingborg (Sweden) and at Mandideep and Pithampur (Madhya Pradesh).



**Numerically controlled advanced manufacturing at the Distribution Transformer facility, Belgium**

## CG's Strategic Initiatives

CG's strategy focuses on a three dimensional approach to growth: geographic expansion, moving up the value chain and widening the production footprint through lean manufacturing in low cost countries. Several initiatives were undertaken in the recent past which have contributed to the growth trajectory of the Company.

In the last few years, expanding out of its traditional markets of North America, the EMEA and India, CG established new plants in Brazil and Saudi Arabia, a marketing network in Africa and expanded its South East Asia markets by establishing its presence in Malaysia and Vietnam.

The Company has also moved up the value chain by offering smart grid solutions in electrical transportation, power electronics, flexible AC transmission systems and static VAR compensators, energy efficient motors built to NEMA / IE2 / IE3 standards, electrical balance of plant offerings, gas insulated switchgears (GIS) up to 245 kV, and 765 kV as well as 1200 kV power products.

During FY2014, CG launched its state-of-the-art smart grid facility at the Global Village, near Bengaluru, for full-fledged manufacturing of smart grid devices. Equipment produced in this facility will offer numerical solutions to Indian utilities and industries in the transmission and distribution (T&D) segment and provide improvements to the electricity grid to make it more efficient and reliable. In the past year, CG has participated in 10 Advanced Metering Infrastructure (AMI) pilot projects in Europe, Asia, and America. The smart grid business has expanded exponentially, recording a 169% increase in order growth over last year.

In the 765 kV segment, CG completed on-site qualification process for its 765 kV breaker for the Power Grid Corporation of India Limited (PGCIL) as well as manufactured and dispatched its 100th transformer to PGCIL. Its 1200 kV transformer supplied to PGCIL at Bina was commissioned on 26 May 2012 and has been charged since then.

Over the past few years, CG has continuously expanded its manufacturing footprint in relatively low cost countries such as Indonesia and India. In addition, the Hungarian division at Taposzele has become the Central European hub for serving customers from EMEA, especially the Middle East and North Africa. Hungary completed its plant modernisation and expanded capacity from 8,000 MVA to

10,000 MVA per annum. In addition, FY2014 saw CG's power transformer plant in Indonesia completing its capacity increase to 10,000 MVA with a new state-of-the-art winding workshop in place. It now has the proven capability to manufacture 500 kV transformers.

In FY2013, CG rationalised and reorganised its power transformer plant in Belgium. As a result, it achieved significant overhead cost reductions. There have been productivity and quality improvements, with much lower rates of un-tanking and far lesser number of hours lost on account of quality issues. The plant is now being positioned to address high value alliance customers in Western Europe.

In the power transformers and reactors segment, CG has already inked a Memorandum of Understanding with the Government of Gujarat to set up a truly modern factory in Gujarat. Upon its establishment, this facility will further strengthen CG's Indian manufacturing capacities of power transformers and reactors up to 1200 kV for both domestic and international markets.

The successful erection and commissioning of offshore wind farms in Amrumbank and Butendiek (Germany), the Humber Gateway project (UK) and in Luchterduinen (in Netherlands) has established CG as a market leader in this segment. CG intends to use this offshore windfarm experience to strengthen the turnkey HV substation solutions in other offshore / onshore windfarm growth areas such as USA and Baltic Regions. CG's Systems division offers turnkey solutions for air insulated and gas insulated AC substations for utility, industry and renewables. CG has also developed cutting edge solutions for substation design, AC interconnections, engineering, installation site, testing, and complete project management.

FY2014 saw the range expansion and global launch of IE3 range of motors up to 7.5 kW and orders for IE2 motors launched last year. A new world class LRM motors facility at Mandideep near Bhopal, covering an area of 9,284 square metres, has state-of-the-art machines, automation and process technology and integrates the rotating machine technology from CG's Hungarian facility. Industrial BU predominantly focused on lean manufacturing initiatives across most of its plants in India.

CG continues to place special focus on its Consumer Products BU. In FY2014, this BU undertook actions to expand its reach to cover end consumer sales points; rationalise

● **Services** for all the above products including the condition monitoring and training modules for maintenance.

## Consumer Products

The Consumer Products BU provides equipment and services for home and industrial applications. This BU manufactures and sells products such as fans, lighting, domestic pumps and appliances. It focuses on India with exports to South Asia, Middle East and Africa; and has facilities at Bethora and Kundaim (Goa), Baddi (Himachal Pradesh), Kanjur Marg (Mumbai), Ahmednagar (Maharashtra), and Vadodara (Gujarat).

The above BUs are supported by a customer-centric sales organisation deployed close to customers and organised on a regional basis. The four Regions— Europe, Middle East and Africa (EMEA) the Americas, South East Asia and the Pacific (SEAP) and the Indian subcontinent— focus on front-end sales activities and delivery of Systems and Services of the businesses.

**Exclusive showrooms featuring CG's products have been started across India**

channels networks; deploy lean manufacturing initiatives; and increase product offerings in premium segments as well as in knowledge based intelligent products. Over 11,150 new retailers and 194 distributors were added to strengthen channel transformation; and nine new branches were opened in FY2014. The business also forayed its presence in the modern retail segment. Exclusive showrooms featuring CG's products have also been started across India which are expected to create an upmarket and uncluttered buying experience to the customers.

The Consumer BU sells its products under the "Crompton" brand—which is a household brand since 1937, associated for reliability and stability.

**Business Performance FY2014**

Simply put, the Company has seen a turnaround from its relatively poor performance in the previous year. Given the size and spread of CG, there have been differences across locations. But, at an overall level, the compass has moved towards greater revenues accompanied by larger profits. **Chart A** plots the change in net revenues of the three key businesses.

- CG's Power Systems' net revenues grew robustly by 15.6% to Rs.8,478 crore in FY2014.
- Unfortunately, net revenue from Industrial Systems reduced by 1% to Rs.1,816 crore in FY2014. More than anything else, this reflects the difficult market conditions for motors, large rotating machines and a hold in orders from the Indian Railways in the second half of FY2014.
- Net revenue from Consumer Products rose by 9.8% to Rs.2,847 crore.

**Power Systems**

Power Systems (or 'CG Power') is the Company's largest BU and focuses on power transmission, distribution, power solutions, automation, setting up of integrated on and offshore power systems and associated services businesses.

**Through its Power Products Business Unit**, 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, **through Power Systems and Services** offers turnkey solutions for transmission and distribution (T&D) through custom-made sub-

station 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.

**Automation** business provides equipment & services to manage and control the flow of electricity in transmission & distribution grids. It also provides digitised automation solutions for power utilities, rapid transport services and other activities.

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.

**CG Power: Consolidated Financial Performance**

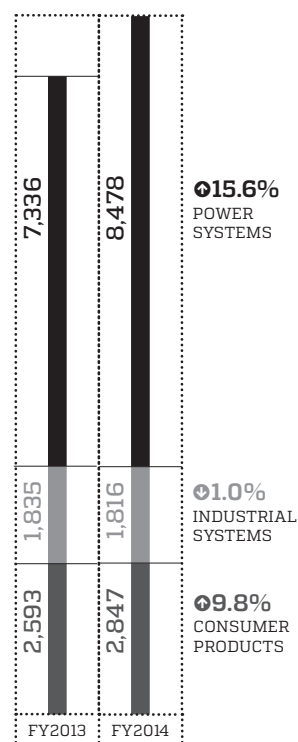
The consolidated performance of CG Power is given in **Table 1**.

- The UEOB rose modestly—by 1.3% in FY2014 to reach Rs.8,638 crore
- Net sales of CG Power grew by an impressive 15.6% in FY2014 to Rs.8,478 crore.
- EBIDTA grew 12.6 times—from Rs.34 crore in FY2013 to Rs.429 crore in FY2014.

**CHART A**

**Net Revenues from the Key Business**

In Rs. crore





- EBIT is back in profits—from a loss of Rs.110 crore in FY2013 to a profit of Rs.234 crore this year.
- The return on capital employed (ROCE) increased by 9.3 percentage points to 6% in FY2014.

### CG Power Overseas: Financial Performance

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

As may be inferred from **Table 2**, while the financial performance of CG Power Overseas has improved vis-à-vis the previous year, the business is still struggling. In part, it reflects a demand situation across Europe and North America that still continues to be difficult. It also reflects production problems that some units face abroad, which shall shortly be discussed in greater detail.

### 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 had some decline in the unexecuted order book as on 31 March 2014, it enjoyed a modest increase in net sales. It needs to be emphasised that in an environment of low GDP growth and hardly any incremental infrastructure spends, there have been significant pricing pressures in India, especially from the larger customers. In such a situation, improvements in sourcing and better productivity have helped the business to improve EBITDA by 13.9%, and EBIT by 12.1%. The ROCE of the business has also increased by 90 basis points to 30.4%—which ranks among the very best in the world.

### CG Power: Key Developments in FY2014

In the backdrop of a clear improvement in overall performance of the CG Power Systems BU, it needs to be stated that some of the overseas locations are still having problems.

For one, the global T&D markets continued to remain extremely competitive. It may be recalled that such extreme competitiveness began in FY2011, intensified in FY2012 and

continued throughout FY2013 with producers offering unheard of prices to bag orders only to keep some of their capacities in use. Unfortunately, this trend has continued in FY2014, especially across Europe and the USA.

For another, the business has seen the persistence of a trend that began two years ago—where many customers delayed taking physical delivery of their equipment. This is true in Europe, the Middle East and North Africa as well as in India. As mentioned last year, it usually involves pushing back the date of testing, which then blocks the lines in the factories, prevents timely revenue recognition, locks up working capital and, all else being equal, reduces ROCE. Producers are often acquiescing to major customers to maintain their long term relationships. Customers also invoke 'storage clauses' in the contracts, which allow them to store a transformer with the manufacturer without transferring risk or title, thereby delaying revenue recognition and cash inflow.

A couple of additional phenomena have also come into play. A number of customers

TABLE 01

### Consolidated Financial Performance of CG Power

In Rs.

FY2013	FY2014	PERCENT
<b>UNEXECUTED ORDER BOOK (UEOB)</b>		
8,525 crore	8,638 crore	↑1.3%
<b>NET SALES &amp; SERVICES</b>		
7,336 crore	8,478 crore	↑15.6%
<b>EBIDTA (INCLUDING OTHER INCOME)</b>		
34 crore	429 crore	↑1162.4%
<b>EBIT</b>		
(110) crore	234 crore	↑312.0%
<b>CAPITAL EMPLOYED</b>		
3,382 crore	3,899 crore	↑15.3%
<b>ROCE</b>		
(3.3)%	6.0%	↑9.3pp*

Notes: Figures have been re-grouped wherever necessary to make them comparable.  
\* Percentage Points

TABLE 02

### Financial Performance CG Power Overseas

In Rs.

FY2013	FY2014	PERCENT
<b>UNEXECUTED ORDER BOOK (UEOB)</b>		
5,195 crore	5,530 crore	↑6.4%
<b>NET SALES &amp; SERVICES</b>		
4,753 crore	5,801 crore	↑22.0%
<b>EBIDTA (INCLUDING OTHER INCOME)</b>		
(244) crore	90 crore	↑136.8%
<b>EBIT</b>		
(352) crore	(60) crore	↑82.9%
<b>CAPITAL EMPLOYED</b>		
2,514 crore	2,822 crore	↑12.2%
<b>ROCE</b>		
(14)%	(2.1)%	↑11.9pp*

\* Percentage Points

TABLE 03

### Financial Performance CG Power India

In Rs.

FY2013	FY2014	PERCENT
<b>UNEXECUTED ORDER BOOK (UEOB)</b>		
3,330 crore	3,108 crore	↓6.7%
<b>NET SALES &amp; SERVICES</b>		
2,725 crore	2,824 crore	↑3.6%
<b>EBIDTA (INCLUDING OTHER INCOME)</b>		
260 crore	296 crore	↑13.9%
<b>EBIT</b>		
231 crore	259 crore	↑12.1%
<b>CAPITAL EMPLOYED</b>		
780 crore	852 crore	↑9.1%
<b>ROCE</b>		
29.5%	30.4%	↑0.9pp*

\* Percentage Points





now insist that at least one of their units is 'short-circuit' tested. This is an intensive testing exercise that is carried out at external laboratories. Given that a transformer has to be manufactured, sent to the test laboratory, tested, brought back into the plant and re-assembled before onward shipment to the customer, delay in delivery and revenue recognition becomes a given. Also, a number of customers are now insisting on an extended series of tests for all transformers, regardless of whether they have been manufactured before or are part of a long series. This also reduces productivity and throughput of plants.

There are some internal factors as well. As in FY2013, the sale and revenue recognition of some power transformers got delayed in FY2014 due to production problems at different overseas sites, especially in Canada and Hungary. These problems are being addressed through design optimisation, proper slot planning, regular validation and appropriate testing, and the use of clear gates in the production process. Globally managed by a focused core team, these activities are in the right direction.

## Products

There are four global Product Lines that act as the business verticals for the Power BU – Power Transformers, EHV Switchgear, MV Switchgear and Distribution Transformers.

## POWER TRANSFORMERS (PT)

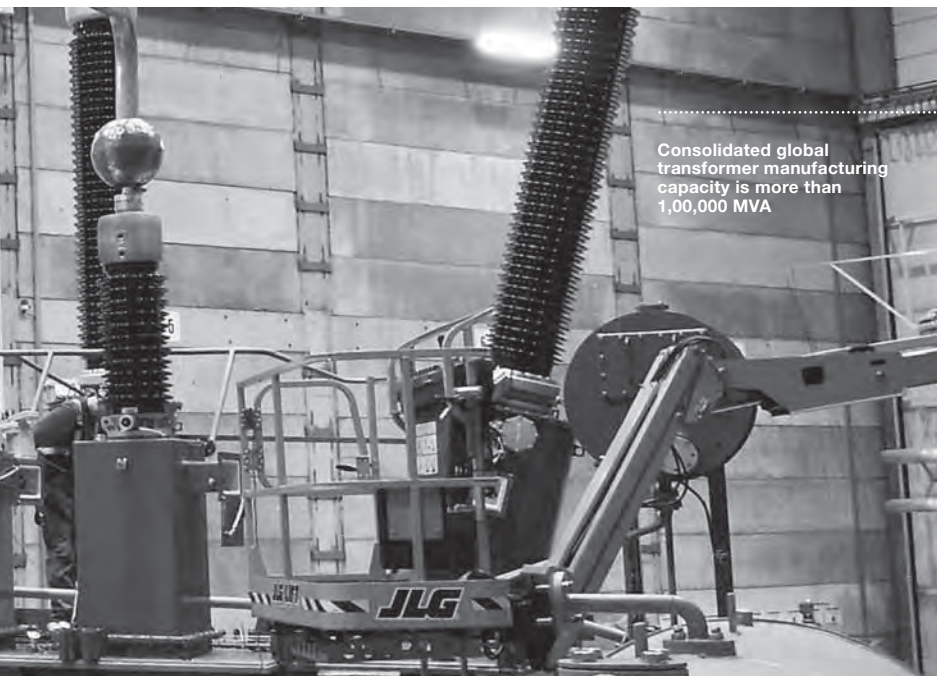
It has facilities at T3 (Mandideep, Near Bhopal), T1 (Kanjur Marg, Mumbai), Bogor (Indonesia), Taposzele (Hungary), Mechelen (Belgium), Washington, Missouri (USA) and Winnipeg (Canada). Globally, the PT product line has a total installed capacity of approximately 80,000 MVA p.a.

FY2014 has witnessed many key successes, some of which are mentioned here.

- Its facility at Bhopal manufactured and despatched the 100th unit of 765 kV class products to the Power Grid Corporation of India Limited (PGCIL)—the only plant in India to do so. It also completed on-site qualification process for CG's 765 kV breaker for PGCIL. This opens the plant to further orders. T3 also produced and despatched the 100th unit of locomotive transformers to the Chittaranjan Locomotive Works (CLW). T3 division also introduced a new design for 500 MVA / 765 kV Auto transformer for gas insulated switchgear (GIS) applications as well as manufactured and tested a new and optimised design of the 765 kV transformer in line with customer specifications.
- There has been a significant improvement in gross margin for PT Belgium's order intake for the year. Post 31 March 2014, amongst other orders, also received a major power transformer order of €25 million for a prestigious offshore wind-farm project in the North Sea.

• The product line received major orders for various PT Plants from:

- PGCIL for six units of 500 MVA transformers and 765 kV transformers and reactors worth Rs.200 crore.
- Rajasthan Rajya Vidyut Prasaran Limited (RRVPL) for 765 kV transformers valued at Rs.65 crore and six units of 275 MVA generator step up (GSU) transformers. This is the highest rating GSU transformer that will be manufactured in T1.
- Kenya Electricity Transmission Company Limited and Ibedrola (Spain) for six 200 MVA transformers.
- Tengasa Nasional Berhad (TNB), Malaysia, for 10 units of 500 kV 250 MVA single phase transformers.
- Administracion Nacional de Electricidad (ANDE), Paraguay, an entry order of US\$10 million.
- An 'open book' contract from Perusahaan Listrik Negara (PLN), the state electricity corporation of Indonesia, valued at US\$25 million.
- In addition, the Power BU product line designed, manufactured, tested and delivered:
  - A 1,000 MVA 420 kV unit for Statnett, Norway—a first for PT Hungary.
  - 40 MVA transformer for the Algerian market for Sonelgaz.
  - Eight 120 MVA transformers for various key offshore wind projects in Europe, each



**The EHV Switchgear plants in India are among the best-in-class and the business commands a significant leadership position in the country in switchgear**

conforming to rigorous environmental protection norms.

- Transformers for Wesco and Cameco Nuclear for units ranging from 4.5 MVA to 50 MVA.
- A 230 kV unit for EDP Renewables (North America), which was first to be manufactured in the US plant.
- WE Energies (Wisconsin and the Michigan Upper Peninsula) for nine units of different ratings.
- Concord Municipal Light Park (CMLP) for a 83 MVA 115 kV transformer which has integrated some ZIV automation products.

In FY2014, PT plants at T1, Mumbai and in Mechelen, Belgium suffered some set-backs:

• T1 suffered due to two accidents: (i) a major fire destroyed the plant's test bay in April 2013, and (ii) there was a failure of the main bay's test generator in July 2013. Both these have been fixed, with the test bay being reconstructed in record time. Despite delays in production due to these setbacks, T1 delivered 278 transformers and reactors; and registered a sales growth.

• There was an explosion during the year in the PT Belgium's generator house. While there was no mortality, delivery to customers got delayed. The generator house is now up and running.

The power product line business is enhancing its capacities in key low cost locations. After

expanding capacity at its Indonesian plant, the plant delivered the first batch of 500 kV transformers to customers in SEAP. These have been successfully commissioned. In Hungary, three new winding machines and a new winding bay were added; three complete coil core assembly platforms were installed; and the refurbishment of the vapour phase drying (VPD) oven and the hot air vacuum oven were completed. Major cost initiatives have generated savings of US\$5.2 million versus a target of US\$3.2 million at PT USA's Missouri, Washington plant.

CG's PT facility in Canada has been making losses and had difficult times. There was a management change in July 2013 with a new plant head being put in place. There has also been some reorganisation and reduction of employees, which has cut costs to an extent. Continuous business improvement projects have been undertaken to improve productivity. The order book is healthy; and the sales have been on the up — the plant has sold 7,000 MVA in FY2014 versus 4,200 MVA during the last year.

#### **EXTRA HIGH VOLTAGE SWITCHGEARS**

The range of products under Extra High Voltage (EHV) switchgears are: (i) instrument transformers up to 1200 kV and bushings up to 550 kV; (ii) sulphur hexafluoride (SF6) circuit breakers up to 800 kV range; (iii) gas insulated switchgears (GIS) up to 245 kV; (iv)



surge arrestors up to 1200 kV; and (v) vacuum interrupters up to 72.5 kV. CG has full-fledged EHV switchgear plants in India and Hungary with an assembling plant in Brazil. The plants in India are among the best-in-class and the business command a significant leadership position in the country in switchgear.

FY2014 has witnessed many key successes, some of which are mentioned below.

- CG's India division successfully developed an economic design for a 245 kV current transformer (CT). In addition, it developed and supplied 13 units of 420 kV, 4 kA CTs for PGCIL; took a secured approval from PGCIL for an 800 kV mixed dielectric synthetic oil constant voltage transformer (CVT). Also secured PGCIL approval for 145 kV and 245 kV CVTs of the same type; manufactured the highest number of 400 kV circuit breakers in India—227 units in FY2014; launched 245 kV 50 kA gas circuit breakers (GCB) in India; and supplied 163 units of 800 kV surge arrestors to major utilities in India.

- It also received and executed the single largest direct order from the Power Grid Company of Bangladesh for supplying 373 units of 132 kV surge arrestors; 100 units of 186 kV; and 100 units of 33 kV.

- The Hungarian plant successfully completed the development of a 245 kV gas insulated switchgear (GIS) for which it received a subsidy from the national government. It also received full type test certification from the Korea Electro-technology Research Institute (KERI), South Korea for the 245 kV GIS and increased capacity from 16 bays per month to 35. This allowed the plant to produce 85 bays in Q4, FY2014, compared to a total of 82 bays for the whole of the previous year.

- The Hungarian plant achieved an order intake of over €28 million. It secured new orders from Iraq, Turkey, Ukraine, Myanmar, Tanzania, Curacao and the UK.

- A global best-in-class UHV research centre was established in Nashik (for details, see the section on R&D later in this chapter).

## MEDIUM VOLTAGE (MV) SWITCHGEARS

Here, the products include: 11 kV indoor and outdoor vacuum circuit breakers (VCB), 36 kV indoor and outdoor VCB, 36 kV GIS, ring main units (RMU), and unitised substation. These are all produced in India.

Major achievements during FY2014 were:

- Started commercial production of 36 kV GIS.
- In India, orders were received from the nuclear and solar power utilities for 12 kV 44 kA and 36 kV 26.3 kA indoor vacuum circuit breaker (VCB) panels; as well as from various power transmission companies for 11 kV indoor VCB and SF6 RMU.
- In Africa, there were orders for 36 kV 26.3 kA indoor GIS and numerical communicable relays. There were also export orders for 33 kV GIS from Nigeria and Myanmar; and 33 kV AIS from Yemen.



World-class transformer manufacturing facility at Belgium



## DISTRIBUTION TRANSFORMERS (DT)

The DT product line has total installed capacity of more than 24,900 MVA across all plants across the globe. Barring the US, FY2014 has been a challenging year for DT mainly on account of low order intake throughout Europe and severe margin pressures in India.

Despite difficult times, DT Belgium (DT BE) successfully produced new products. Among these are designing and producing: (i) different types of 'Smart DTs'; (ii) the first DT for hazardous areas, (iii) wind turbine generator for extreme conditions, and (iv) fatigue proof wind turbine generator transformers. The DT plant in Washington, Missouri, USA (DT US) developed new markets such as oil and gas in the US; an OEM and heavy industry market in the US; and a renewables market in Latin America.

The DT business in India, with equipment produced in plant T2, has been affected due to economic slowdown, which it has met by offering lower prices.

## Power Systems and Solutions

### BELGIUM

The Systems division in Belgium (SY BE), having its front office in Mechelen, Belgium for project management and high level engineering, avails of an engineering back-office in Hungary. This allows a cost efficient but flexible engineering response to customer needs. Both engineering teams in Hungary and Belgium have gained experience in working jointly on projects.

This business has done well. Gross sales revenue was €56 million for FY2014, with a profitability that was higher compared to the previous year. In an otherwise highly competitive market, the continued stable performance of SY BE is on account of strong execution backed by solid risk management and an organisation that is capable of identifying and mitigating liabilities in contracts in an early stage.

SY BE has secured a strong position and reputation in key niche markets, such as offshore and mobile substations thanks to successful work on major projects such as: (i) Belwind, an offshore wind project on the North Sea; (ii) Northwind, another offshore North Sea project off the coast of Belgium; (iii) Butendiek, on the German North Sea, off the coast of Schleswig-Holstein, (iv) Amrumbank West, offshore from Helgoland in the German North Sea; and (v) the Humber Gateway offshore wind-farm project, which was jointly executed with Systems UK.

Significant orders received in FY2014 were:

- France: 90 MVA wind farm substation.
- SEC Saudi Arabia: 40 MVA mobile substation.
- Gemini, Netherlands: A major offshore wind-park, involving offshore high voltage substations, an onshore substation and the electrical grid connection. The full value of this contract, payable on the usual completion-of-project basis is €52 million. Since this order was received towards the end of the year, a majority of it will be booked in FY2015.

Two major orders were executed in FY2014.

These were: (i) conventional substations in Kenya, and (ii) calculation, engineering, fabrication and supervision of a main transformer and MVA reactors for a project in Denmark.

SY BE has successfully used key products from CG Power Systems such as AIS and GIS circuit breakers, power and distribution transformers and automation systems to create pull-through' and generate higher 'wall-to-wall' margins for the Company.

### UK

On account of challenging market conditions, many expected market opportunities did not materialise in the offshore wind market in UK. There were also delays in the National Grid and Distribution Network Operator markets due to the introduction of a new regulatory regime. However, the longer term prospects are strong driven by the need to upgrade and expand the UK's electrical infrastructure in line with the regulator's expectations and an upturn in the economy which exceeds that of the Euro zone.

During FY2014, four major orders were received. Three were onshore projects in the UK. These involved: (i) setting up a turnkey 132 kV GIS substation; (ii) doing a 33 kV cable connection between a power plant and the London Gateway Port; and (iii) a 132 kV substation to connect a 35MW solar farm to the network. The fourth order was from Azerbaijan involve an integrated package of power and distribution transformers of its oil fields.

### INDONESIA

The Power Systems business out of Indonesia (SY ID) has the following offering to customers:

- Mobile and modular substations up to 275 kV.
- Turnkey high voltage electrical EPC projects involving (i) conventional substations and EHV

switchyards up to 500 kV; (ii) GIS substations up to 275 kV; (iii) SCADA projects; and (iv) electrical balance of plant projects for power plants.

- Substation service and maintenance.
- GIS extension and refurbishment.

SY ID has performed well in FY2014 and exceeded its EBIT budget by a factor of three. It successfully handed over 16 GIS and AIS mobile substations of 30 MVA each to PLN, Indonesia. It has also won a Malaysian order from TNB for two mobile substations of 90 MVA, 132 / 33 kV, which will be Asia's largest such substation; and one mobile substation of 30 MVA, 132 / 11 kV.

## INDIA: THE ENGINEERING PROJECTS DIVISION

The Engineering Projects Division's (EPD) current offerings include:

- Turnkey AIS substations of 220 kV, 400 kV and 765 kV.
- Turnkey GIS substations from 66 kV to 400 kV.
- Pure installation and commissioning of projects.

As of 31 March 2014, had 53 open projects across 89 sites with an UEOB of almost Rs.735 crore. During FY2014, EPD suffered losses mainly on account of issues with site completion leading to costs overrun. The business is in the process of reorienting itself to overcome the above issues and has been very selective in accepting new orders.

## Automation

The three product line of Automation business are:

- SAS or the Substation Automation and Telecommunication Systems.
- DAS or the Distributed Automation Systems.
- Transit automation and supervisory control for electric, transportation and water utilities.

The automation business aims to become a world-class provider of smart grid and substation automation to CG's global customers in the three domains mentioned above. As the technology starts getting increased commercial demand, there is scope for increasing the SAS and DAS businesses in Western Europe, especially in the Euro area and Spain where this business has a clear presence.

**The continued stable performance of SY BE is on account of strong execution backed by solid risk management and an organisation that is capable of identifying and mitigating liabilities in contracts in an early stage**

Some of the orders secured during FY2014 were from:

- Iberdrola in Spain for smart meters, concentrators and distributed automation systems.
- Gas Natural Fenosa (GNF), Spain, for smart meters.
- Latin America: from Administracion Nacional de Electricidad (ANDE) in Paraguay for smart meters, and from Companhia Hidro-Elétrica do São Francisco (CHESF) in Brazil for bus bar differential systems.
- ERDF in France for protection devices.
- Ministry of Electricity, Iraq, for protection and control systems.
- The Saudi Electricity Company (SEC), Saudi Arabia, for tap changer protection relays.
- PGCIL, India, for protection and control devices, initially for five sub-stations.

The last three orders are significant from a strategic point of view. The automation business' future growth is based upon leveraging the huge potential demand that is beginning to show up across Asia and Africa. This has led to the business focusing on increasing its portfolio of homologated and tested products and solutions to meet the requirements of key emerging market countries. The fact that it has been successful in making an entry into Iraq, Saudi Arabia and India shows that it is moving in the right direction.

In this context, it is worth stating that the automation business' facility in Bengaluru, India, has been successfully commissioned. With an investment of Rs.8 crore, this plant can now produce up to 10,000 SAS devices in India at more competitive prices to bid for tenders in India, South Asia and the SEAP.

The automation group has also secured product approvals from: (i) PGCIL in India for protection and control devices; (ii) the Federal Grid in Russia for power line carriers and tele-protection devices; (iii) Comision Federal de Electricidad (CFE) of Mexico for distance protection; (iv) Philippines for feeder protection; and (v) the Energy Networks Association (ENA) in the UK for several devices.

Moreover, the business has helped to deploy a total of 10 smart grid pilot projects across the world, in countries such as Portugal, Luxembourg, Poland, Rumania, Lebanon, India, Brazil and Argentina. The most significant achievement of the DAS business was to secure the technical pre-qualification

to participate in the ERDF Linky project for the deployment of smart meters in France.

## **Services EMEA**

This segment continues to face strong competition across traditional country-based service segments, which were driving down market price and margins. Strong cost reduction was introduced across service business to protect EBIT. Actions during FY2014 involved expanding value added services offering from traditional transformer and switchgear installation, commissioning and maintenance, to leveraging expertise, enhanced customer training, advanced asset management. These important developments and adjacencies plus a focus on region-based business coverage ought to improve both the top-line and the EBIT margins for this business, despite extremely onerous market conditions and competition.

## **The Americas**

Last year, the Americas region started with a CG Services Division to focus on servicing transformers and substations throughout North America. While the order intake is heavily reliant on installation or parts related to CG products, this still comprises significant demand. To give an example: Manitoba Hydro in Canada has some 1,500 transformers ranging from 3 MVA to HVDC units. Some 60% of these have been manufactured by CG or its predecessor, Pauwels. Therefore, CG has the in-house competencies to service such equipment.

## **ELECTRICITY DISTRIBUTION: JALGAON, MAHARASHTRA**

From 1 November 2011, CG has been managing the Jalgaon, Maharashtra distribution franchise. At that time, the Jalgaon area had over 35% distribution losses; the failure rates of transformers and switchgears were high; billing efficiency was 69%; and on that poor billing, the collection efficiency was 81%. In other words, a little over two-thirds of the users were billed; and only four-fifths of them actually paid.

There has been much improvement since then. In FY2014, there were over 127,000 customers and the transmission and distribution losses were down to 18.3%.

The business pioneered CG's Smart Grid Meter Project. This has been done by replacing the old network in urban areas with 205 single

phase smart meters in the urban area and two data concentrator units. The connectivity is good and the consumption data of consumers is instantly transmitted to the system. This technology will be further adopted across the urban zone of the franchise, especially in areas where there are high power-use customers.

Moreover, CG has worked with Infosys, one of India's leading global IT service providers, to create an IT-based integrated 'smart billing' system at Jalgaon. This integrates billing, including online bill payments, with a customer facilitation centre, asset maintenance and meter reading through mobile devices.

Further improvements include:

- Significant reduction in the stealing of power through 'hooking' by replacing low transmission overhead bare conductors with cables.
- 33 kV and 11 kV vacuum circuit breakers have been installed to improve the reliability of power supply.
- Fourteen 11 kV feeders have been clearly bifurcated to maintain uninterrupted power supply.
- Regular maintenance work has been carried out on 577 transformers; on 475 km of 11 kV lines in urban and rural areas of the franchise; and on 105 km of 33 kV lines.
- 6,207 new connections have been given in FY2014.
- 12,377 faulty or burnt out meters have been replaced, amounting to around 10% of the population.
- Billing efficiency has increased to almost 90%; and collection efficiency has improved to over 93%.

Jalgaon has given CG considerable experience in managing a real-life electricity distribution franchise in a country as difficult as India. By integrating an IT-driven smart grid methodology with upkeep, automation, maintenance, billings, customer service and inventory control, Jalgaon is helping CG to understand what it takes to run power distribution franchises. In the process, the Company is fine-tuning its smart grid offerings and processes—so as to make similar bids in other regions as and when these arise. From the perspective of financial reporting to the stock exchanges, the financials of the Jalgaon Distribution franchise are not included in the Power BU results; but are shown separately in 'Others'.

## 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 and 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 reduced by 1% over the previous year to Rs. 1,816 crore. Higher material costs, lack of orders because of the slowdown in India as well as in Europe, and severe pricing pressures have led to a 32% drop in EBITDA to Rs. 171 crore. Due to a greater depreciation charge on account of the new rotating machine facilities at Mandideep, India, without being compensated by higher gross margins, EBIT reduced by 40% to Rs. 128 crore. Given higher capital employed and lower EBIT, the ROCE reduced by 11.2 percentage points to 13.5%.

Having said so, there are reasons to believe that CG has laid the foundations for future growth of this business. The most important reason is that fully modern capacities have been systematically created at Mandideep (near Bhopal, India) which can now be used to produce world class motors and drives for Europe, the Middle East and Africa, and the SEAP region. It is reaching out to across the world, and has so far received approvals from 10 global OEMS apart from four large end users. Exports from this BU increased by 9.04% this year.

The Industrial Systems BU received the 'Company of the Year' award for Leadership Excellence in the Electric Motor Industry from Frost & Sullivan in India.

TABLE 04

## Performance of the CG Industrial Systems Business

In Rs.

FY2013	FY2014	PERCENT
<b>UNEXECUTED ORDER BOOK (UEOB)</b>		
601 crore	655 crore	↑8.9%
<b>NET SALES</b>		
1,835 crore	1,816 crore	↓1.0%
<b>EBIDTA (INCLUDING OTHER INCOME)</b>		
251 crore	171 crore	↓32.0%
<b>EBIT</b>		
214 crore	128 crore	↓40.0%
<b>CAPITAL EMPLOYED</b>		
866 crore	951 crore	↑9.8%
<b>ROCE</b>		
24.7%	13.5%	↓11.2pp*

\* Percentage Points



TABLE 05

## Performance of the CG Consumer Products Business

In Rs.

FY2013	FY2014	PERCENT
<b>NET SALES</b>		
2,593 crore	2,847 crore	↑9.8%
<b>EBIDTA (INCLUDING OTHER INCOME)</b>		
287 crore	349 crore	↑21.7%
<b>EBIT</b>		
278 crore	337 crore	↑21.4%
<b>CAPITAL EMPLOYED</b>		
110 crore	121 crore	↑9.8%
<b>ROCE</b>		
252.0%	278.5%	↑26.5pp*

\* Percentage Points

## Motors, Generators and Railway Products

A world class large rotating machines facility has been built at Mandideep, covering an area of 9,284 square metres. It has a state-of-the-art machines, automation and process technologies, and can produce up to 250 large machines per year. Electric overhead travelling cranes can handle weights of 60 metric tons, and the structure can accommodate a weight up to 80 metric tons. It has test facilities up to 12 MW for MV motors and up to 25 MVA for synchronous generators. The winding and vacuum pressure impregnation (VPI) processes are automated — resulting in energy efficiency as well as high throughput. The facility integrates rotating machine technology from CG Electric Systems in Hungary. The LV and MV motors plant at Mandideep has been approved by GE Oil and Gas for global sourcing. This gives CG a strategic vendor status for a key high growth sector.

The business also has a dedicated product portfolio to meet the unique needs of Indian Railways, such as tractions motors and specialised electronics. During FY2014, it developed an integrated power supply system for railway signalling systems. The first IGBT power converter was also successfully developed and supplied to Indian Railways, and is currently under service trial.

Some of the other new products developed in FY2014 are:

- Brushless DC (BLDC) bilge pumps for defence sector.
- Flame proof IE2 LV and MV motors up to 710 frame.
- E-lite series single phase FHP motors up to 2.2 KW with aluminium body and wire.
- Classik series, 4 Pole, three phase AC LV motors up to 3.75 KW.
- Three phase AC traction motors for 4,500 HP diesel electric loco applications.
- Gas turbine starter MV motors in 450 frame.
- Shaft power monitor M20, with new controls and software.
- 15 MVA synchronous generators for transformer test plant.
- Kibosh Series AC LV brake motors up to 30kW.

Significant orders received in FY2014 were:

- Large MV motor order of 10MW, 4 Pole from Germany for screw compressor application and 8 MV motors, each of 5 MW, 16 Pole, 10 kV for

circulating water pump application from Russia for a nuclear power plant.

- The Nuclear Power Corporation of India Limited (NPCIL) has approved CG's LV and MV motors facilities in India.
- Received order for supply of 3,263 FHP flame proof motors from an oil and gas OEM in India and supply of 12,000 FHP motors from HVAC, an OEM from Turkey.
- Received order for supply of 199 LV motors to thermal power plants in India.
- 274 traction motors from Indian Railways for supplies to Diesel and AC locomotives, EMUs and diesel EMUs.
- 54 sets of traction electronics propulsion systems and 15 sets of complete electrics from Indian Railways.
- A large vertical synchronous generator order of 2 x 11MVA, 24 Pole from Russia for delivery and installation at Panama and order from Czech Republic for 49 MVA, 24 pole hydro generator stator refurbishment.

## Drives

A new manufacturing facility for low voltage (LV) AC drives was inaugurated in Mandideep on 1 July 2013. It has the capacity to produce 6,000 drives per annum per shift, with test facilities for drives up to 315 kW. The plant integrates technologies from Emotron. In sourcing, the drives business moved products from high cost countries to India with an overall savings of 25%. The business added 54 new customers, 25 OEMs, three new dealers, five system houses, and 19 new end users. 23 sales people were deployed across India and central service coordinators were appointed in each division to support regions on service. New products introduced during FY2014 were (i) IP 20-21 LV AC drive in the range of 11 KW to 132 KW, Frames C, D, E and F; and (ii) new generation of soft starters in the range of 16 A to 100 A, Frame 1 and 2.

Significant orders received in FY2014 were:

- From Saudi Arabia, project order for test bench.
- Received order for supply of various ratings of active front end drives for crane applications from Germany.

## 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**.

Growth, was relatively slow for the CG Consumer Products business compared with earlier years. Even so, Consumer BU remains the Company's second largest business unit in terms of revenues and its largest cash generator. Net sales grew by 9.8% to Rs.2,847 crore in FY2014. Both EBIDTA and EBIT have grown by healthy double-digits — the former to Rs.349 crore or 21.7% over the previous year; and the latter to Rs.337 crore or 21.4% compared to FY2013. The business' ROCE has again risen — by over 26 percentage points to 278.5%, which is by far the highest among all competitors. Given the initiatives undertaken during the year, the BU expanded its reach to approximately 134,000 retailers in the distribution segment and 22,000 retailers in the rural segment.

### Lighting

CG's lighting division grew over 17% versus an overall industry growth of 12%. Thus, lighting improved its market share. The business holds an overall No.3 position in the Indian market, with leadership in high intensity discharge lamps used for public lighting, industrial lighting and floodlighting.

- The business has done very well in selling LED lighting. CG's growth in LED based lighting products is four times that of the market. Launching a large range of LED products (lighting and luminaires) across all key market segments has played a role in being able to introduce a total of 180 SKUs in the market in FY2014. CG was the first to launch an LED flat panel luminaire in the branded category, and gained a market share of 25% within the first quarter of its introduction.
- New products accounted for 17% of total sale of lighting and 24% of luminaires.
- Total CFL (direct fit) lighting has grown by 24%. This was possible due to enhancement of capacity at Baddi. It also helped in securing a major order from the Government of Rajasthan for 2.75 million pieces, which was smoothly executed three months ahead of schedule. In FY2014, CG's CFL business grew by 24% versus a market growth of 15% to 16%.
- CG installed a 'smart' street light automation project for PGCIL in Puducherry, which has allowed the municipality to save energy of up to 40%.

- It secured two large scale orders from infrastructure companies for street lighting of sections of national highways.
- CG has been the first player in India to launch high power chip on board (COB) street lights and high bay lights, thanks to the technology tie-up with Bridgelux USA for LED chips as well as lights.
- The business has taken the lead in introducing solar energy based street lighting.

### Fans

In FY2014, CG became the first fan manufacturing enterprise in India to cross sales of 10 million units. Net sales grew by over 15% versus a market growth of 10%. CG fans market share increased by 3.3 percentage points over last year to reach 26.6%. The second Baddi plant for manufacturing fans is now fully operational and is producing 1 million units per year. New product sales accounted for 30% of the business' top-line. Revenue from modern retail grew by 28%. And the business continued to enjoy its 'Superbrand' status for the eighth consecutive year.

### Pumps

Across the industry, FY2014 was a difficult year for selling pumps. Much of India enjoyed early, consistent and, in many parts, surplus monsoon. This raised water tables, increased water flows and reduced the need for additional pumping, especially for agricultural and rural use. In such a situation, the overall pump industry de-grew by 10%. CG managed to stay flat, thereby increasing its overall market share by 50 basis points to 13.6%. In the residential segment, CG improved its leadership position with a market share of over 27%. The business earned a healthy EBIDTA and EBIT margin.

- CG has 277 pump models which are rated 4 and 5 star by Bureau of Energy Efficiency (BEE) of India.
- R&D helped to bring 43 technologically advanced pump models on board, which helped new products to account for 16% of total pump sales.
- Introduced a premium range with stainless steel and CED (cathodic electro deposition) coated cast iron pumps in all major cities across India. These products like the stainless steel range of submersible and multi-stage pumps, self priming pumps like the Mini Pacific and Mini Master Plus and pressure booster pumps have done well in the market and improved brand equity.

**In FY2014, CG became the first fan manufacturing enterprise in India to cross sales of 10 million units**

- Introduced competitive products like open-well submersibles and a shallow-well mono-block series to actively compete in the agricultural and rural markets. These are expected to give substantial growth in the coming years.

- Has put in the market a highly innovative product line: pumps with GSM microchip controllers that can be switched on or off through a mobile phone signal. It has also introduced multi-functional electronic control panels for submersible pumps to give better solutions than their conventional counterparts.

## Appliances

This business is relatively small and achieved net sales of Rs.182 crore in FY2014. It supplies a range of domestic appliances in four major product categories: water heaters / geysers, small appliances, power solutions and air coolers / heaters. The year saw patented polymer technology being implemented across geysers—which has helped most of the products to maintain their 5 star energy ratings even under a stricter set of norms put in place by the BEE. The business also successfully launched a new range of electric kettles and rice cookers. CG's after sales service has been a key differentiator for the business, with complaints being closed in less than 48 hours, on an average.

## The Four Regions

As touched upon earlier, CG is organised in a matrix framework with the three BUs and their businesses interfacing with four regions: Europe Middle East and Africa (EMEA), the Americas, India and Indian sub-continent, South East Asia and Pacific (SEAP). This section gives a brief description of the achievements of each region.

### EMEA

Order intake by the EMEA region amounted to €409 million for FY2014. Some of the key orders were: (i) the Gemini project, involving high voltage offshore and onshore substations and electrical connectivity, valued at €52 million. Since this order was received towards the end of the year, much of it will be booked in FY2015; (ii) the Electricity North West project at Bredbury, UK, to set up a turnkey 132 kV GIS substation valued at €7.2 million; (iii) DT frame contract with Enercon in Germany for €20.8 million; and (iv) various DT contracts in the UK for €30 million. It delivered a 132 /

11 kV substation for the 35 MW Rose Cottage Solar Farm for Good Energy in the UK for £ 2.5 million.

CG's Middle East hub in Dubai is now fully operational. The regional hub organisation has been reinforced with more focused deployment of marketing and sales forces in Benelux, France, Algeria and the UK. A project involving key account management has been launched across the region.

As mentioned before, CG's systems business delivered out of Belgium has done well, with two new platforms being shipped in FY2014. Transformers and GIS from Taposzele are providing the product platform for the systems business in the region. A systems organisation has been created in Saudi Arabia to meet the country's large and growing demand. There has also been a focus to grow partnership network to better address the needs in local markets. In addition to the traditional strong areas of Northern Europe and AIS / GIS substations and renewables, a major focus for the next year will be on Africa and Middle East countries and in the Oil & Gas segment.

The region has seen a relatively strong performance by Automation and products from the Industrial Systems BU. There has been an attempt to integrate CG's Industrial and Automation offerings into the EMEA regional sales portfolio.

### The Americas

CG Americas is dedicated to providing smart solutions, services and products of the highest quality to its utility, industrial, renewable and commercial customers. The organisation has 126 employees across three offices in the region. Orders for power system from the region grew by 16% compared to FY2013, which was supported by strong growth of orders in distribution transformers. However, due to highly competitive market prices for small and medium power transformers, growth of orders in power transformers was a more modest 6% vis-à-vis FY2013.

### South East Asia and the Pacific

In FY2014, the South East Asia and the Pacific (SEAP) region met with several successes.

Some of these were:

- PLN, Indonesia, placing orders worth US\$70 million via an open book procurement agreement with CG.

- TNB, Malaysia, placing orders for power transformers and allied products amounting to US\$50 million.

- Receiving an order from Myanmar for supply of five bays of 66 kV GIS. This will be the first-ever GIS installed in the country.

- Securing the largest single MV motors order for CG in the region.

- Receiving an order from TNB Malaysia for 2 x 90 MVA 132 kV mobile substations—the largest of its kind in the region.

During FY2014, the region put in place key account managers for Korean and Japanese EPCs in Seoul; for China Light and Power in Hong Kong; and set up representative offices. It has established a representative office in Vietnam. It is also exploring the possibilities of increasing business via distributors and partners for CG's different products, systems and services in Myanmar, Indonesia, Thailand, Malaysia, Vietnam and Australia.

### India

- **Western Region:** Sales in FY2014 increased by 3% to Rs.1,348 crore.

- **Southern Region:** Received the largest switchgear order in FY2014—of 3,283 ring main units (RMUs) from L&T for the Tamil Nadu Generation and Distribution Corporation (TANGEDCO), and supplied 1,602 units in the course of the year. Did the first supply of a 66 kV GIS from any plant in India, to the Karnataka Power Transmission Corporation Limited (KPTCL). Completed the supply of 7 x 500 MVA, 765 kV transformers to L&T for the Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPLN). At Rs.515 crore, the orders taken by the region for Power Systems alone were substantially higher than the previous year. There was a drop in both sales and order intake for Industrial Systems. However, sales of Consumer Products in the region saw an increase in FY2014.

- **Eastern Region:** This region saw a drop in orders for Power and Industrial System products, due to low investments in core sector. However, Consumer Products did well and, based on that, overall sales grew by 7%.

- **Northern Region:** Net sales increased by 3.3%, largely driven by the sharp rise in the sale of Consumer Products, particularly fans. The order intake—mostly driven by Power Systems and partly Industrial—was up by 26%.





300,000 households powered by the Amrumbank West offshore wind farm project in Germany

## Sourcing Initiatives

In May 2012, CG explicitly created a central sourcing function to optimise on the purchases of key raw materials for its BUs, such as steel, copper and aluminium; as well as to rationalise vendors across the various plants. In addition, the sourcing team has been charged with increasing supply of raw material from lower cost countries, especially where possible, from China.

Nine initiatives have been launched. Some of these involve: (i) steel savings; (ii) copper and aluminium savings; (iii) savings through sourcing from China; (iv) scoring suppliers according to various parameters; (v) vendor rationalisation; and (vi) preparing common sourcing scorecards across all units.

The initiatives have started to deliver results. For instance, throughout Europe, key vendors have been rationalised to no more than three for CRGO coils and sheets, copper and copper wires, insulation, tanks, radiators, oil, bushings and on-load tap changers. To gain 'economies

of volume', purchasing from 37 global vendors has been raised to 43% for seven major materials.

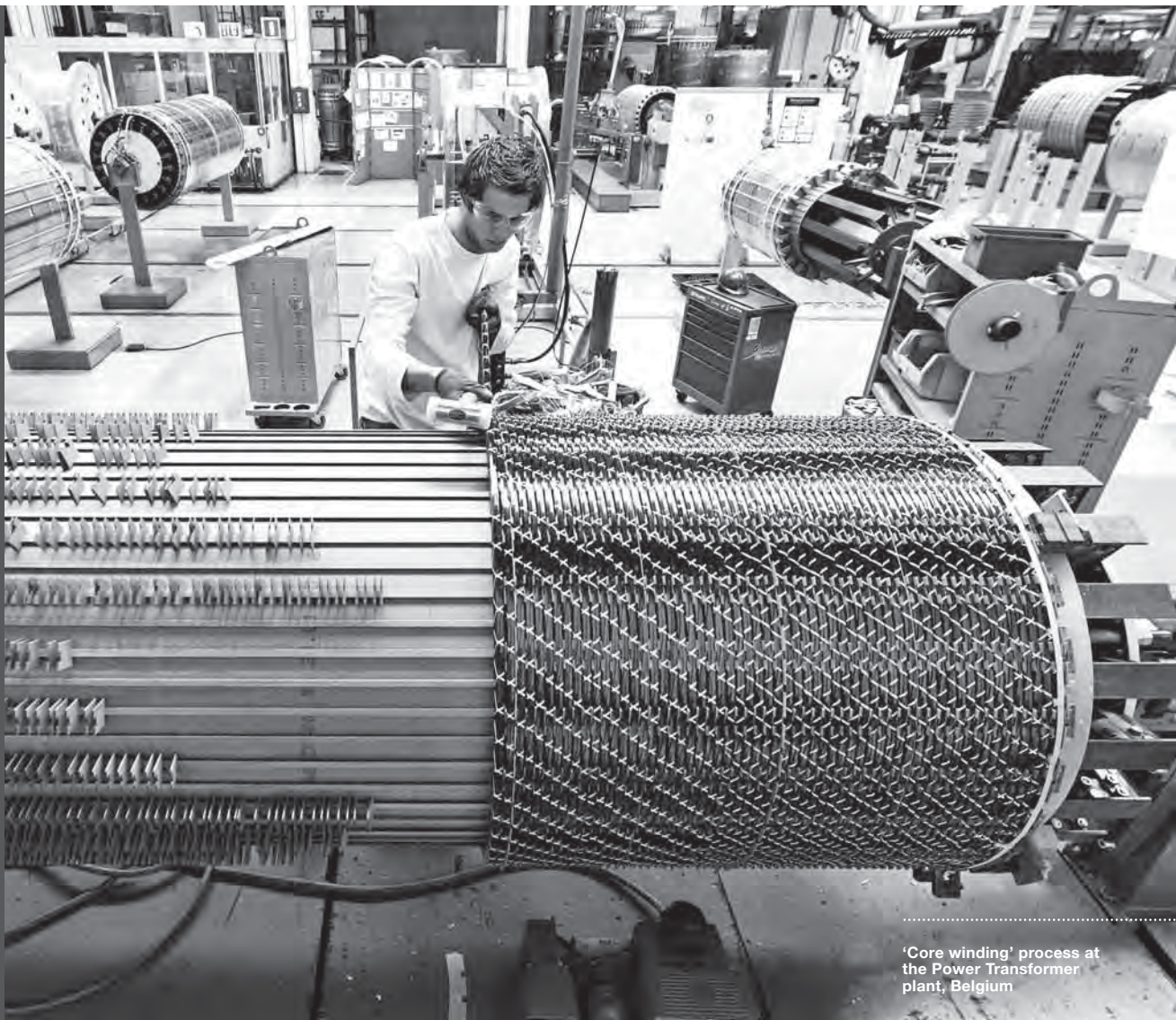
For the European and North American plants, sourcing from low cost countries (LCC) has increased quite significantly. LCC purchases are not just from India and China but also regional low cost countries, such as Mexico. It is estimated that this ratio has risen from 13% of the total sourcing budget in FY2012 to 19% in FY2013 to 32% in FY2014.

China, however, is no longer a panacea for low cost sourcing for all of CG's products. In transformers and switchgears especially those produced out of Europe, Canada and the US, quality considerations, customer specifications, supply bottlenecks and rising costs in China are making it less attractive for certain types of bulk sourcing. In contrast, China sourcing has certainly worked for Consumer Products, where CG has 46 active suppliers.

## Global Research & Development

This section outlines some of the key Research & Development (R&D) achievements in FY2014.

- 1600 kV ultra high voltage (UHV) Research Centre, Nashik, India: Built over an area of 21,786 square feet and a height of 118 feet, this centre can conduct all dielectric performance tests in line with the latest global IEC and ANSI standards. This will help in the R&D of high powered substation such as circuit breakers (both live and dead tank), GIS, instrument transformers (CT, IVT and CVT), transformer bushings, surge arrestors and disconnectors. It will significantly speed up the development of new products at lower costs.
- R&D also set up its first of a kind, state-of-the art noise testing room at Kanjur Marg for all consumer products, LT motors up to 400 frame, and distribution transformers up to 2 metres in length. In addition, it set up a vacuum research laboratory, also at Kanjur Marg, to conduct short circuit performance testing of vacuum interrupters.



'Core winding' process at the Power Transformer plant, Belgium

- CG replaced induction motors in various applications with energy efficient BLDC technology, such as (i) solar powered ceiling fans, (ii) dust proof bus fans, (iii) railway carriage fans for alternating current electric multiple unit (EMU) trains, (iv) bilge pumps for battlefield tanks, (v) motors for heat exchangers, and the like.
- To deal with power shortage across India, CG developed and distributed solar power generation solutions with highest conversion efficiency, which are suitable for domestic lighting and pumping in rural areas.
- Motor designs have been enabled with algorithms to predict stray loss and core loss. Industrial customers can now be given precise and instant drive solutions, thanks to a software that CG developed in association with Infosys.

- Considerable R&D work has been carried out in the domain of motors. These involve (i) developing the 'Classik' and 'e-Lite' series of motors; (ii) creating new FHP motors; (iii) range extensions of IE2 and IE3 motors; (iv) improving the efficiency of generators and large medium voltage motors; (v) design and development of the spring-spring mechanism for extra high voltage motors; (vi) design of low noise totally enclosed fan cooled (TEFC) motors; (vii) high efficiency IE4 motors; and others.
- Reduction in energy consumption is driving technology in lighting. In collaboration with Bridgelux, CG has developed whole range of LED based lighting fixtures for indoor and outdoor applications. In the consumer business, R&D has also created new products such as a 24V DC 1.8 kW solar charger; 12

/ 24 / 48V DC brushless ceiling fans; solar pumps; totally enclosed BLDC bus fans; smart analytical surveillance solutions; and applications for smart lighting management.

● During FY2014 two patents were granted. CG now has 37 active patents in its portfolio. Moreover, in the year, CG filed 17 patent applications of which power comprised five; industrial, three; and consumer, nine. In FY2014, 89 designs were registered. Thus, CG has 1,093 designs registered in its portfolio. It also filed for 52 new design applications. Employees of CG published over 70 articles in technical journals. CG won the most prestigious National Intellectual Property Award 2014 in the category of Top Organization in Designs.



## 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 methods, including statistical tools, and conducts projects through a set of people in the organisation — called 'Black Belts' and 'Green Belts' — who are specially trained 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 has been following Six Sigma for several years, especially across its India operations. Here are some key facts of Six Sigma in CG for FY2014.

- Within CG India, 26 Black Belts were involved in 76 Six Sigma projects for FY2014. Of these, 60 were successfully handed over to the different lines across the three main businesses — Power, Industrial and Consumer. Another 16 are still being implemented. Most of these focused on further improvements in product and process quality; some were directed to improving EBIDTA by raising throughput, or reducing raw material use and wastage.
- Similarly, 801 Green Belts helped to execute 764 projects in the year — of which 642 were completed and 122 were still under execution.
- It is estimated that over Rs. 17 crore were saved through the various Six Sigma projects in India.
- The Six Sigma drive was extended to CG plants in USA, Indonesia, Ireland, and Hungary.

In addition, CG continued with its supplier quality assessments. This is an initiative that started in FY2008, in which 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. Any new supplier has to score '3-stars' in the SQP assessment to be added to the CG supplier base; and those who do not meet the standard or have delayed their assessment run the risk of having themselves locked out of the enterprise-wide SAP system. This drive has improved the incoming quality of supplies of critical parts. In FY2014, 414 such assessments were carried out.

## Human Resources

The Human Resources (HR) agenda for the year was focused on strengthening three key areas:

- completing the second phase of the 'One CG' organisational deployment initiatives that were launched in 2012;
- building HR functional capabilities; and
- significantly enhancing delivery capability of HR processes to enable business performance.

A major initiative under the 'One CG' organisation deployment was to roll out descriptions for all new and modified roles that were created consequent to the changes in the operating structure. Leveraging the Hay Job assessment, these descriptions enabled role clarity, specified stakeholders for key roles and laid the foundations for role based development initiatives. Another key initiative under 'One CG' has been the consolidation and institutionalisation of functional processes across CG's global operations. Such consistent global processes are expected to create a strong foundation for unified employee experience and response, and thus act as a glue for consolidating the organisation.

In addition, the Company identified a number of key improvement opportunities in Talent and Performance Management, Talent Acquisition, and Environment, Health and Safety (EHS).

In FY2014, the following improvements were implemented:

## Talent and Succession Planning

CG rolled out detailed talent reviews across the organisation, starting from the top. Managers were required to assess their talent pipeline, analyse succession depth for all critical positions, and identify ready-now and near-term successors for these positions, along with development planning for identified individuals. This analysis is now being used to identify gaps and channel the Company's talent recognition and development initiatives.

## Performance Management System

The global rollout of an online, integrated Performance Management System (PMS) enabled us to build a robust foundation for talent management across CG, which was adopted by 100% of all eligible white collar employees. Building awareness, buy-in and instilling a sense of ownership towards the integrated performance management process was our focal priority during this transition

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



**CG partnered with the Hay Group in a global initiative to develop uniform grading and evaluation for all job roles that are critical to business**

phase. On-going support was available for all employees transitioning from older, isolated performance management processes to the new online integrated one.

The new process and system incorporates several improvements including behaviour assessment on the Avantha Competency Framework, potential assessment at leadership level and identifying development opportunities for employees. These should strengthen the talent review process and structured employee development initiatives across the organisation.

### **Talent Acquisition**

At CG, talent acquisition is evolving from a tactical process to a strategic endeavour that can directly impact organisational growth. The focus in FY2014 was to streamline and standardise global recruiting and hiring. Improvements included consolidating the Company's internal and external hire processes and systems and automating a number of administrative tasks. Efforts were made to build relationships and talent pools around critical roles for the organisation. Innovative and cost-effective recruitment solutions like employee referrals and social media were extensively used.

### **CGPS**

In FY2014, the Crompton Greaves Production System (CGPS) norms were re-calibrated across all manufacturing units in India. This has resulted in a growth in manpower productivity, thereby increasing the opportunity of additional revenue from existing resources. The productivity linked incentive scheme for permanent workers—which is linked to CGPS—was also modified and implemented in select units. The new scheme gives workmen the opportunity to enhance their earnings by accomplishing stretch targets. It has helped units to keep a check on manpower use in their manufacturing operations.

It is at an advanced stage of completion in the USA and Ireland.

The CGPS implementation process is monitored and reviewed through a periodic internal audit mechanism and a yearly unit assessment process. These help in monitoring and reviewing performance of the units and ensure compliance of CGPS process.

### **Building HR Functional Capabilities to Support the Business**

#### **HR Business Partner (HR BP) Role**

CG introduced the HR BP role to support the business and the leadership. Such people, i.e. the HR BPs, have proactively helped in workforce planning and talent management for the business units, and have partnered with the business unit leadership to resolve people issues and challenges. They have managed a number of global rollouts of HR programmes within the business, such as succession planning, talent assessment, performance management, recognition and rewards. They have also supported large-scale organisational changes in the business units, wherever these have been necessitated.

#### **Hay Job Evaluation**

CG partnered with the Hay Group in a global initiative to develop uniform grading and evaluation for all job roles that are critical to business. The Hay Group successfully conducted job analysis workshops for leaders at CG enabling them to draft their role descriptions. A job evaluation exercise has now commenced for all positions in leadership and middle management levels.

#### **Compensation**

In FY2014, CG's compensation and rewards mechanism focused on developing a cohesive and robust reward system. By accessing key market benchmark information, CG initiated the design and roll-out of progressive, efficient and competitive pay structures for the business. Aligning global processes like benefits policies, mobility and variable incentive pay are also underway.

#### **HR Shared Services**

HR Shared Services (HRSS) is striving to provide HR professionals the wherewithal to focus on value adding tasks, with routine administrative chores being transferred to a shared service delivery centre. An example was the rollout of a centralised workmen payroll in India. CG successfully migrated workmen payroll processes from their stand-alone, location-specific data bases on to fully owned, integrated and managed CGHR4U web-enabled platform.

The HRSS team also streamlined processes by redesigning workflows, which led to roll out of following initiatives:



Launched 'SHINE'—an Executive Certification in Leadership Programme for Women

- Standardisation of employee data and profiles across all CG locations globally.
- A uniform Global Personnel Requisition system across the Company.
- A uniform travel and expense process across multiple global locations of CG.
- Interlinking various applications under CGHR4U to improve employee self service.
- Common employee health and medical insurance broking across multiple geographies.

### Diversity and Inclusion

Celebrated globally on 15 October, the theme for CG World Day in FY2014 was Celebration of Diversity. The CEO and Managing Director signed the renewed Statement of Intent for Diversity and Inclusion and presented it to the employees. The statement provides for strengthening CG's commitment to embrace, value and respect a diverse workforce. Its purpose is to set forth clear, realistic, and attainable goals for the enhancement of diversity across the Company. It is displayed at all locations of CG to encourage employees to actively honour and incorporate this intent in their working lives.

Arising from the statement, CG's top three focus areas over the next three years are: Gender Diversity, Cultural Diversity and Specially Aabled people. As the first diversity initiative, CG globally celebrated

International Women's Day with activities across the organisation throughout the first half of March 2014. Expert talks and panel discussions were organised highlighting the need to create a women friendly enterprise. CG also launched SHINE – the Executive Certification in Leadership Programme for Women.

### Avantha People Group Survey

Avantha People Group Survey (AGPS) was conducted across all Avantha companies to measure the degree of alignment of senior leaders to the Avantha Group philosophy as well as the extent of employee engagement across levels. Over 97% of CG's employees participated in this survey, giving one of the highest participation rates across the industry. 78% of the employees surveyed responded favourably to the statement: "I am proud of my company's brand in the market."

Results of the survey and the way forward were shared with all employee groups. A web link was also activated to invite suggestions of employees on the top focus areas, such as (i) Enabling Environment, (ii) Organisational Identity, (iii) Employee Development, and (iv) Performance and Recognition. Workshops involving senior leaders of CG were conducted to analyse the survey results and identify specific actions for the Company. Focused



An employee-wide recognition programme – 'RECOGNIZE' to reward excellence

group discussions with employees has yielded rich information that provides better understanding of various issues and serves a basis for planning future actions.

### **Recognize**

In an endeavour to build a culture that promotes and rewards performance, CG launched a comprehensive employee recognition program called 'RECOGNIZE' which is applicable for all blue- and white collar employees. This popular peer-to-peer recognition programme has enabled many employees to acknowledge and nominate their colleagues for SPOT Awards, Certificates of Excellence, Quarterly Awards and Annual Awards. Over 1,000 employees were RECOGNIZED for their contributions to CG values and for their role in the implementation of strategic imperatives.

### **Campus@CG**

As the talent war intensifies, CG continues to build a strong employer brand to attract, recruit and retain talent. This is a task that has been accorded special attention by the Company. Several events were conducted at targeted premier campuses to position CG as an Employer of Choice in engineering and management schools. Some examples were sponsorships of the IIT Fest at IIT Mumbai, of an annual student event at the Tata Institute of Social Sciences called Daksha, and the lead sponsorship of Business Standard's Best B-School Project Award. CG also received significant response to its campus recruitment efforts in India, Hungary and Indonesia – countries where CG actively recruits from top engineering and management schools to build our talent pipeline.

### **Creating Leaders for the Future Global Leadership Development Programme**

It is now well recognised that maximum effectiveness of leadership development programmes occurs on the job or through tough assignments. Keeping this in mind, a special leadership development initiative targeted at the (N-2) level of leaders was rolled out. Called the CG Global Leadership Development program (GLDP), the initiative consists of nine months of various leadership inputs comprising three different modules, various team projects and assignments, and close interactions with select members of the CG Board of Directors as well as the



senior leaders of the Company. The GLDP had 20 participants across all of CG's global operations.

### **Frontline Supervisory Development Programme**

125 supervisors across CG's various locations and units in India have been trained in the first four batches of its Frontline Supervisor Development Programme (FSDP). Launched at the Company's Management Development Centre in Mulshi last September, the programme aims to enable supervisors to be more effective in their roles as first-level leaders within CG. FSDP has been customised to address specific needs after discussions with HR, a representative sample of supervisors across CG India units, and leadership inputs. The three-day programme blends classroom, experiential learning and sessions by senior management.

### **SHINE: Executive Certification in Leadership Programme for Women**

As mentioned earlier, CG has launched SHINE—Executive Certification in Leadership Programme for Women. SHINE has been initiated for women employees to help unleash their potential by providing opportunities for professional and personal development. This six-month online programme commenced with a batch of 20 participants. New batches will be introduced at periodic intervals.

### **Young Researchers Programme**

Young Researchers Programme (YRP) is focused towards the Gen Y of CG's R&D fraternity and lays emphasis on building knowledge and intellectual capability and equip them for future leadership roles. The participants are a selected group of diverse young researchers who have been inducted from premier institutes and are seen as the future technology torch bearers for CG. YRP is a year-long programme with four modules and is designed to cater to the aspirations of young researchers and work towards maximising their R&D as well as managerial capabilities. All participants have been assigned mentors who are senior members of CG technology fraternity. The young researchers have started to work on carefully structured Inclusive Live Projects (ILP) which should enable them to practice their learning.

### **Avantha Young Executives Programme**

This is the Avantha Group HR's initiative aimed at entry level talent. Avantha Young Executives Programme's (AYEP) objective is to create a middle level talent pool to address future needs—with this certification programme being a step towards that end, which is offered to early career high potential employees. CG has tied up with the Symbiosis Institute of Business Management as its education partner for AYEP. This year-long programme consists of e-learning modules, case studies and an action learning project. Successful AYEP participants will graduate to AYEP Plus after going through a thorough assessment centre and a filter-based selection. Here, they will be deemed as group resources and undergo a five-year comprehensive inter-company, inter-geography and inter-function rotation.

### **Industrial Relations**

CG continues to have an excellent track record of cordial industrial relations. The strategy of collective bargaining has helped CG to ensure mutually beneficial collaboration with the trade unions. In FY2014, eight collective agreements were negotiated and signed in India: five of these have been signed with unions representing workmen, and three with all individual workmen. The benefits of these agreements will be applicable to 1,325 permanent blue collar workmen of CG in units encompassing Power, Industrial and Consumer businesses. Smooth conduct of negotiations prior to sign offs demonstrated how workmen and the management cooperated in a mutually beneficial manner—which has been a reflection of long-standing maturity in the relationship between CG's management and the unions.

### **Corporate Social Responsibility**

At CG, we believe that we have a responsibility to give back to the society we live in. CG therefore strives to balance its business interests with its Corporate Social Responsibility (CSR) tasks. Its areas of focus are:

- **Community outreach:** Making a difference to the communities around the locations where CG's plants are, and thus being responsible social citizens of the community that CG belongs to.
- **Education and skill development:** Being an industrial company, CG tries and leverages its strengths and knowledge from its lines of business to contribute towards

technical education and thus create sustainable employment opportunities.

- **Sustainability:** Being in the 'energy management' space, CG contributes to and develops awareness of energy conservation, energy sustainability and alternate energy utilisation in the communities that CG is a part of.

### **Highlights for FY2014**

#### **Helping victims of typhoon Haiyan in the Philippines**

- CG teams across plants in Mechelen (Belgium), Cavan (Ireland) and Winnipeg (Canada) organized fund-raisers to help the victims of typhoon Haiyan. The generated funds was distributed between Consortium for Aid to the Philippines, Red Cross Ireland and Canada.

#### **Reaching out to Uttarakhand flood victims in North India**

When flash floods ravaged the northern Indian state of Uttarakhand and rendered several thousand families homeless and without any means of livelihood, CG sprung into action by forging a partnership with PRAGYA—an NGO that works in the upper reaches of Himalayan region and contributed through several means.

- **Phase 1:** Monetary Contributions from CG and its employees to fund the immediate rehabilitation of the affected communities.
- **Phase 2:** Immediate relief: donation of emergency requirements like food grains, rain coats, baby food, medicines, torches, blankets etc. through collection drives at the CG plants.
- **Phase 3:** Participation in rehabilitation and rebuilding lives. A team of CG employees travelled to the flood affected regions and volunteered in the rehabilitation and rebuilding process. The team worked with PRAGYA in the districts of Rudraprayag and Joshimath to (i) aid livelihood, by building green houses for villagers to help them store crops for self consumption and market supply; and (ii) organise medical camps, which involved documenting and conducting awareness sessions on various diseases and vaccinations for the villagers.

#### **Employability**

CG and a group of other like minded companies are partnering with the ICICI Foundation in an endeavour to help uplift some of those who belong to the economically weaker section of the society. Among others, the programme consists of free residential training on technical skills to unemployed youth, thus making them potentially employable. In this,

**CG has been proactive  
in promoting preventive  
healthcare to improve levels  
of health in the communities  
where it operates**

CG has complete responsibility of the course on pump and motor maintenance—which involves design and implementation of the course curriculum, laboratory work, providing master trainers and training the faculty, student assessment and arrangements for vocational training after completion of the course.

**Science on Wheels**

CG tries to bridge the gaps in science and mathematics and to create a scientific temper by providing opportunities to the youth living in communities near our locations. The 'Science on Wheels' project at two of our unit locations is one such. It involves working with government schools to provide students with hands-on experience in learning subjects related to science, mathematics, astronomy, physics and biology.

**Skill development initiatives**

● **In India** CG promotes technical education among youth by sponsoring students every year in training courses such as nursing, electrician skills, welding, winding and pump set servicing and glass manufacturing. It has also helped in upgrading the quality of government-run industrial training institutes by improving their curriculum and laboratories and training the faculty to bring it at par with requisite industry needs. CG has participated in setting up multimedia training centres in North India. In addition, employees of CG at the Western Region (Mumbai) volunteer their time and expertise at the Rustomjee Academy for Global Careers—where disadvantaged urban youth are taught practical courses on electric motors, transformers, lighting and pump sets.

● **In Hungary** CG Power Hungary conducts regular English speaking classes for local youth in Tapioszele and Budapest. It also works with students from the Technical University, Budapest, to recruit B.Sc and M.Sc engineers.

● **In Spain** CG has tied up with Fundación Novia Salcedo, an NGO, to promote employment among youth. This initiative will focus on providing scholarships and industrial exposure to such students. Moreover, CG imparts training on welding and electrical courses.

● **In Canada** CG Power Canada collaborates with the University of Manitoba to provide scholarships to engineering students, especially women; and to encourage more girls to take up engineering courses.

● **In Indonesia** CG Power Indonesia imparts regular training to young people on welding and for electrical courses.

**Vocational and skilling centres for women, and women's empowerment in India**

● As part of the sustainable livelihood programme, CG currently runs six vocational training centres for women, of which four are located in urban slums of Mumbai. These are run in collaboration with the Ministry of Human Resource Development. There are two other centres running in Sunder Nagri, an urban slum area in Delhi. These centres have been established and are working to provide vocational training to non-literate, neo-literate, as well as school dropout women by identifying skills that will help provide them livelihood. Courses such as beautician training and fashion designing, as well as soft skills, are being taught at these centres.

● At the urban villages of Kanjur, Bhandup and Vikhroli, which are contiguous to CG's Kanjur Marg complex at Mumbai, women self-help groups that were encouraged by the Company have started their own business enterprises. Today, many of them earn anywhere between Rs.4,000 and Rs.25000 per month, while others work as part-time care givers under different government schemes.

**Community health and awareness campaigns**

CG has been proactive in promoting preventive healthcare to improve levels of health in the communities where it operates.

● **In India** During FY2014, approximately 15,000 persons from both urban slums and remote, rural areas have been covered by CG's intervention. The focus was on HIV-AIDS and cancer, in addition general healthcare and regular dental and eye check-ups. CG employees also participate in an annual blood donation drive.

● **In Hungary and Canada** These geographies conducted awareness programmes and fund raising events to help patients suffering from chronic illnesses. In addition, CG Power Canada worked to build homes for needy families through Habitat for Humanity.

● **In the USA** Employees of CG Power US participated in a three week mission to provide education and basic first aid supplies to Ghana. They also took up the cause of sensitising people through a fund raising event called

'Relay for Life' for the American Cancer Society, which celebrates cancer survivors and shares their success stories with the rest of the world.

## Financial Performance

This section begins with CG's standalone results, after which it moves on to the financial performance of the overseas entity before, finally, the consolidated financials for the Company.

### CG: Standalone Financial Performance

The standalone results of CG for the year ended 31 March 2014 and 2013 are given in **Table 6**.

**Table 7** shows the key ratios (profitability, assets efficiency and leverage ratios) of the entity for FY2014 and FY2013.

- Gross sales, or revenue from operations grew by 4.5% to Rs.7,913 crore in FY2014. Net sales and services increased by 5% to Rs.7,490 crore.
- Raw material costs as a share of net sales remained more or less flat: 74.7% in FY2014 versus 74.8% in FY2013. In absolute terms, this head of cost increased by 4.9%—which was 10 basis points less than the growth in net sales.
- Operating EBIDTA increased by 12% to Rs.666 crore in FY2014.
- Operating PBT grew by 10.2% over the previous year to Rs.599 crore.
- PAT increased by 16.9% to Rs.521 crore.
- The ratio of operating EBIDTA to net sales increased by 60 basis points from 8.3% in FY2013 to 8.9% in FY2014.
- RONW grew by 90 basis points to 15.5% in FY2014. Though less than what the Company's standalone entity used to earn three years earlier, this is a good performance compared to others in the industry.
- With better performance, the ROCE has improved by 150 basis points to 20% at the end of FY2014. This is the highest ROCE among all significant competitors in the sectors that CG India operate.

### CG: Overseas Financial Performance

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

For the CG overseas entities:

- Revenue from operations increased by 8.7% to US\$1,018 million. Because of the depreciation of the Indian rupee, this grew by 20.5% to Rs.6,143 crore in FY2014.

**TABLE 06**

## Standalone Performance

Rs. Crore, Year Ended 31 March

	FY2013	FY2014
Revenue from operations	7,571	7,913
Less: excise duty	436	423
Net Sales and Services	7,135	7,490
Cost of raw materials and components consumed and construction material	5,334	5,598
Employee Benefits expense	411	476
Other Expenses	795	750
EBIDTA excluding Other Income (OI)	595	666
OI	53	114
EBIDTA including OI	648	780
Finance Costs	(20)	(22)
Depreciation and Amortisation expense	72	89
PBT excluding OI	543	599
PBT including OI	596	713
Less: tax expense		
Current Tax	143	168
Deferred Tax	7	24
PAT	446	521

**TABLE 07**

## Standalone Performance – Key Ratios

Year Ended 31 March

	FY2013	FY2014
<b>Profitability Ratios</b>		
EBIDTA excluding OI / Net Sales	8.3%	8.9%
EBIDTA including OI / Net Sales	9.1%	10.4%
PBT / Net Sales	8.4%	9.5%
RONW	14.6%	15.5%
ROCE (at year-end capital employed)	18.5%	20.0%
Cash ROCE	20.8%	22.5%
EPS (Rs.per share)	6.95	8.23*
Cash EPS (Rs.per share)	8.17	10.01*
<b>Leverage Ratios</b>		
Total Debt To Equity	0.0	0.0
Interest Coverage Ratio	NA**	NA**
<b>Assets Efficiency</b>		
Net Sales To Gross WC (times)	1.8	1.9
Net Sales To Net WC (times)	3.9	4.1

Note: \* Due to buy-back of equity shares, EPS and Cash EPS for FY 2014, is calculated on weighted average number of equity shares.  
 \*\* With credits, the interest pay-out was negative both in FY2013 and FY2014 (see Table 6 above). Thus, the interest coverage ratio has no meaning.



**TABLE 08****Consolidated Financial Performance of the Overseas Entities**

Year Ended 31 March

	FY2013		FY2014	
	RS.CRORE	US\$MILLION	RS.CRORE	US\$MILLION
Revenue from operations	5,097	936	6,143	1,018
EBIDTA excluding Other Income (OI)	(227)	(42)	(2)	(0)
OI	39	7	83	13
EBIDTA including OI	(188)	(35)	81	13
Finance Cost	90	16	115	19
Depreciation and amortisation expense	125	23	166	27
PBT excluding OI (Before Exceptional item)	(442)	(81)	(283)	(46)
PBT including OI (Before Exceptional item)	(403)	(74)	(200)	(33)
Less: exceptional item*	121	22	-	-
PBT (After Exceptional item)	(524)	(96)	(200)	(33)
Less: tax expense				
Current Tax	40	7	25	4
Deferred Tax	(90)	(16)	19	3
PAT	(474)	(87)	(244)	(40)
Minority Interest	1	0	1	0
Share of Profit / (Loss) of Associate Companies	(2)	(0)	(18)	(3)
PAT Carried Forward to the Balance Sheet	(475)	(87)	(261)	(43)
Exchange Rate for US\$1		54.4316		60.3575

Note: \* The exceptional item in FY2013 was the one-time restructuring and right-sizing cost incurred at Mechelen, valued at Rs.121 crore.

- Operating EBIDTA has shown a modest comeback — from a loss of US\$42 million in FY2013 to breakeven in FY2014.
- Though still in red, the operating PBT has also shown some improvement — from a loss of US\$81 million in FY2013 to a loss of US\$46 million in FY2014.
- Losses at the PAT level has also reduced from US\$87 million in FY2013 to US\$43 million in FY2014.

**CG: Consolidated Financial Performance**

**Table 9** gives the consolidated performance of CG, while **Table 10** gives the key ratios.

- Net sales and services: In rupees, it grew by 11.5% to Rs.13,481 crore in FY2014. In terms of US\$, it was more or less flat at US\$2,233 million. This is the fourth successive year when CG's net sales and services has exceeded US\$2 billion.
- Operating EBIDTA has increased — by 78% in rupees to Rs.682 crore in FY2014, and by 60.5% to US dollars to US\$113 million.

- Operating PBT (before exceptional item) has almost trebled to Rs.323 crore in FY2014; and increased by 166.6% to US\$54 million.
- PAT (before minority interests, share of associated companies and exceptional items) has more than trebled to Rs.258 crore. In terms of US dollars, it has grown by 178.3% to US\$43 million.

As is clear from **Table 10**, all but one ratio has taken a distinct turn for the better. And the residual — the debt-to-equity ratio — has marginally increased. Financially and operationally, therefore, CG is on a distinct path of improvement, although there is much to traverse in the years ahead.

**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.

TABLE 09

## Consolidated Financial Performance

Year Ended 31 March

	FY2013		FY2014	
	RS.CRORE	US\$MILLION	RS.CRORE	US\$MILLION
Gross sales and services	12,533	2,303	13,907	2,304
Less: excise duty	439	81	426	71
Net Sales and Services	12,094	2,222	13,481	2,233
Cost of raw materials and components consumed and construction material	8,346	1,533	9,136	1,513
Employee Benefit expense	1,740	320	1,952	323
Other Expenses	1,625	299	1,711	284
EBIDTA excluding Other Income (OI)	383	70	682	113
OI	76	14	172	28
EBIDTA Including OI	459	84	854	141
Finance Costs	71	13	97	16
Depreciation and amortisation expense	203	37	262	43
PBT excluding OI	109	20	323	54
PBT Including OI (Before Exceptional Item)	185	34	495	82
Less: Exceptional Item	121	22	-	-
PBT after Exceptional item	64	12	495	82
Less: tax expense				
Current Tax	185	34	194	32
Deferred Tax	(84)	(15)	43	7
PAT (before Exceptional Item)	84	15	258	43
PAT (after Exceptional Item)	(37)	(7)	258	43
Minority Interest	1	0	1	0
Share of Profit / (Loss) of Associate Companies	(0)	(0)	(15)	(2)
PAT after minority interest and share of associate companies	(36)	(7)	244	41
Exchange Rate for US\$1		54.4316		60.3575

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 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

**At an overall level,  
the compass has moved  
towards greater revenues  
accompanied by larger profits**

**CG will keep pursuing expansion in new geographies and deploying higher value-added products and services in the electrical space**

**TABLE 10**

**Consolidated Financial Performance**

Year Ended 31 March

	FY2013	FY2014
<b>Profitability Ratios</b>		
EBIDTA excluding OI / Net sales	3.2%	5.1%
EBIDTA including OI / Net sales	3.8%	6.3%
PBT / Net sales (excluding exceptional item)	1.5%	3.7%
RONW	(1.1)%	7.0%
ROCE (terminal)	4.7%*	10.0%
Cash ROCE (terminal)	8.4%*	14.5%
<b>Per Share Ratios</b>		
EPS	(0.56)	3.86**
Cash EPS	1.30	8.67**
<b>Leverage Ratios</b>		
Total debt to equity	0.4	0.5
Interest coverage ratio	6.5	8.8
<b>Assets Efficiency Ratios</b>		
Net sales to gross working capital (times)	1.9	2.0
Net sales to net working capital (times)	6.7	8.9
<small>Note: * Calculated excluding exceptional item. ** Due to buy-back of equity shares, EPS and Cash EPS for FY2014, is calculated on weighted average number of shares</small>		

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 authority delegation matrix 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.

## **A Summary and The Outlook**

The overall electrical market in India as well as abroad remains dynamic with different rates of growth expected in all the geographies that CG operates in. The Company has a healthy order book emerging from the orders its pursued in new markets of Asia, Africa, Latin America and the Middle East and the new offerings in the smart grid area.

As the overall industry is going through consolidation we might, however, expect intensified competition.

As a Company we are pursuing integration and consolidation of our businesses. Focus remains on reduction of our overall cost structure, rationalisation of our product portfolio and extension of synergies across geographies. CG will keep pursuing expansion in new geographies and deploying higher value-added products and services in the electrical space.

Power products contribute to 47.4% of CG's turnover. Rationalisation of the manufacturing footprint for this segment started in FY2013. The Company will continue to redeploy and optimise its assets during FY2014 to improve asset utilisation ratios. The Canadian operations have undergone restructuring in FY2014 to balance the demand and capability mix, while capacity was added in Hungary to create a manufacturing hub for EMEA. Facilities in India and South Asia are simultaneously moving up the value chain with offerings up to 765 kV, 500 kV and GIS. A blueprint of the manufacturing set-up in Gujarat, India will take shape in the near future.

The Systems and Solutions business is expanding its tailored solution for offshore wind farms electrical connections with recent wins in Europe.

The automation business now has its smart grid offerings going beyond AMI to DAS that ranges from LV supervision to MV automation. The business will see traction in Europe and US as the smart grid markets in these geographies enter into a commercial phase.

With the new extended range of products and the deployment of offering for the western markets, CG Industrial will continue to focus on further expanding its product offering range. The priority will be geographical expansion in Europe, Middle East and the SEAP. The India manufacturing hub should implement lean

practices to deliver to the new markets in a cost efficient manner.

CG Consumer has systematically outperformed the market in each segment where we are active. Long term growth outlook of the segment is positive. CG has adopted a new approach for expansion of this segment, by focusing on reach expansion and new channels of modern retail as well as new product introduction in the LED lights, pumps and fans segment. The business will focus on rejuvenating the "Crompton" brand to address new market segments in rural and urban areas.

CG has taken steps to put in place a well structured customer centric organisation with a single interface with customers for each geography. It recognises the value of understanding client's needs and requirements and will strive to combine those into its products and services with technology, knowledge of system integration and continuity, to deliver a complete solution for such needs.

CG believes that its employees are key pillars of the enterprise and is investing in training and personnel development for an empowered workforce. Despite cost pressures, it has kept a high priority for talent management and talent acquisition. An initiative has been started to build talent pool for critical roles in the organisation. As the Company competes and expands into global markets, the endeavour will be to cultivate global leadership capabilities with a global mind-set.

## **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.

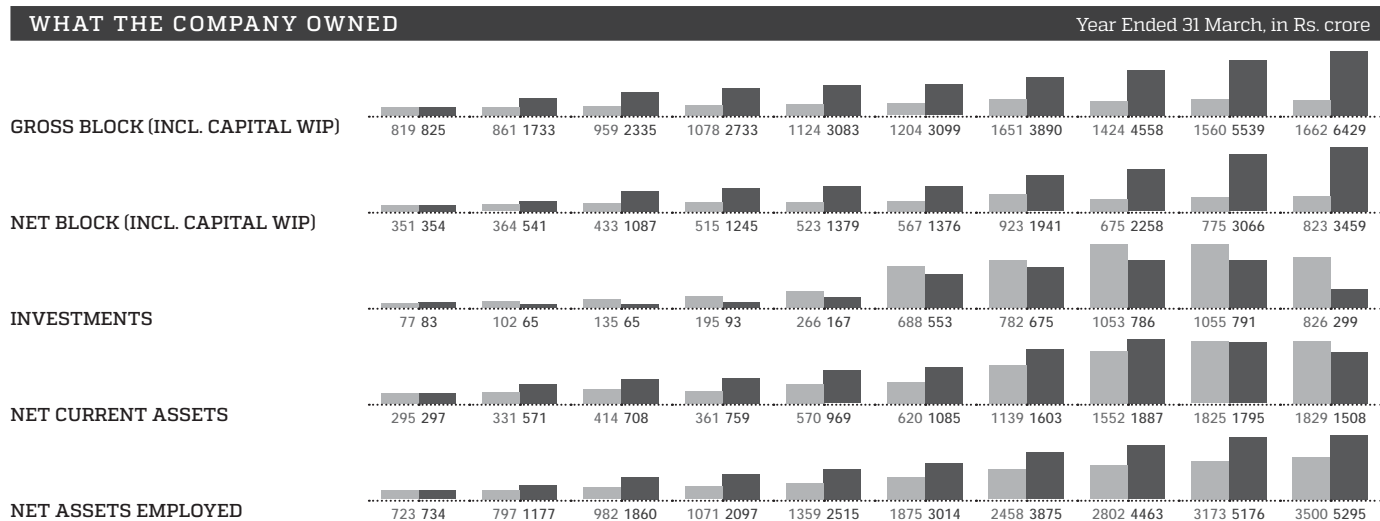
**Laurent Demortier**

**CEO AND MANAGING DIRECTOR**

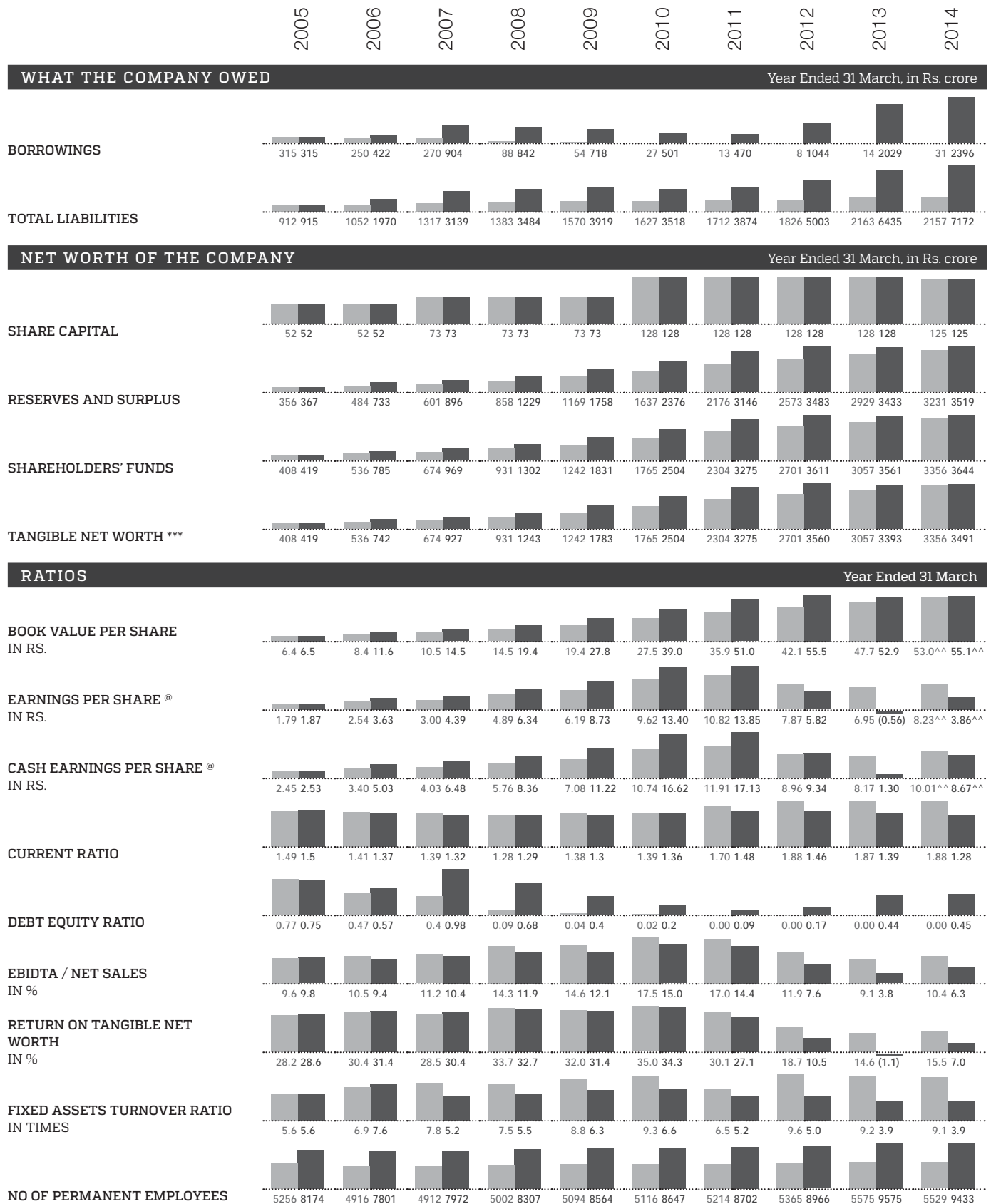
Mumbai, 29 May 2014

# TEN YEARS' HIGHLIGHTS

Standalone  
Consolidated



\*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 item. # Includes proposed dividend.



\*\*\* Tangible Net Worth = Shareholders' Funds - Deferred Tax Asset (net). ^^ Calculated on weighted average number of shares.



# DIRECTORS' REPORT<sup>1</sup>

## To The Members,

Your Directors are pleased to present their Seventy Seventh Annual Report on the business and operations of the Company (or "CG") and the accounts for the financial year ended 31 March 2014.

## The Year In Retrospect

The consolidated net revenue of the Company during 2013-2014 grew by 11.5% at Rs.13,481 crore, as compared with Rs.12,094 crore last year. The Company has achieved a stand-alone net turnover of Rs.7,490 crore, during the year under review, as compared with Rs.7,135 crore during the previous year, a rise of 5.0%.

Consolidated profit before tax (after exceptional item) increased to Rs.495 crore, as compared with Rs.64 crore in the previous year, an increase of 672.5% over last year. Stand-alone profit before tax increased from Rs.596 crore to Rs.713 crore, an increase of 19.5%.

Consolidated profit after tax is Rs.244 crore as compared with consolidated loss after tax of Rs.36 crore in the previous year, an increase of 776.1%. The Company recorded a stand-alone profit after tax of Rs.521 crore, an increase of 16.9% from Rs.446 crore last year.

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

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

## Amalgamation

CG-ZIV Power Automation Solutions Ltd (CG-ZIV) and CG Energy Management Limited (CGEM) are wholly owned subsidiaries of the Company. For simplification of the shareholding structure and operational synergies, the Board of Directors at their Meeting held on 29 January 2014, approved the amalgamation of CG-ZIV and CGEM with the Company. The Amalgamation would be effective upon receipt of requisite approvals.

## 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.29.47 crore (including dividend tax) declared on 8 November 2013; the Record Date for this purpose was 15 November 2013 and the Interim Dividend was paid on 25 November 2013.
- Rs.0.40 per equity share (20%) aggregating to a total dividend payout of Rs.29.33 crore (including dividend tax) declared on 29 January 2014; the Record Date for this purpose was 5 February 2014 and the Interim Dividend was paid on 14 February 2014. The Board of Directors has recommended a Final Dividend of Rs.0.40 per equity share (20%), declared on 29 May 2014; the Book Closure for this purpose is Friday,

<sup>1</sup> The members may note that as permitted by General Circular No 8 / 2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs, the Financial Statements and Reports thereto have been prepared in accordance with the provisions of the erstwhile Companies Act, 1956 and Rules made thereunder.



TABLE 01

## Sales and Profit Before Interest and Tax (PB IT)

In Rs. crore

SALES		PBIT	
<b>POWER SYSTEMS (CG STAND-ALONE)</b>			
<b>2,824</b>	<b>2,725</b>	<b>259</b>	<b>231</b>
2013-2014	2012-2013	2013-2014	2012-2013
<b>INDUSTRIAL SYSTEMS (CG STAND-ALONE)</b>			
<b>1,489</b>	<b>1,499</b>	<b>153</b>	<b>213</b>
2013-2014	2012-2013	2013-2014	2012-2013
<b>CONSUMER PRODUCTS</b>			
<b>2,847</b>	<b>2,593</b>	<b>337</b>	<b>278</b>
2013-2014	2012-2013	2013-2014	2012-2013
<b>POWER SYSTEMS (INCLUDING INTERNATIONAL OPERATIONS)</b>			
<b>8,478</b>	<b>7,336</b>	<b>234</b>	<b>(110)</b>
2013-2014	2012-2013	2013-2014	2012-2013
<b>INDUSTRIAL SYSTEMS (INCLUDING INTERNATIONAL OPERATIONS)</b>			
<b>1,816</b>	<b>1,835</b>	<b>128</b>	<b>214</b>
2013-2014	2012-2013	2013-2014	2012-2013



Transformers for the Oil and Gas sector, Power Transformer Plant, Belgium

**CG was awarded the National Intellectual Property Award, 2014 in the category of 'Top Organisation in Designs'**

1 August 2014 to Tuesday, 5 August 2014 both days inclusive.

The total dividend payout (including dividend tax) for the financial year 2013-2014, including the Final Dividend recommended by the Board, as a percentage of the share capital works out to 70.3%.

### Reserves

The Reserves, on stand-alone basis, at the beginning of the year were Rs.2,929 crore. The Reserves at the end of the year are Rs.3,231 crore.

### Buy-Back of Equity Shares

At its 28 June 2013 Board Meeting, the CG Board had authorized a buy-back of the Company's equity shares aggregating to upto 10% of the total paid up equity capital and free reserves of the Company as on 31 March 2012 (which was the latest audited Balance Sheet approved by the shareholders at the time).

The Maximum Buy-back Size was Rs. 265.70 crore and the Minimum Buy-back Size was Rs.132.85 crore (50% of the maximum Buy-back Size).

In terms of the above, buy-back commenced on 16 July 2013, and as on 15 January 2014, i.e., the date of closure of buy-back offer, the Company bought-back 14,745,394 equity shares, at an aggregate amount of

Rs.133.56 crore, representing 50.27% of the Maximum Buy-back Size. All the shares bought back have been extinguished.

The average price of the shares bought-back worked out to Rs.90.37 per share.

### Directorate

As per the provisions of the Companies Act 2013, Mr SM Trehan retires by rotation at the forthcoming Annual General Meeting; Mr SM Trehan has not offered himself for re-appointment. It is proposed not to appoint any director in place of Mr SM Trehan.

The Company has framed a policy for determining qualification, positive attributes and independence of Directors as per Section 149 (6) of the Companies Act, 2013 and the Company's Independent Directors, as indicated in the Corporate Governance Report, have affirmed compliance thereto. In terms of the provisions of Companies Act, 2013, all Independent Directors of the Company must be appointed in accordance with the new Act at a General Meeting of the Company within one year of the commencement of the Act.

Accordingly, Mr Shirish Apte, Mr Sanjay Labroo, Dr (Mrs) Colette Lewiner, Mr Suresh Prabhu, Ms Meher Pudumjee and Dr Valentin von Massow, Independent Directors, are recommended for confirmation of appointment as Independent Director for a period of five years as per the provisions of Companies Act, 2013.

The details of the Directors being recommended for 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

The R&D structure aligned to "global product lines" has created several innovative products this year. This year saw CG consolidating its R&D efforts by building a technology portfolio



Ministry of Electricity (MOE) in Iraq awarded a major contract for the turnkey construction of four HV GIS substations



along five select focus areas—energy efficiency, renewable energy, smart & intelligent products & systems, product range extension and technologies for new businesses.

The Company believes that brushless technology will replace the current induction motor technology in many applications. During FY2014, CG has replaced induction motors in the following applications—solar powered ceiling fans, dust proof bus fans, railway fans suitable for AC Electric Multiple Units, bilge pumps for battlefield applications and motors for heat exchangers.

Reduction in energy consumption is driving technology in lighting. In collaboration with Bridgelux, our technology partner for LED, CG has developed a whole range of LED based lighting fixtures for indoor and outdoor applications.

To address India's current scenario of power shortage, CG has developed distributed solar power generation solutions with highest conversion efficiency, suitable for domestic lighting and pumping for farmlands.

R&D has undertaken efforts to increase design capabilities enabling the business units to cater to wider markets. R&D has developed capability to develop switchgear to withstand seismic shocks of up to 5g. Motor designs have been enabled with algorithms to now predict stray loss and core loss. Industrial customers can now be given precise and instant drive solutions, thanks to the software developed in association with a leading Indian IT partner.

CG has developed technology capabilities to develop air core reactors, electronic online tap changer, smart analytical surveillance solutions, smart lighting management and high efficiency IE4 motors.

This year has also seen the addition of important infrastructure which has enhanced CG's R&D capability. CG has developed state of the art 1600 kV UHV Test lab at its Nashik premises. CG's commitment to greener products can be highlighted by its commitment to develop circuit breaking apparatus, free of green house gases. A new vacuum research lab has been established to support the initiative. In line with the regulated norm of low noise apparatus, a new Acoustic Lab for measuring noise and vibration has been commissioned in Kanjur Global R&D Centre.

CG was awarded the National Intellectual Property Award, 2014 in the category of 'Top Organisation in Designs'. The Award was

organised by the Indian Intellectual Property Office jointly with CII. CG was selected a winner in recognition of its overall design portfolio developed & commercialised over last five years, validating CG's strategic position on high-tech, energy efficient and reliable products.

### Subsidiary Companies

The Company has four Indian subsidiaries—CG Energy Management Limited (CGEM), CG-PPI Adhesive Products Limited (CGPPI), CG-ZIV Power Automation Solutions Limited (CG-ZIV) and CG Power Solutions Limited (CGPS) as on 31 March 2014.

In addition to the above, as on 31 March 2014, the Company had 34 foreign subsidiaries as under:

- Crompton Greaves Holdings Mauritius Limited
- CG International Holdings Singapore PTE. Limited
- CG International B.V.
- PT. CG Power Systems Indonesia
- CG Holdings Belgium N.V.
- CG Power Holdings Ireland Limited
- CG Power Systems Belgium N.V.
- CG Automation Systems UK Limited
- CG Power Systems Ireland Limited
- CG Sales Networks France SA
- Microsol Limited
- CG Service Systems France SAS
- CG Holdings Hungary Kft.
- CG Electric Systems Hungary Zrt.
- CG Power USA Inc.
- CG Power Systems Canada Inc.
- CG Power Solutions UK Limited
- CG Power Solutions Saudi Arabia Ltd
- CG Power Systems Brazil LTDA
- CG Power County LLC
- CG Drives & Automation Germany GmbH
- Emotron Latin America Inc.
- CG Industrial Holdings Sweden AB
- CG Drives & Automation Sweden AB
- CG Drives & Automation Netherlands B.V.
- ZIV I +D Smart Energy Networks
- ZIV Aplicaciones y Tecnologia S.L.
- ZIV Communications S.A.
- ZIV Metering Solutions S.L.
- ZIV USA Inc.
- ZIV Grid Automation S.L.
- ZIV do Brasil LTDA
- Crompton Greaves Sales Network Malaysia SDN.BHD.
- CG Middle East FZE

Pursuant to a general exemption granted by the Ministry of Corporate Affairs under Section

**During FY2014 water consumption by CG divisions has reduced by 13%, whilst the power consumption increased at a rate lesser than the operational growth of the Company**

TABLE 02

## Financial Highlights

Rs. crore for the Year Ended 31 March 2014 and 31 March 2013

PARTICULARS	CGIBV					
	CG STAND-ALONE		CONSOLIDATED* @		CG CONSOLIDATED**	
	2014	2013	2014	2013	2014	2013
A Gross Sales	7,913	7,571	6,143	5,097	13,907	12,533
B Less: Excise Duty	423	436	-	-	426	439
C Net Sales	7,490	7,135	6,143	5,097	13,481	12,094
D Less: Operating Expenses	6,824	6,540	6,145	5,324	12,799	11,711
E Operating Profit	666	595	(2)	(227)	682	383
F Add: Dividend and Other Income	114	53	83	39	172	76
G Profit before Interest, Depreciation, Amortisation and Taxes	780	648	81	(188)	854	459
H Less: Finance costs	(22)	(20)	115	90	97	71
I Profit before Depreciation, Amortisation and Taxes	802	668	(34)	(278)	757	388
J Less: Depreciation and Amortisation	89	72	166	125	262	203
K Profit before exceptional item and taxes	713	596	(200)	(403)	495	185
L Less: Exceptional Item	-	-	-	121	-	121
M Profit Before Tax	713	596	(200)	(524)	495	64
N Less: Provision for Current Year Tax	168	143	25	40	194	185
O Less: Provision for Deferred Tax	24	7	19	(90)	43	(84)
P Profit After Tax	521	446	(244)	(474)	258	(37)
Q Minority Interest	-	-	1	1	1	1
R Share of Profit / (loss) of Associate Companies (net)	-	-	(18)	(2)	(15)	0
S Profit available for distribution	521	446	(261)	(475)	244	(36)

\* Consolidated Accounts of CG International B.V. (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, Crompton Greaves Sales Network Malaysia SDN. BHD. and CGIBV Consolidated @ Figures have been regrouped for the purpose of consolidation.

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 34 foreign subsidiaries, for the year ended 31 March 2014. 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 Subsidiary Companies' section of the Annual Report.

### Branch Office in Poland

The Company has established a branch office in 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 Accountants of India, the financial statements of the Company reflect the consolidation of the Accounts of the Company, its 38 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 under the Companies Act, 1956, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is 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

TABLE 03

## Financial Highlights

Euro million for the Year Ended 31 March 2014 and 31 March 2013

PARTICULARS	CGIBV					
	CG STAND-ALONE		CONSOLIDATED* @		CG CONSOLIDATED**	
	2014	2013	2014	2013	2014	2013
A Gross Sales	977	1,080	759	727	1,718	1,788
B Less: Excise Duty	52	62	-	-	53	63
C Net Sales	925	1,018	759	727	1,665	1,725
D Less: Operating Expenses	843	933	759	759	1,581	1,670
E Operating Profit	82	85	(0)	(32)	84	55
F Add: Dividend and Other Income	14	7	10	6	21	10
G Profit before Interest, Depreciation, Amortisation and Taxes	96	92	10	(26)	105	65
H Less: Finance costs	(3)	(3)	14	13	12	10
I Profit before Depreciation, Amortisation and Taxes	99	95	(4)	(39)	93	55
J Less: Depreciation and Amortisation	11	10	21	18	32	29
K Profit before exceptional item and taxes	88	85	(25)	(57)	61	26
L Less: Exceptional Item	-	-	-	17	-	17
M Profit Before Tax	88	85	(25)	(74)	61	9
N Less: Provision for Current Year Tax	21	20	3	6	24	26
O Less: Provision for Deferred Tax	3	1	2	(13)	5	(12)
P Profit After Tax	64	64	(30)	(67)	32	(5)
Q Minority Interest	-	-	0	0	0	0
R Share of Profit / (loss) of Associate Companies (net)	-	-	(2)	0	(2)	0
S Profit available for distribution	64	64	(32)	(67)	30	(5)

\* Consolidated Accounts of CG International B.V. (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, Crompton Greaves Sales Network Malaysia SDN. BHD. and CGIBV Consolidated @ Figures have been regrouped for the purpose of consolidation. Note: Average exchange rate considered for 1 Euro in 2013-2014 is Rs.80.9367 and in 2012-2013 is Rs.70.1028

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 recommended by the Audit and Risk Committee to 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 141 (3) (g) of the Companies Act, 2013. The Notes on Financial Statements referred to in the Annual Report are self

explanatory and do not call for any further comments.

The Company had appointed Ashwin Solanki & Associates, Cost Accountants, to audit the cost accounts related to the Company's products for 2012-2013. The due date for filing the above cost audit reports was 27 September 2013; the actual date of filing was 23 September 2013.

Upon recommendation of the Audit and Risk Committee, the Board had appointed Ashwin Solanki & Associates as Cost Auditors, for the financial year 2014-2015. At the ensuing Annual General Meeting, their appointment and remuneration is proposed to be approved and ratified by the shareholders.

### Fixed Deposits

The Company has discontinued acceptance of fresh deposits and also renewal of existing deposits. During FY2014, an amount of Rs. 10,000 has been transferred to the Investor



TABLE 04

## Financial Highlights

US\$ million for the Year Ended 31 March 2014 and 31 March 2013

PARTICULARS	CG STAND-ALONE		CGIBV CONSOLIDATED* @		CG CONSOLIDATED**	
	2014	2013	2014	2013	2014	2013
<b>A</b> Gross Sales	1,311	1,391	1,018	936	2,304	2,303
<b>B</b> Less: Excise Duty	70	80	-	-	71	81
<b>C</b> Net Sales	1,241	1,311	1,018	936	2,233	2,222
<b>D</b> Less: Operating Expenses	1,131	1,202	1,018	978	2,120	2,152
<b>E</b> Operating Profit	110	109	(0)	(42)	113	70
<b>F</b> Add: Dividend and Other Income	19	10	13	7	28	14
<b>G</b> Profit before Interest, Depreciation, Amortisation and Taxes	129	119	13	(35)	141	84
<b>H</b> Less: Finance costs	(4)	(3)	19	16	16	13
<b>I</b> Profit before Depreciation, Amortisation and Taxes	133	122	(6)	(51)	125	71
<b>J</b> Less: Depreciation and Amortisation	15	13	27	23	43	37
<b>K</b> Profit before exceptional item and taxes	118	109	(33)	(74)	82	34
<b>L</b> Less: Exceptional Item	-	-	-	22	-	22
<b>M</b> Profit Before Tax	118	109	(33)	(96)	82	12
<b>N</b> Less: Provision for Current Year Tax	28	26	4	7	32	34
<b>O</b> Less: Provision for Deferred Tax	4	1	3	(16)	7	(15)
<b>P</b> Profit After Tax	86	82	(40)	(87)	43	(7)
<b>Q</b> Minority Interest	-	-	0	0	0	0
<b>R</b> Share of Profit / (loss) of Associate Companies (net)	-	-	(3)	0	(2)	0
<b>S</b> Profit available for distribution	86	82	(43)	(87)	41	(7)

\*Consolidated Accounts of CG International B.V. (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, Crompton Greaves Sales Network Malaysia SDN. BHD. and CGIBV Consolidated @ Figures have been regrouped for the purpose of consolidation.  
Note: Average exchange rate considered for 1 USD in 2013-2014 is Rs.60.3575 and in 2012-2013 is Rs.54.4316

Education Protection Fund, on completion of seven years. No amount of principal or interest was outstanding as at 31 March 2014.

For any queries regarding unclaimed fixed deposits transferred to the Investor Education Protection Fund, investors are requested to contact  
Mr Anant Naik  
Corporate Accounts  
Crompton Greaves Limited, Kanjur Marg (East)  
Mumbai 400 042  
Telephone 022-67558976  
Fax 022-67558991  
Queries may also be emailed to  
anant.naik@cgglobal.com

### Share Registrar and 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 and Safety

Environment, Health and Safety (EHS) targets assigned to each division to reduce resource consumption are regularly monitored through an EHS scorecard which is reviewed at monthly business review meetings. During FY2014 water consumption by CG divisions has reduced by 13%, whilst power consumption increased at a rate lesser than the operational growth of the Company. CG's continued

efforts and improved awareness for EHS has helped CG reduce the number of accidents significantly.

During the year, CG's EHS initiatives have been strengthened further due to formation of a core group for exchange of knowledge and standardizing of systems and procedures across all CG locations worldwide. This core group also assesses the Units on safety and environment protection improvement activities. Audits were conducted by this core group twice during the year. In addition, regular audits are conducted to ensure compliance with ISO9001, ISO14001 and ISO18001 standards by external certifying experts. Best EHS plants are recognised through EHS awards.

Training on safety awareness and sustainable growth take place on a regular basis at all plant locations.

## Green Initiatives

Electronic copies of the Annual Report and Notice of the 77th Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes. For members who have not registered their email addresses, physical copies of the Notice and Annual Report are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

## Complaints Relating to Sexual Harassment

In terms of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013, it is mandatory to review status of sexual harassment related complaints in the Annual Report. There were no incidents of sexual harassment reported in the Company. For protection against sexual harassment, CG has formed an internal complaints committee to which employees can write in their complaints. The Company has a Prevention of Sexual Harassment Policy which has formalised a free and fair enquiry process for dealing with such issues, with clear timelines.

## Acknowledgements

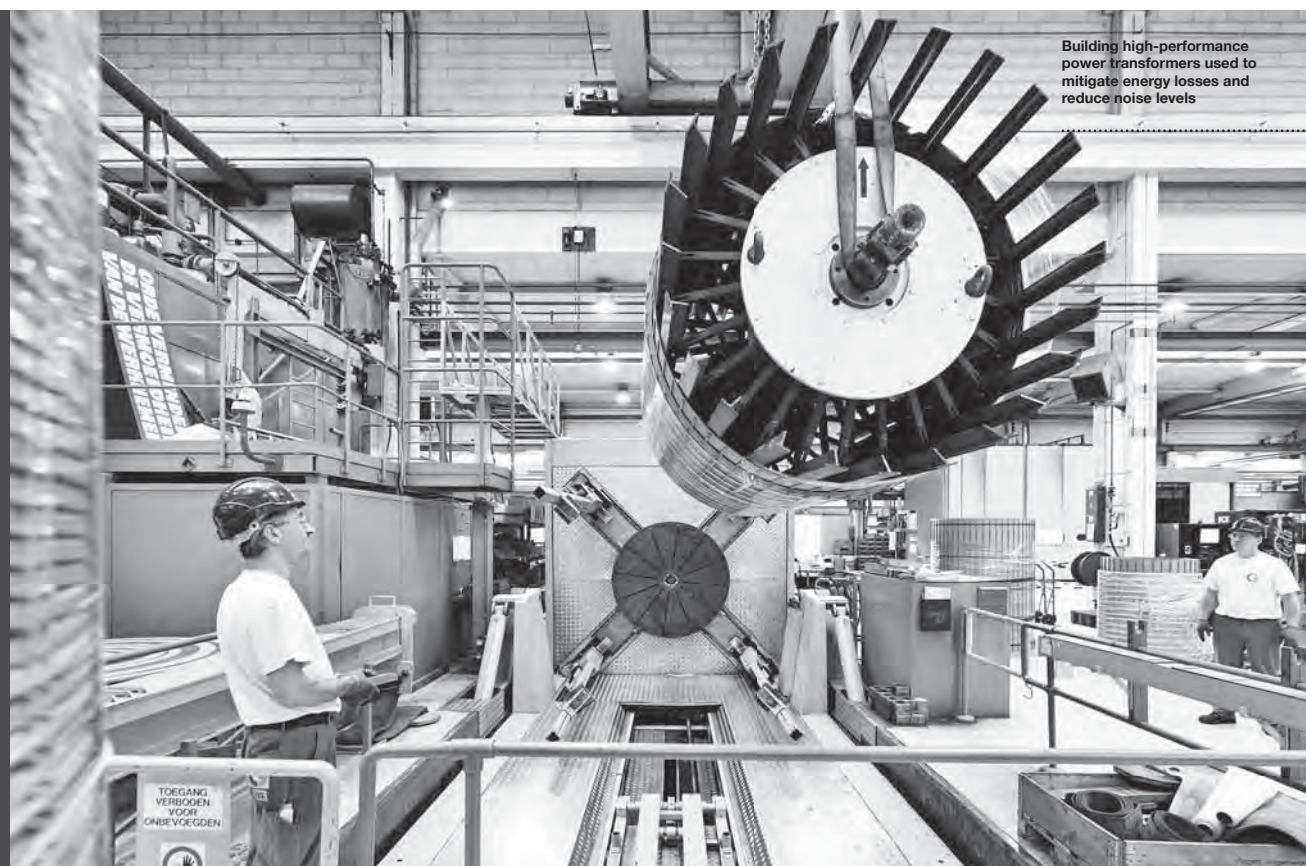
The Directors wish to convey their gratitude and appreciation to all of the Company's employees at all its locations worldwide for their tremendous personal efforts as well as their collective dedication and contribution to the Company's performance.

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, 29 May 2014



Building high-performance power transformers used to mitigate energy losses and reduce noise levels

# 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 equipment for saving of electricity.

The illustrative measures taken towards energy conservation at Units are :

- Installation of lighting energy saver for street lighting in factories
- Installation of LED tiles instead of CFLs or T5 tube lights
- Installation of force cooling system for autoclaves
- Controlling the firing angle of Silicon Carbide heaters
- Replacement of oven control panels with thyristor controlled panels for energy efficiency

### **(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 :

- Upgradation of pumping system to use higher efficiency energy saving vacuum pump
- Replacement of 400W HPMV Lamp with 250W MH Lamp, to enable power savings with same light output

- Reconditioning of calcination furnace to reduce heat losses from 110 Deg C to 60 Deg C
- Implementation of SCADA System for complete automation, monitoring and control of electricity substation in factories
- Use of solar system instead of diesel generator battery sets
- Installation of lighting energy savers and refrigeration system energy savers

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

Through efficient energy-saving systems and process optimisation, there will be reduction in energy consumption. However, this saving has a negligible impact on the cost of goods, as CG's manufacturing processes are not energy intensive.

## **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 continue to focus on enhancing energy efficiency of its products, developing technologies that offer smart & intelligent products, enhancing range of products to meet newer market and regulatory drivers and lastly, to develop products and technologies based on renewable energies.





The Zuidlob Substation, interconnects the 120 MVA onshore wind farm to the Dutch TenneT network

## 2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D

### New Product Commercialised

#### Power Systems

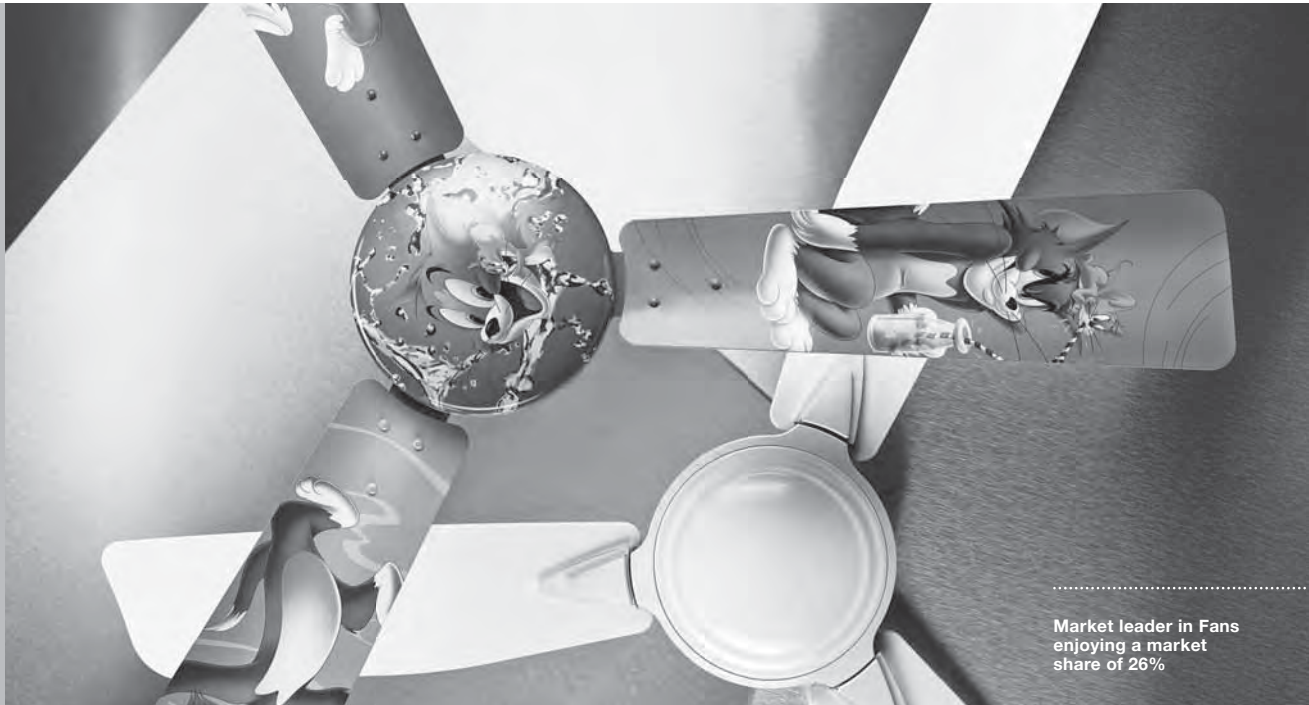
- “City” Transformer with a unique combination of low loss, low noise and usage of modern bio-degradable, fire resistant materials.
- Smart DT for Smart Grid: First 400kVA 10.6kV / 400V distribution transformer with an on-load tapchanger (OLTC) installed in Flemish grid
- Neutral point reactors: Two installations in MOE Iraq and Lanco were installed with innovative neutral point reactors. The 145kV reactor, has the highest rated voltage supplied by CG
- 8MVA transformer for Oil and Gas sector with stringent ATEX (Explosion proof) certification
- 245kV, 50kA, 50 / 60Hz, 4000A Arc Assist Live Tank SF6 Circuit Breaker with low operating energy mechanism
- 245 kV extra high voltage instrument transformers for extremely cold temperatures (-55 deg C)
- 36 kV to 170 kV Instrument transformers with Composite (Polymeric) Insulators
- Instrument transformers for -40°C and -55°C application
- 36 kV, 26.3 kA and 40 kA Compact series vacuum interrupters
- 36kV, 26.3kA, 2000A outdoor porcelain clad vacuum circuit breaker (PCVCB)
- 24kV, 25kA, 1600A Indoor floor rolling vacuum circuit breaker panel

- 145kV Banging type disconnecter which withstands short time current of 50kA

#### Industrial Systems

- 3000HP traction converter in collaboration with TrainElec Spain
- 180 kVA static converter
- IE2 motors range extended to 355 kW
- IE3 motors up to 22kW
- Aluminum extruded stator case motors developed for vegetable cooler application
- Point motor developed for use on point machine application for Railways
- IP20 / 21 LV AC drives range from 11kW to 160kW
- IP20 LV AC drives range from 0.75kW to 11kW
- IP20 LV softstarter range from 10A to 450A
- PC software for commission and monitoring drives (EmoSoftCom)
- PC harmonics calculation tool for prediction of total harmonic distortion of current in a plant using CG LV AC drives
- New flameproof motor development for Vapour Recovery System
- Range extension in HVAC application motors-10 Ratings in B42 / 48 Frame
- 40W BLDC motor for heat exchanger
- 107W 2 phase motor
- 340W motor for kitchen exhaust
- ‘Classik’ series of motor with the capability of sustaining harsh weather conditions due to its optimized cast iron frame
- “Sensor based BLDC motor” for low voltage DC pump applications

**CG has developed a state of the art 1600kV UHV test lab at it's Nashik premises**



Market leader in Fans  
enjoying a market  
share of 26%

- “eLite” series motors manufactured through an aluminum pressure die cast process

#### Consumer Products

##### Fans

- Radiant: an aerodynamically designed ceiling fan
- Valencia: an electroplated under light ceiling fan
- Triton: A fully electroplated ceiling fan with balanced blades
- Seagull: A ceiling fan inspired by nature
- Kids Fan: 3 blades ceiling fan for kids
- Stubby: a small ceiling fan. Available in 600mm and 750mm sweeps
- Oberon: An electroplated under light ceiling fan
- 12 / 24 / 48 volts DC ceiling fan

##### Lighting products

CG has entered into a collaboration with Bridgelux, a Solid State Lighting (SSL) pioneer for developing the Company’s LED lighting solutions. The agreement enables CG to deliver high performance, long-life and cost-effective SSL products to business, government and mass market consumers, replacing traditional and inefficient technologies. New street lighting solutions and High Bay luminaires have been developed in this year.

Other LED solutions developed this year :

- Tile lights for home lighting

- High Watt LED lighting solutions for external lighting
- Landscape lighting poles
- Downlighters for retail shops

##### Pumps developed

- Open well Eco series
- Open well 15hp to 30hp
- SS sewage submersible pump
- CG horizontal multistage booster pump
- Electronic GSM control panel
- Horizontal multistage pump
- MINI Strong, 6” stainless steel pump
- Stainless steel multi stage pump

##### Appliances

- Fully automatic mixer-grinder with preset menu
- 24VDC-1.8kW solar charger

##### New Processes Implemented / Processes Improved

- Merger of different design softwares and environments resulting in increased standardisation and automated designing
- Cold plate technology for cooling of power modules
- Cathodic electrodeposition technology for external finish
- Rotor balancing at rated speed to achieve vibration levels to IEC standards

- IE2 / IE3 stator casting and shaft machining process improvements to achieve stringent norms
- New paint system (C5-M) developed for coastal application requirements
- Painting process improvement with thorough surface preparation, followed by primer application with wet in wet top coat application
- Environment friendly foam (recyclable) packing
- Bondable wire implementation for M50 frame motors

### Technology Competency Achieved

Improved know-how of complex external cooling systems of power transformers and controlling losses in surrounding metal structure.

- Test-set up design and installation for 3000 HP Converter
- Harmonic control in power supplies used for Railway Signaling
- IE2 /IE3 motors slot geometry designs
- Low noise fan and fan cover designs
- Novel current limitation algorithm for maximizing the IGBT utilization in LV AC drives
- Permanent magnet synchronous motor support in VFX 2.0
- Progressive cavity pump control feature (Oil & Gas) for VFX 2.0
- BLDC motor technology for low speed application
- CG new insulation system for motors

### Intellectual Property

During FY2014, two patents have been granted. CG now has 37 active patents in its portfolio. During FY2014, CG has additionally filed 17 patent applications which are pending with the Patent Registrar.

During FY2014, 89 designs have been registered. CG now has 1093 designs registered in its portfolio. During FY2014, CG has filed 52 design applications.

### 3. THE COMPANY'S FUTURE PLAN OF ACTION IN RESPECT OF R&D

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 continue to 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

Efforts by the Company's in-house Research and Development team and networking with the various collaborators, have resulted in improved design, development and production of the Company's indigenous products and processes and related cost effectiveness.

This has led to increased competitiveness and acceptability in markets, both in India and abroad.

##### 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, 29 May 2014

TABLE 05

### Expenditure On R&D

Rs. crore for the Year Ended 31 March 2014

STAND-ALONE	
Capital	34.19
Revenue	52.26
Total (A + B)	86.45
Total R & D expenditure :	
as a percentage of net turnover	1.15%
as a percentage of profit before tax	12.13%

TABLE 06

### Foreign Exchange Earned and Used

Rs. crore

TOTAL	
Total Foreign Exchange Earned	990.76
Total Foreign Exchange Used	912.90



# CORPORATE GOVERNANCE

## **The Company's (CG's) Philosophy on Corporate Governance**

As a fiduciary of CG stakeholders' interests, by establishing appropriate corporate governance mechanism for the Company, the Board along with its Committees, endeavours to strike the right balance of interest amongst various stakeholders of the Company.

**O**ffering superior and energy efficient products, solutions and services that help customers reduce energy costs and preserve the environment, is a reflection of CG's continued commitment towards creating both social and economic value. Over the last two years, CG has transformed its customer delivery model to be closer to customer needs, serving its products and solutions through its Regional channels, with a turnkey, solution oriented, mind-set. CG has recently introduced a key account management approach which will further strengthen CG's interactions and relationships with its customers.

Renewable energy based, reliable, safe and energy efficient products are the epicenter of CG's R&D efforts. Product teams across the world are taking the challenge to deliver these technologies in a cost effective manner to CG's customer community and the society at large.

The Company follows a balanced scorecard approach where business enablers such as EHS systems are as relevant as wealth creation processes. CG's EHS management systems are maturing. EHS targets assigned to each division to reduce resource consumption are regularly monitored through an EHS scorecard which is reviewed at monthly business review meetings.

Overall, the Company understands the rights and needs of its stakeholders and provides regular and detailed information concerning the

Company's business and financial performance to its stakeholders. The Company interacts with its stakeholders on a regular basis, be it through analyst calls and meets for investors, customer visits, conferences, exhibitions or regular employee interactions at Units. Through this it identifies the needs and concerns of its stakeholders. Information dissemination to the Company's stakeholders goes beyond the strict requirements of the law and strikes a balance between the information need of stakeholders and business confidentiality expectations.

The Global Authority-Responsibility Matrix-CG Global Rules of Procedure for Management entrenched into operations of the Company, worldwide, continues to act as a control for a clear line of responsibility and decision making within the Company. The robust implementation of the same has enabled CG maintain flexibility of operations whilst promoting management 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.

**The Board reviews compliance  
processes every quarter,  
internal control systems  
and material occurrences  
in areas of EHS**



Precision matters at the state-of-the-art Switchgear facility at Nashik, India

TABLE 01

## Composition of the Board

As on 29 May 2014

NAME	PARTICULARS	OTHER BOARD REPRESENTATIONS		
		DIRECTORSHIPS(a)	COMMITTEE MEMBERSHIPS(b)	COMMITTEE CHAIRMANSHIPS(b)
Mr Gautam Thapar	Non-Executive; Chairman; Promoter	11	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	11	7	2
Mr B Hariharan	Non-Executive	14	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	2	0	0
Ms Meher Pudumjee	Non-Executive; Independent	8	1	1
Dr Valentin von Massow	Non-Executive; Independent	1	0	0

Notes : (a) Includes only Indian companies, but excludes alternate directorships.  
(b) Of only Audit Committees and Shareholders Grievances Committees of public limited companies.

**CG follows balance scorecard approach. EHS systems are as important as wealth creation.**

### 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.

Six other Non-Executive Directors— Mr Shirish Apte, Mr Sanjay Labroo, Dr (Mrs) Colette Lewiner, Mr Suresh Prabhu, Ms Meher Pudumjee and Dr Valentin von Massow are independent in terms of Clause 49 of the Listing Agreement and Companies Act 2013. Two other Directors— Mr B Hariharan and Dr Omkar Goswami are Non-Executive Directors.

Thus, as at 29 May 2014, the Board of Crompton Greaves comprises of one Executive Director and ten Non-Executive Directors, of whom six are Independent Directors. Table 1 gives the composition of the Board, and the number of outside Directorships held by each. None of the Directors are related to each other.

### Board Meetings

There were seven Board Meetings held during FY2014 : on 18-19 April 2013, 23-24 May 2013, 28 June 2013, 5-6 August 2013, 7-8 November 2013, 28-29 January 2014 and

3-4 March 2014. The Company's last Annual General Meeting was held on 6 August 2013. Table 2 gives the attendance record of the Directors. Meetings of the Board are pre-scheduled. Board meetings are convened by giving appropriate notice to the directors. Though the meetings are usually held at the Company's Registered Office, Board meetings are regularly held at a plant location, which gives an opportunity to the Board to interact with CG's workforce and other stakeholders.

The Board critically evaluates the Company's strategic direction, risks and opportunities, key projects in M&A and greenfield & brownfield ventures, investments, financial performance, management policies and their effectiveness. The Board has dedicated meetings for review of annual strategic and operating plans, capital allocation and annual budgets of businesses.

Additionally, the Board reviews the compliance processes every quarter, internal control systems and material occurrences in the areas of EHS, financial liabilities, regulatory claims and developments in human resources.

### Directors' Compensation CEO & Managing Director's Compensation

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





Efficient, reliable and user-friendly  
'compressing solutions' for the  
Process Industry

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 Nomination and Remuneration Committee of the Board to revise the remuneration package upto a

ceiling of 5% of the Company's net profits, as permitted by the Companies Act, 1956.

A service contract exists with Mr L Demortier which contains his terms and conditions of service, including remuneration, notice period, severance compensation, etc, as approved by the Nomination and Remuneration Committee and the Board of Directors, from time to

**Deployed a new methodology for review and monitoring of complex and high value contracts in Systems business in EMEA**

**TABLE 02**

### Attendance Record of the Directors

For the Financial Year 2014

NAME	ATTENDANCE	ATTENDANCE
	BOARD MEETINGS	LAST AGM
Mr Gautam Thapar	7	Yes
Mr Sudhir Trehan	5	Yes
Mr Laurent Demortier	7	Yes
Mr Shirish Apte	7	Yes
Dr Omkar Goswami	7	Yes
Mr B Hariharan	7	Yes
Mr Sanjay Labroo	7	No
Dr (Mrs) Colette Lewiner	6	No
Mr Suresh Prabhu	5	Yes
Ms Meher Pudumjee	6	Yes
Dr Valentin von Massow	6	No

**CG has transformed its customer delivery model to be closer to consumer needs by serving its products and solutions through Regional channels**

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, as permitted by the Companies Act, 1956. The Board has formulated Guidelines for apportionment of commission amongst the Non-Executive Directors, which provides for a minimum fixed payment for participation at Board Meetings and Committee Meetings and also a variable component for contributions as Chairman of Board Committees, greater involvement with the Company's initiatives and strategic direction, and for roles as nominee directors on the Board / Committees of joint ventures, subsidiaries and associate companies, based on their attendance. Based on these Guidelines, the commission payable to Mr G Thapar is higher than the other Non-Executive Directors. The compensation of all Directors is given in Table 3. The Company does not have any stock option plans or schemes.

### **Directors' Shareholding**

As on 31 March 2014, 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 FY2014. 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 Committee**

As on the date of this Report, the Audit and Risk Committee is comprised of four Non-Executive

Directors, of whom three are Independent. The composition is as under :

- Mr Shirish Apte (Independent Director)\*
- Dr Omkar Goswami (Chairman, Non-Executive Director)\*\*
- Mr Sanjay Labroo (Independent Director)
- Mr Suresh Prabhu (Independent Director)
- Mr Gautam Thapar (Non-Executive Director)\*\*\*

\* Mr S Apte was appointed as a Member of the Audit and Risk Committee with effect from 1 February 2014, and Chairman of the Committee with effect from 1 April 2014.

\*\*Dr O Goswami was Chairman of the Committee, as well as Independent Director of the Company upto 31 March 2014.

\*\*\* Mr G Thapar resigned as a Member of the Committee with effect from 1 February 2014.

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 and Risk Committee focused on a carefully chosen review plan addressing internal control processes in business areas which are the pillars of CG strategy of manufacturing in cost effective locations and delivering through a customer centric Regional model. A new methodology for review and monitoring of highly complex, high value contracts in Systems business in EMEA has been deployed, embedding mandatory joint review of legal and finance, weekly contract review meetings and an appropriate escalation mechanism for approval. The business has been empowered with state-of-the-art project management tools. Process improvements for operational excellence and quality enhancement at CG's

TABLE 03

## Compensation of the Board

For the Financial Year 2014 (In Rs.)

NAME	SALARY	PERQUISITES, ALLOWANCES, REIMBURSEMENTS	COMMISSION	RETIREMENT BENEFITS	OTHERS	SITTING FEES	TOTAL
Mr Gautam Thapar			5,21,16,000			2,80,000	5,23,96,000
Mr Sudhir Trehan			7,15,000			1,00,000	8,15,000
Mr Laurent Demortier	1,20,00,000	4,58,65,178	2,78,69,569	14,40,000	7,00,000	0	8,78,74,747
Mr Shirish Apte			29,74,000			1,40,000	31,14,000
Dr Omkar Goswami			35,93,000			2,40,000	38,33,000
Mr B Hariharan			19,93,000			1,40,000	21,33,000
Mr Sanjay Labroo			13,00,000			2,60,000	15,60,000
Dr (Mrs) Colette Lewiner			41,35,000			1,20,000	42,55,000
Mr Suresh Prabhu			8,65,000			1,40,000	10,05,000
Ms Meher Pudumjee			8,58,000			1,20,000	9,78,000
Dr Valentin von Massow			53,35,000			1,20,000	54,55,000

largest footprint in EMEA—the Hungarian & Belgian transformer plants were reviewed regularly. Tighter internal norms for receivable collection, procurement and inventory management were introduced for a self-sustaining cash flow generation by businesses outside India.

During FY2014, the audits by Global Internal Audit team focused on sales, revenue recognition, receivables management, materials and operational audits; systems audit of ERP, HR4U and other systems, as well as, audit of internal decision making process embedded in the CG Global Rules of Procedure for Management. Audit of the respective Units was planned considering input from the Risk Control Framework, as well as significance of the business size from the operations perspective.

The audit plan is approved by the Audit and Risk Committee which regularly reviews the compliance to the plan.

The Global Internal Audit Team also monitored the effectiveness of the internal controls with an objective to provide to the Audit and Risk Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes. The Team also assessed opportunities for improvement in business processes, systems and controls; provided recommendations designed to add value

to the organisation and followed up on the implementation of corrective actions and improvements in business processes.

The Company has a comprehensive Avantha Risk Management Policy, which enables risk assessment and suggests the mitigation procedure to the Board, to ensure that management controls the risks through a properly defined framework. The Audit and Risk Committee reviews the adequacy of the risk management framework of the Company, the key risks associated with the businesses of the Company and the measures and steps in place to mitigate the same, from time to time. During FY2014, four Audit and Risk Committee Meetings were held : on 23 May 2013, 5 August 2013, 7 November 2013 and 28 January 2014. The attendance record is given in Table 4.

### Nomination and Remuneration Committee

As on the date of this Report, the Nomination and Remuneration Committee of the Company comprised of the following three Non-Executive Directors, of which two, including the Chairman, were independent.

- Mr Sanjay Labroo (Chairman, Independent Director)
- Dr Omkar Goswami (Non-Executive Director)\*
- Mr Gautam Thapar (Non-Executive Director)



- Dr (Mrs) Colette Lewiner (Independent Director)\*\*

\* Dr O Goswami resigned as a Member of the Committee with effect from 29 January 2014.

\*\* Dr (Mrs) C Lewiner was appointed as a Member of the Committee with effect from 29 January 2014. During FY2014 two Nomination and Remuneration Committee Meetings were held : on 29 July 2013 and 7 January 2014. The attendance record is given in Table 5.

In terms of the requirements of the Companies Act 2013, and Clause 49 of the Listing Agreement, the erstwhile Remuneration Committee was rechristened as “Nomination and Remuneration Committee” on 29 January 2014 and its terms of reference was enlarged to cover appointment of Directors and Senior Management (employees in Core Management Team-one level below CEO); reviewing, discussing and providing guidance to the management on the KRAs for members of the Core Management Team; reviewing the outcome of evaluation processes and resulting compensation to CEO & MD and Senior Management; formulation of a performance evaluation methodology for evaluation of the Board, its committees and individual directors and examining all major aspects of the Company’s HR Processes related to hiring, training, performance evaluation, deployment & motivation, management development, talent management, succession planning, internal communication, culture building and compensation structure of the Company’s employees.

### Corporate Social Responsibility (CSR) Committee

In terms of the requirements of the Companies Act 2013, a Corporate Social Responsibility Committee of the Company was constituted on 29 January 2014, which comprised of the following Directors :

- Ms Meher Pudumjee (Chairperson, Independent Director)
- Mr Shirish Apte (Independent Director)
- Dr Valentin von Massow (Independent Director)
- Mr Gautam Thapar (Non-Executive Director)

The Committee is responsible for oversight on CSR activities of the Company as well as

**TABLE 04**

### Audit and Risk Committee Meetings

For the Financial Year 2014

DIRECTOR	STATUS	MEETINGS ATTENDED
Mr Shirish Apte*	Chairman (from 1 April 2014), Independent Director	0
Dr Omkar Goswami	Chairman (upto 31 March 2014), Non-Executive Director	4
Mr Sanjay Labroo	Member, Independent Director	4
Mr Suresh Prabhu	Member, Independent Director	2
Mr Gautam Thapar**	Member, Non-Executive Director	4

\* Mr Shirish Apte was appointed as a Member of the Committee with effect from 1 February 2014; no meetings of the Committee were conducted after his appointment.  
\*\* Mr Gautam Thapar resigned as a Member of the Committee with effect from 1 February 2014.

**TABLE 05**

### Nomination and Remuneration Committee Meetings

For the Financial Year 2014

DIRECTOR	STATUS	MEETINGS HELD	MEETINGS ATTENDED
Mr Sanjay Labroo	Chairman, Independent Director	2	2
Dr Omkar Goswami	Member, Non-Executive Director	2	1
Mr Gautam Thapar	Member, Non-Executive Director	2	2
Dr (Mrs) Colette Lewiner*	Member, Independent Director	0	0

\*Dr (Mrs) Colette Lewiner was appointed as a Member of the Committee with effect from 29 January 2014.

formulating and recommending to the Board, a Corporate Social Responsibility Policy of the Company. The Committee will recommend the goals, initiatives and practices to the Board, in effectively carrying out Company’s duty as a corporate citizen. The Committee will determine the annual plan, monitor projects and activities of the Company in accordance with the Corporate Social Responsibility Policy of the Company from time to time.

The Committee had no meetings during FY2014, but is working closely with the CSR team at CG and Avantha to formalize a policy on CSR and the annual plan for FY2015.

### Stakeholders Relationship Committee

The Company has a Stakeholders Relationship 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.

### 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

As per the provisions of the Companies Act, 2013, Mr Sudhir Trehan retires by rotation at the forthcoming Annual General Meeting. Mr Trehan has not offered himself for re-appointment. It is proposed not to appoint any director in place of Mr SM Trehan.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all Independent Directors of the Company must be appointed in accordance with the new Act at a General Meeting of the Company within one year of the commencement of the Act.

Accordingly, Mr Shirish Apte, Mr Sanjay Labroo, Dr (Mrs) Colette Lewiner, Mr Suresh Prabhu, Ms Meher Pudumjee and Dr Valentin von Massow, Independent Directors are recommended for confirmation of appointment as Independent Directors by shareholders at the forthcoming Annual General Meeting, as per the provisions of the Companies Act, 2013.

**Mr S 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. He has more than 30 years' experience with Citigroup. He joined Citi in India and held various assignments in Corporate Banking,

Risk Management, Corporate Finance and Investment Banking, before being appointed Markets and Banking Head for Citibank, India in 1992.

Mr Apte moved to London in 1993 as Senior Risk Manager for Citigroup Central and Eastern Europe, Middle East and Africa (CEEMEA) region, and in 1995 became Corporate Finance Head for CEEMEA including India. In 1997, he was appointed President and Country Manager for Citibank, Poland.

Mr Apte was responsible for Citibank's acquisition of Bank Handlowy in the year 2000, following which he was appointed Deputy President and Chief Operating Officer for Citibank Handlowy. During 2000 to 2003, he also led the merger and integration of Citibank Poland and Bank Handlowy.

Between 2003 and 2009, Mr Apte was CEO for CEEMEA Region, before becoming CEO for Asia Pacific in 2009. He was a member of Citigroup's Executive and Operating Committees. In 2012 and 2013, Mr Apte was Chairman of Citi Asia Pacific Banking until he retired from Citi in early 2014. He was also a member of the Citigroup's Business Development Committee and its Senior Advisory Group. He was also Citibank's Senior Statesman at the London Business School.

### FOREIGN DIRECTORSHIPS

- Bank Handlowy
- Citibank Japan Ltd
- Institute of Banking & Finance, Singapore
- CG Holdings Belgium N.V.

### COMMITTEE POSITIONS

- Bank Handlowy (1)
- Citibank Japan (1)

Mr Apte is also Chairman of CG's Audit and Risk Committee, and Member of Corporate Social Responsibility Committee.

He does not hold any shares in the Company either in his individual capacity, or beneficially for others and is not related to any Director of the company.

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

Mr Labroo is also closely associated with various Trade Organisations and Chambers of Commerce; Mr Labroo is currently a Chairman

of the OEM Committee of the Automotive Components Manufacturers' Association of India and the Chairman of the Architectural Glass Panel of All India Glass Manufacturers' Federation, Member of the Managing Committee of Indian Glass Manufacturers' Association. Mr Labroo was on the Board of the Reserve Bank of India for 2007-2011.

### INDIAN DIRECTORSHIPS

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

### COMMITTEE POSITIONS

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

Mr Labroo is an Independent Director on the Board. He is a Member of the Audit and Risk Committee and also Chairman of the Nomination and Remuneration Committee. He is not related to 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.

**Dr C 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, 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 Member of the French Academy of Technology and of French Strategic Committee for Research.

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

#### FOREIGN DIRECTORSHIPS

- Bouygues
- Colas
- Eurotunnel
- EDF
- Nexans
- TGS-Nopec ASA
- TDF
- Cowin
- Renifort
- Carwin
- Rejale

Dr Lewiner is also a member of the Nomination and Remuneration Committee of the Company.

Dr Lewiner does not hold any shares in the Company either in her individual capacity or beneficially for others and is not related to any Director of the Company.

**Mr S Prabhu** 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, International summits and Parliamentary forums, 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. He 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.

#### INDIAN DIRECTORSHIPS

- United Phosphorous Ltd
- ICAI Accounting Research Foundation
- Climate Change Association India
- Shakti Sustainable Energy Foundation

He is also a Member of the Audit and Risk Committee of the Company. Mr Prabhu does not hold any shares in the Company either in his individual capacity or beneficially for others and is not related to any Director of the Company.

**Ms M Pudumjee** is a postgraduate in Chemical Engineering from the Imperial College of Science & Technology, London. Ms Pudumjee joined Thermax Limited as a trainee engineer in August 1990 and later on worked closely with the treasury and working capital management functions of Thermax, as also in the Environment Divisions of Thermax.

In 2001, she joined the Thermax Board and played an active role in the turnaround of Thermax, along with the Board and senior management of Thermax.

She took over as Chairperson of Thermax Limited, effective 5 October 2004.

Ms Pudumjee is involved with several NGOs like Teach For India, Akanksha and Shakti Sustainable Energy Foundation.

#### INDIAN DIRECTORSHIPS

- Thermax Ltd
- Imperial College India Foundation
- Thermax Babcock & Wilcox Energy Solutions Pvt Ltd
- RDA Holdings Pvt Ltd
- Thermax Social Initiative Foundation
- Shakti Sustainable Energy Foundation
- KRA Holdings Pvt Ltd
- Shuffle Realtors Pvt Ltd
- ARA Trusteeship Company Pvt Ltd

#### FOREIGN DIRECTORSHIPS

- Thermax International Ltd, Mauritius

#### COMMITTEE POSITIONS

- Thermax Limited (1)

Ms Pudumjee is also the Chairperson of the Corporate Social Responsibility Committee of the Company. Ms Pudumjee does not hold any shares in the Company either in her individual capacity or beneficially for others and is not related to any Director of the Company.

**Dr V von Massow** received his PhD in Agricultural Economics from Georgia Augusta

University, Göttingen (Germany) in 1983. After initial work experience in Africa, he worked for 20 years as a Management Consultant with The Boston Consulting Group (BCG) in Europe, US and India; in 1993 he was promoted as Vice President and Director of BCG Inc. During his tenure with BCG he held a number of senior positions, including that of Managing Director for BCG, India. He brings with him a rich global experience of business models, governance, strategy and operations.

Since 2006, Dr von Massow works as an Independent Non-Executive Director, based in London. His board mandates include companies and organizations in the (renewable) energy, environment and agriculture sectors in India, Germany and UK.

#### INDIAN DIRECTORSHIPS

- Thermax Ltd

#### FOREIGN DIRECTORSHIPS

- Ritterschaftliches Kreditinstitut Stade(RKI) Germany
- Worldwide Fund for Nature WWF-UK (Trustee)
- Adas Group, United Kingdom
- CG Holdings Belgium N.V.

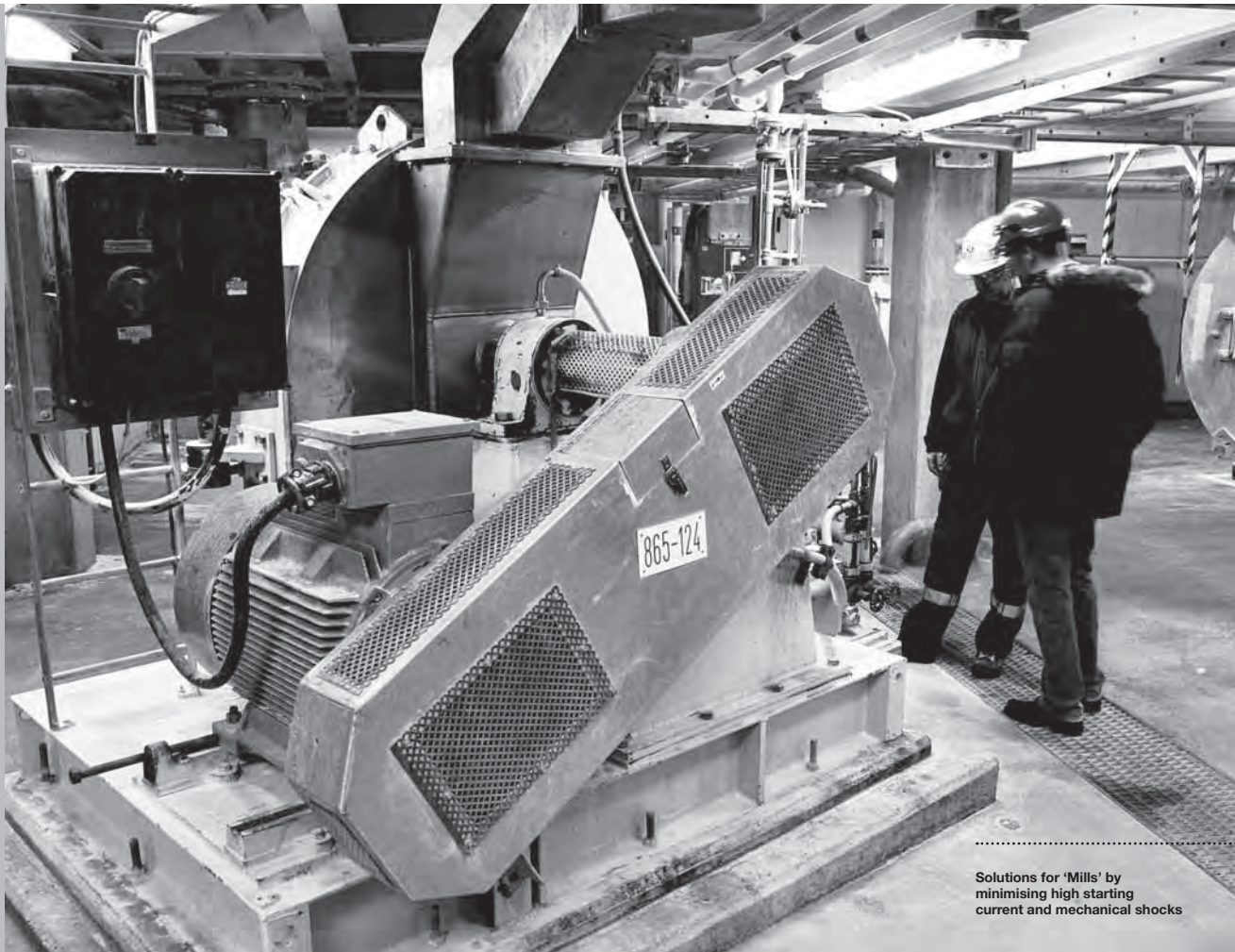
Dr von Massow is also a Member of the Corporate Social Responsibility Committee of the Company; he chairs the CG Holdings Belgium Board which oversees the Company's activities outside India.

Dr von Massow holds 2,687 Global Depository Receipts in the Company. Dr von Massow does not hold any shares in the Company either in his individual capacity or beneficially for others and is not related to any Director of the Company.

#### 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 statement of profit and loss are also provided in USD and Euro in the Annual Report to give shareholders a better perspective of the Company's





Solutions for 'Mills' by minimising high starting current and mechanical shocks

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 Companies Act 2013 has permitted companies to provide its shareholders documents, including the Annual Report, by electronic mode. In support of MCA’s endeavours in this direction, the Company sends its Annual Report as well as other shareholder correspondence by e-mail to e-addresses registered with the Company / Depository Participant(s) for communication purposes. 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. Copies of the results are emailed to shareholders whose email addresses are available with the Company or Depository Participant(s) for communication purposes.

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. The “Information to Investor” section of the CG website provides “live” share prices of CG, as





Building dynamic businesses with experts around the world—the Power Transformer factory at Belgium

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 for use by retail investors and researchers.

CG's Investor Query System, a web based system continues to support the shareholders in sending queries relating to any processing activity concerning their shareholding in CG.

### **Information on General Body Meetings**

The details of the last three Annual General Meetings are indicated in Table 6. Given below are the Special Resolutions that were approved by shareholders at the last three Annual General Meetings held on :

#### **19 JULY 2011**

Special Resolution was passed for appointment of Mr S Goswami to hold an office or 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.

#### **6 AUGUST 2013**

No Special Resolution was passed at the 76th Annual General Meeting held on 6 August 2013. No Special Resolution was passed by way of Postal Ballot in the last year.

### **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

**TABLE 06**

## Annual General Meetings

Particulars

FINANCIAL YEAR	LOCATION	DATE	TIME
2010-2011	Ravindra Natya Mandir, Mumbai 400 025	19 July 2011	3.30 p.m.
2011-2012	Swatantryaveer Savarkar Rashtriya Smarak, Mumbai 400 028	3 August 2012	3.00 p.m.
2012-2013	Swatantryaveer Savarkar Rashtriya Smarak, Mumbai 400 028	6 August 2013	3.00 p.m.

the Company by any Regulatory Authorities for non-compliance on any matter related to capital markets, during the last three years.

### Stakeholders Relationship Committee

To meet the requirements of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Shareholders' / Investors' Grievance Committee was renamed as Stakeholders Relationship Committee and its terms of reference aligned to the requirements of the Companies Act 2013.

The Committee comprises of the following Directors :

- Mr Gautam Thapar (Chairman, Non-Executive Director)
- Mr Laurent Demortier (Executive Director)

During FY2014, the Stakeholders Relationship Committee met on 29 January 2014 at which meeting all Members were present.

The Committee reviews the redressal of grievances of security holders of the Company, including investors' complaints related to transfers and transmissions, annual reports, dividends and other share related matters; the periodicity and effectiveness of the share transfer process, regulatory certifications, depository related issues and activities of the Registrar and Transfer Agent. In addition to a 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 enjoys an extremely high level of investor satisfaction, which is reflected in the very insignificant number of investor complaints.

The Company received four shareholders' complaints during the financial year under review, which were of a routine nature and were satisfactorily resolved. There are no

outstanding complaints or shares pending transfer as on 31 March 2014.

### 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 FY2014, 6 shareholders have claimed 8,179 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 Boards of subsidiaries were strengthened with Legal and Finance teams at each location participating in the subsidiary governance review process. 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 financial concerns, 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 FY2014, 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 FY2014, 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 FY2014.

# ADDITIONAL SHAREHOLDER INFORMATION

## Annual General Meeting

**Date**  
**Tuesday, 5 August 2014**

**Time**  
**3.00 p.m**

**Venue**  
**Swatantryaveer Savarkar  
Rashtriya Smarak**

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

## Financial Calendar

**First Quarter Results**  
**End July / 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**

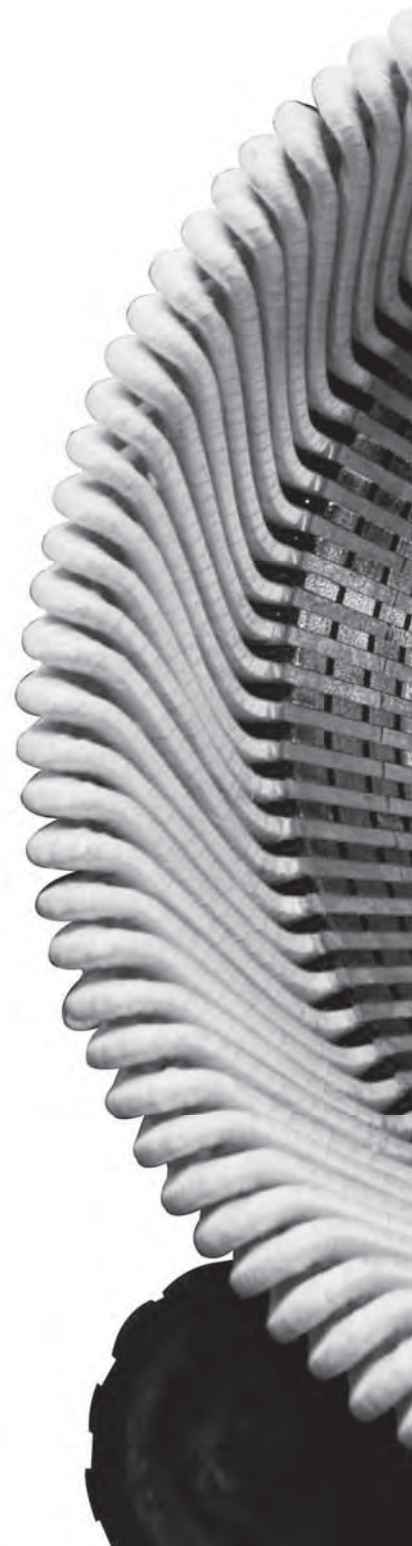
**Dates of Book Closure**  
**1 August 2014 to 5 August 2014**

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 1 August 2014 to Tuesday, 5 August 2014, both days inclusive.

## Unclaimed Dividends

Dividends pertaining to the financial years 2007-2008 to 2013-2014, 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 :

<b>Date of Declaration of Dividend</b>	<b>Due Date for Transfer to the Investor Education and Protection Fund</b>
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
6 August 2013	5 September 2020
8 November 2013	7 December 2020
29 January 2014	28 February 2021





**Audit and Risk Committee  
focused on a carefully chosen  
review plan addressing  
internal control processes**



Stator coil mounting process on  
a Rotating Machine



## Registrar and Agents

### For Shares

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

### Datamatics Financial Services Ltd

Unit Crompton Greaves Limited

Plot No B-5, Part B Crosslane

MIDC Marol Andheri (East) Mumbai 400 093

Tel + 91 (0) 22 66712151 to 66712160

Fax + 91 (0) 22 6671 2230

Email [cginvestors@dfssl.com](mailto:cginvestors@dfssl.com)

### For Fixed Deposits

The Company has discontinued acceptance of fresh deposits and also renewal of existing deposits. For any queries regarding unclaimed fixed deposits transferred to the Investor Education Protection Fund, investors are requested to contact :

Mr Anant Naik

Corporate Accounts

Crompton Greaves Limited

Kanjur Marg (East)

Mumbai 400 042

Tel + 91 (0) 22 67558976

Fax + 91 (0) 22 67558991

Email [anant.naik@cgglobal.com](mailto:anant.naik@cgglobal.com)

### 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 15 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 FY2014, 21 approvals were obtained. The total number of shares in physical form transferred during the year under review was 32,355 shares.

### Dematerialisation of Shares

As on 31 March 2014, 99.03% of the total shares of the Company were dematerialised, compared with 98.99% 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,

## Market Price Data

The Stock Exchange, Mumbai

1ST TRADING DAY OF THE MONTH				
MONTH	HIGHEST OF THE MONTH (RS.)	LOWEST OF THE MONTH (RS.)	CLOSING (RS.)	SENSEX
April 2013	98.60	87.25	93.85	18890.81
May 2013	110.20	91.00	93.20	19459.33
June 2013	95.90	71.70	91.95	19859.22
July 2013	95.65	81.60	89.75	19352.48
August 2013	91.30	75.25	83.10	19443.29
September 2013	99.05	80.10	87.00	18691.83
October 2013	106.80	85.65	87.35	19452.05
November 2013	126.90	99.75	109.70	21158.81
December 2013	136.80	121.20	123.60	20771.27
January 2014	133.15	101.65	129.75	21222.19
February 2014	129.10	109.95	112.10	20479.03
March 2014	164.60	126.05	127.20	21079.27
			Share Price	Sensex
As on 31 March 2014			159.70	22386.27

the Depository. Each GDR of the Company is equivalent to five shares. As on 31 March 2014, 276,707 GDRs were outstanding, which represented 13,83,534 underlying equity shares.

### Stock Codes

BSE, Mumbai

500093

National Stock Exchange  
CROMPGREAV

GDR

5090318

ISIN

INE067A01029 (NSDL & CDSL)

Corporate Identification Number  
L99999MH1937PLC002641

### Listing Details

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

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 Limited.

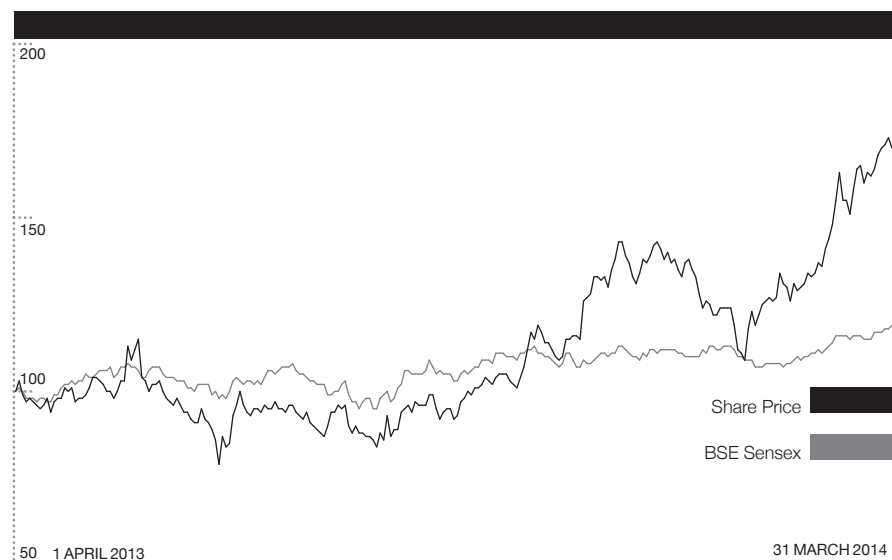
Contact Person:

Mr Shirish Athalekar

Deputy Manager-Corporate Secretarial

## Share performance vs BSE Sensex

Crompton Greaves Share Price and BSE Sensex = 100 on 1 April 2013



## Distribution Of Shareholding

As on 31 March 2014

NO OF SHARES	NO OF SHAREHOLDERS	% OF SHAREHOLDERS
Upto 500	1,00,078	86.10
501-1000	6,657	5.73
1001-2000	4,282	3.68
2001-3000	1,597	1.37
3001-4000	918	0.79
4001-5000	511	0.44
5001-10000	1,152	0.99
10001 and above	1,039	0.90
	<b>1,16,234</b>	<b>100</b>

## Categories of Shareholders

As on 31 March 2014

CATEGORY	NO OF SHARES OF RS. 2/- EACH	% OF SHAREHOLDERS
Promoters	26,74,51,070	42.67
Indian Institutional Investors	4,70,69,033	7.51
Bodies Corporate	3,25,84,631	5.20
Foreign Institutional Investors	12,10,94,708	19.32
NRIs, OCBs, GDRs	90,41,191	1.44
Mutual Funds	9,79,67,727	15.63
General Public	5,15,37,125	8.23
Directors	657	0.00
	<b>62,67,46,142</b>	<b>100</b>

**Time** 2.00 pm to 5.00 pm (Mondays to Fridays)

**Tel** + 91 (0) 22 24237805

**Fax** + 91 (0) 22 24237545

**Email** shirish.athalekar@cgglobal.com

## Non-Mandatory Requirements

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

### Chairman's and Vice-Chairman's Office

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

### Remuneration Committee

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

### Financial Results

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

### 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, 29 May 2014

## **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 2014, 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, 29 May 2014

## **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 2014, 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

**M Phadke**  
**PARTNER**  
Membership No 033013  
Mumbai, 29 May 2014



## **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 2013 to March 2014. 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, 29 May 2014

# 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, 2014, 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 read with the General Circular No.15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs with respect to Section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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, 2014;
- (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 Clauses 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 read with the General Circular No.15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs with respect to Section 133 of the Companies Act, 2013; and
  - (e) on the basis of the written representations received from directors of the Company as on 31st March, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956.

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration No.109982W  
 by the hand of

**Milind P. Phadke**  
**PARTNER**

Mumbai, 29th May, 2014

Membership No. 033013

- (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, Clauses 4(iii) (b), (c) and (d) of the Order 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, Clauses 4(iii) (f) and (g) of the Order 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, 2014, 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, custom duty and cess as at 31st March, 2014, which have not been deposited on account of a dispute, are as under:

Name of the Statute	Nature of the disputed dues	Amount crore*	Period to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Tax, interest and penalty	39.93	2007-08 2008-09 and 2010-11	Commissionerate (Appeals)
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act	Tax, interest and penalty	1.16	1989-90 1991-92 1996-97 1999-2000 2005-06 to 2008-09	High Court
		12.86	1992-93 1994-95 1996-97 to 1998-99 2000-01 to 2003-04 2005-06 to 2008-09	Tribunal / CESTAT
		34.52	1998-99 to 2011-12	Commissionerate (Appeals)
The Central Excise Act, 1944, the Customs Act, 1962 and Service tax under the Finance Act, 1994	Duty, service tax, interest and penalty	0.25	2001-02 2002-03 2004-05 to 2007-08	High Court
		10.82	1991-92 1999-2000 to 2001-02 2003-04 to 2010-11 2013-14	CESTAT / Tribunal
		4.11	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, 2014 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, the Company has not defaulted in the repayment of dues to any financial institutions or banks 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. Accordingly, the Clause 4(xii) of the Order is not applicable to the Company.
- (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. Accordingly, the Clause 4(xix) of the Order is not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the Clause 4(xx) of the Order 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 the Company and no fraud by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
Firm's Registration No.109982W  
by the hand of

**Milind P. Phadke**  
**PARTNER**

Mumbai, 29th May, 2014

Membership No. 033013

**BALANCE SHEET AS AT 31ST MARCH, 2014**

	Note No.	As at 31-03-2014	As at 31-03-2013	
<b>EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS:</b>				
(a) Share capital	2	125.35	128.30	
(b) Reserves and surplus	3	3230.72	2928.55	
			3356.07	3056.85
<b>2. NON-CURRENT LIABILITIES:</b>				
(a) Long-term borrowings	4	0.54	0.75	
(b) Deferred tax liabilities (net)	5	73.59	49.83	
(c) Other long-term liabilities	6	28.03	27.33	
(d) Long-term provisions	7	41.91	38.09	
			144.07	116.00
<b>3. CURRENT LIABILITIES:</b>				
(a) Short-term borrowings	8	29.99	12.93	
(b) Trade payables	9	1563.07	1514.31	
(c) Other current liabilities	10	362.95	421.66	
(d) Short-term provisions	11	130.30	147.87	
			2086.31	2096.77
<b>TOTAL</b>			<b>5586.45</b>	<b>5269.62</b>
<b>ASSETS</b>				
<b>1. NON-CURRENT ASSETS:</b>				
(a) Fixed assets				
(i) Tangible assets	12	674.51	604.32	
(ii) Intangible assets	12	80.39	56.17	
(iii) Capital work-in-progress		42.42	74.91	
(iv) Intangible assets under development		25.31	39.86	
(b) Non-current investments	13	805.71	554.58	
(c) Long-term loans and advances	14	42.67	18.10	
			1671.01	1347.94
<b>2. CURRENT ASSETS:</b>				
(a) Current investments	15	20.63	500.46	
(b) Inventories	16	557.78	548.50	
(c) Trade receivables	17	1907.92	1840.62	
(d) Cash and bank balances	18	442.80	288.79	
(e) Short-term loans and advances	19	919.22	693.57	
(f) Other current assets	20	67.09	49.74	
			3915.44	3921.68
<b>TOTAL</b>			<b>5586.45</b>	<b>5269.62</b>
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>	30			
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1			

The accompanying notes form an integral part of financial statements

As per our report attached

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration No. 109982W  
 by the hand of

**Madhav Acharya**  
**CHIEF FINANCIAL OFFICER**

**Laurent Demortier**  
**CEO & MANAGING DIRECTOR**

**Milind P. Phadke**  
**PARTNER**  
 Membership No. 033013  
 Mumbai, 29th May, 2014

**Minal Bhosale**  
**COMPANY SECRETARY**

**Gautam Thapar**  
**CHAIRMAN**

Mumbai, 29th May, 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Note No.	2013-14	2012-13
<b>INCOME:</b>			
Sales and services		7912.49	7571.07
Less: Excise duty		422.92	435.77
Revenue from operations	21	7489.57	7135.30
Other income	22	175.72	98.68
<b>TOTAL REVENUE</b>		<b>7665.29</b>	<b>7233.98</b>
<b>EXPENSES:</b>			
Cost of raw materials and components consumed and construction materials	23	3617.52	3565.28
Purchases of stock-in-trade	24	1993.21	1811.80
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(12.77)	(42.99)
Employee benefits expense	26	476.36	410.74
Finance costs	27	39.76	25.41
Depreciation and amortisation expense	28	89.35	71.86
Other expenses	29	749.41	795.86
<b>TOTAL EXPENSES</b>		<b>6952.84</b>	<b>6637.96</b>
<b>PROFIT BEFORE TAX</b>		<b>712.45</b>	<b>596.02</b>
<b>TAX EXPENSE:</b>			
Current tax		167.60	143.58
Deferred tax	5	23.76	6.60
		191.36	150.18
<b>PROFIT FOR THE YEAR</b>		<b>521.09</b>	<b>445.84</b>
Earnings per share (basic and diluted) (₹)	44	8.23	6.95
(Face value of equity share of ₹ 2 each)			
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

**The accompanying notes form an integral part of financial statements**

As per our report attached

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration No. 109982W  
 by the hand of

**Madhav Acharya**  
**CHIEF FINANCIAL OFFICER**

**Laurent Demortier**  
**CEO & MANAGING DIRECTOR**

**Milind P. Phadke**  
**PARTNER**  
 Membership No. 033013  
 Mumbai, 29th May, 2014

**Minal Bhosale**  
**COMPANY SECRETARY**

**Gautam Thapar**  
**CHAIRMAN**

Mumbai, 29th May, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	2013-14	2012-13
<b>[A] CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxes</b>	712.45	596.02
Adjustments for:		
Depreciation and amortisation expense	89.35	71.86
Allowance for doubtful debts and advances	22.63	18.92
Interest expenses	39.76	25.35
Interest income	(61.78)	(45.61)
Income from investments (net)	(0.25)	(0.32)
Profit on sale of investments (net)	(10.86)	(23.45)
Unrealised exchange (gain) / loss (net)	(53.58)	(10.75)
(Profit) / Loss on sale of fixed assets (net)	(17.50)	0.55
	7.77	36.55
<b>Operating profit before working capital changes</b>	720.22	632.57
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(309.60)	(543.77)
(Increase) / Decrease in inventories	(9.28)	(98.90)
Increase / (Decrease) in trade and other payables	(10.09)	294.32
Increase / (Decrease) in provisions	15.41	7.01
	(313.56)	(341.34)
Cash (used in) / from operations	406.66	291.23
Direct taxes paid (net of refunds)	(189.60)	(110.08)
<b>Net cash (used in) / from operating activities</b>	<b>[A] 217.06</b>	<b>181.15</b>
<b>[B] CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Add: Inflows from investing activities</b>		
Sale of fixed assets	20.87	3.97
Sale of investments (net)	490.71	23.94
Interest received	61.80	45.74
Income received from investments	0.25	0.32
	573.63	73.97
<b>Less: Outflows from investing activities</b>		
Purchase of fixed assets	(125.50)	(176.37)
Additions on account of acquisition of business	(14.79)	-
Investment in subsidiaries	(251.15)	(3.02)
	(391.44)	(179.39)
<b>Net Cash (used in) / from investing activities</b>	<b>[B] 182.19</b>	<b>(105.42)</b>



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

	2013-14	2012-13
<b>[C] CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Add: Inflows from financing activities</b>		
Proceeds from short-term borrowings (net)	17.06	12.90
	<b>17.06</b>	<b>12.90</b>
<b>Less: Outflows from financing activities</b>		
Buy-back of shares	(133.54)	-
Repayments of long-term borrowings	(0.24)	(6.12)
Dividends paid	(75.86)	(76.95)
Additional tax on dividend	(12.90)	(12.49)
Interest paid	(39.76)	(25.38)
	<b>(262.30)</b>	<b>(120.94)</b>
<b>Cash (used in) / from financing activities</b>	<b>[C] (245.24)</b>	<b>(108.04)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES (A+B+C)</b>	<b>154.01</b>	<b>(32.31)</b>
<b>Cash and bank balances at beginning of the year*</b>	<b>288.79</b>	<b>321.10</b>
<b>Cash and bank balances at end of the year*</b>	<b>442.80</b>	<b>288.79</b>

\* Refer Note 18, *infra*

**Notes:**

- The cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 Cash Flow Statements, as specified in the Companies (Accounting Standards) Rules, 2006.
- Additions to fixed assets include movements of capital work-in-progress during the year.
- Cash and cash equivalents at the end of the year represent cash and bank balances and include unrealised loss of ₹ 0.46 crore (Previous year ₹ 0.03 crore) on account of translation of foreign currency bank balances.
- Figures for the previous year have been regrouped wherever necessary.

As per our report attached

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration No. 109982W  
 by the hand of

**Madhav Acharya**  
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 Mumbai, 29th May, 2014

**Minal Bhosale**  
**COMPANY SECRETARY**

**Gautam Thapar**  
**CHAIRMAN**

Mumbai, 29th May, 2014

**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. Further, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory bodies viz. SEBI guidelines override the same requiring a different treatment. 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. Machinery spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.
- (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 of 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.)

1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 comparison of cost and carrying amount is done separately for each category of investments based on the market value of the investments.

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. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

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 the exchange rate at the date of the transaction.
- (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.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

## 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 based on the contractual agreements 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. Claims are accounted as income acceptance by customer.

## (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 and 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 lands 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. Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**17. 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.

**18. 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 resources 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.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>2. SHARE CAPITAL</b>		
<b>Authorised:</b>		
1,80,50,00,000 Equity Shares of ₹ 2 each	361.00	361.00
<b>Issued (Refer note (a) below):</b>		
62,67,88,442 Equity Shares of ₹ 2 each (Previous year 64,15,33,836 Equity Shares of ₹ 2 each)	125.35	128.30
<b>Subscribed and paid-up (Refer note (a) below):</b>		
62,67,46,142 Equity Shares of ₹ 2 each (Previous year 64,14,91,536 Equity Shares of ₹ 2 each)	125.35	128.30
<b>Forfeited shares:</b>		
Amount paid-up on 42,300 Equity Shares of ₹ 2 each (Amount paid-up ₹ 32,175)	0.00	0.00
	125.35	128.30

**Notes:****(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year (Refer note 47, *infra*):**

Issued share capital	As at 31-03-2014		As at 31-03-2013	
	No. of Shares	₹ crore	No. of Shares	₹ crore
Balance at the beginning of the year	641533836	128.30	641533836	128.30
Less: Shares bought back	14745394	2.95	-	-
Balance at the end of the year	626788442	125.35	641533836	128.30

Subscribed and paid-up	As at 31-03-2014		As at 31-03-2013	
	No. of Shares	₹ crore	No. of Shares	₹ crore
Balance at the beginning of the year	641491536	128.30	641491536	128.30
Less: Shares bought back	14745394	2.95	-	-
Balance at the end of the year	626746142	125.35	641491536	128.30

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 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 Board of Directors have recommended a final dividend of ₹ 0.40 per share, subject to approval of shareholders at the ensuing Annual General Meeting.

In the event of liquidation, 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 31-03-2014		As at 31-03-2013	
	%	No. of Shares	%	No. of Shares
1 Avantha Holdings Limited	40.84	255937034	39.90	255937034
2 HDFC Trustee Company Limited - HDFC Equity Fund	9.30	58269500	-	-
3 HDFC Trustee Company Limited	-	-	9.05	58069500
4 Life Insurance Corporation of India	5.24	32842674	5.46	35043515

**NOTES** ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

(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 31-03-2014	As at 31-03-2013
	No. of Shares	No. of Shares
Shares issued as fully paid-up bonus shares	274924944	274924944

(f) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

	As at 31-03-2014	As at 31-03-2013
	No. of Shares	No. of Shares
Shares bought back	14745394	-

(g) Aggregate number of shares issued as GDRs

	As at 31-03-2014		As at 31-03-2013	
	%	No. of Shares	%	No. of Shares
The Bank of New York	0.22	1383534	0.23	1474294

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>3. RESERVES AND SURPLUS</b>		
Capital reserve	19.12	19.12
Capital redemption reserve:		
As per last balance sheet	10.00	10.00
Add: On account of Buy-back	2.95	-
	12.95	10.00
Securities premium account		
As per last balance sheet	151.84	151.84
Less: Utilised for Buy-back	(133.54)	-
	18.30	151.84
Revaluation reserve:		
As per last balance sheet	13.82	14.02
Less: Transferred to Statement of profit and loss {Refer note (a) below}	(0.20)	(0.20)
	13.62	13.82
General reserve:		
As per last balance sheet	363.39	318.39
Add: Transferred from Statement of profit and loss {Refer note (b) below}	52.50	45.00
	415.89	363.39
<b>Balance in Statement of profit and loss:</b>		
As per last balance sheet	2370.38	2059.21
Add: Profit for the year	521.09	445.84
<b>Profit available for appropriation</b>	2891.47	2505.05
Transfer to General reserve {Refer note (b) below}	52.50	45.00
<b>Profit available for distribution:</b>	2838.97	2460.05
1st Interim dividend	25.19	25.66
2nd Interim dividend	25.07	25.66
Proposed dividend	25.07	25.66
Additional tax on dividend	12.80	12.69
	2750.84	2370.38
	3230.72	2928.55

**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 read with Section 205(2A) / Rule 2 (iv) of Companies Act, 1956.



**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>4. LONG-TERM BORROWINGS</b>		
<b>Unsecured loans</b>		
Interest-free sales tax deferral loans from State Government (Refer note below)	0.54	0.75
	<b>0.54</b>	<b>0.75</b>

**Note:**

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

	As at 31-03-2014		As at 31-03-2013	
<b>5. DEFERRED TAX</b>				
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Difference between book and tax depreciation		113.90		93.70
Expenses allowable for tax purposes when paid / on payment of TDS	16.56		15.07	
Other items giving rise to timing differences	35.31	11.56	28.80	
	<b>51.87</b>	<b>125.46</b>	<b>43.87</b>	<b>93.70</b>
Net deferred tax liability		<b>73.59</b>		<b>49.83</b>
Deferred tax liability / (asset) charged to Statement of profit and loss		<b>23.76</b>		<b>6.60</b>

	As at 31-03-2014	As at 31-03-2013
<b>6. OTHER LONG-TERM LIABILITIES</b>		
<b>Other payables:</b>		
Deposits	28.03	27.33
	<b>28.03</b>	<b>27.33</b>

	As at 31-03-2014	As at 31-03-2013
<b>7. LONG-TERM PROVISIONS</b>		
Employee benefits (Refer note 40, <i>infra</i> )	41.91	38.09
	<b>41.91</b>	<b>38.09</b>

	As at 31-03-2014	As at 31-03-2013
<b>8. SHORT-TERM BORROWINGS</b>		
<b>Secured loans</b>		
Working capital demand loan		
From bank (Refer note below)	29.99	12.93
	<b>29.99</b>	<b>12.93</b>

**Note:**

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

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>9. TRADE PAYABLES</b>		
Acceptances	209.83	124.96
Due to micro and small enterprises (Refer note below)	54.55	41.71
Due to other than micro and small enterprises	1179.59	1240.86
Due to subsidiaries	83.95	85.15
Due to associates	35.15	21.63
	<b>1563.07</b>	<b>1514.31</b>

**Note:**

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2014. The disclosure pursuant to the said Act is as under:

	2013-14	2012-13
(a) Principal amount due to suppliers under MSMED Act, 2006	54.55	41.71
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	0.19	0.27
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	150.04	159.09
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	0.00	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	0.10	0.01
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	0.14	0.06
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	0.05	0.21

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.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>10. OTHER CURRENT LIABILITIES</b>		
<b>Current maturities:</b>		
<b>Long-term borrowings:</b>		
Interest-free sales tax deferral loans from State Government	0.35	0.38
Advances from customers	249.38	283.36
<b>Investor Education and Protection Fund: (Refer note below)</b>		
Unclaimed dividend	1.91	1.85
Unclaimed matured fixed deposits	-	0.00
	1.91	1.85
Due to directors	12.85	10.03
Due to customers (construction and project related activity)	19.61	15.18
<b>Due to related parties:</b>		
Due to subsidiaries	3.47	27.56
<b>Other payables:</b>		
Security deposits	2.01	0.73
Statutory dues	31.68	33.66
Employee dues	10.30	9.26
Others	31.39	39.65
	75.38	83.30
	<u>362.95</u>	<u>421.66</u>

**Note:**

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2014.

	As at 31-03-2014	As at 31-03-2013
<b>11. SHORT-TERM PROVISIONS</b>		
Taxes (net of advance tax)	-	28.47
Proposed dividend	25.07	25.66
Additional tax on dividend	4.26	4.36
Employee benefits (Refer note 40, <i>infra</i> )	4.75	3.18
Others provisions (Refer note below)	96.22	86.20
	<u>130.30</u>	<u>147.87</u>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

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 / Customs duty / Service tax	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Carrying amount at the beginning of the year	49.35	44.79	19.10	20.66	8.76	7.46
Additional provision made during the year #	20.07	17.61	3.94	1.71	2.89	1.39
Amounts used during the year	7.39	5.24	-	1.31	-	-
Unused amounts reversed during the year #	10.90	7.81	0.45	1.96	0.33	0.09
Carrying amount at the end of the year	51.13	49.35	22.59	19.10	11.32	8.76

Nature of provisions	Liquidated damages		Other litigation claims		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Carrying amount at the beginning of the year	4.62	9.62	4.37	3.59	86.20	86.12
Additional provision made during the year #	2.00	-	0.19	0.78	29.09	21.49
Amounts used during the year	-	-	-	-	7.39	6.55
Unused amounts reversed during the year #	-	5.00	-	-	11.68	14.86
Carrying amount at the end of the year	6.62	4.62	4.56	4.37	96.22	86.20

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

**(2) Nature of provisions:**

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



## NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	Gross block (Cost / Valuation)				Depreciation / Amortisation			Net block			
	As at 01-04-2013	Acquisition*	Additions	Deductions	As at 31-03-2014	Upto 31-03-2013	For the year	Deductions	Up to 31-03-2014	As at 31-03-2014	As at 31-03-2013
<b>12. FIXED ASSETS</b>											
<b>(i) Tangible assets</b>											
<b>Owned assets:</b>											
Freehold land	15.84	1.41	-	0.55	16.70	-	-	-	-	16.70	15.84
Leasehold land	17.31	-	0.61	0.52	17.40	3.03	0.15	0.03	3.15	14.25	14.28
Buildings	296.93	5.79	31.72	0.48	333.96	92.00	8.44	0.18	100.26	233.70	204.93
Plant and equipments	862.57	7.48	78.99	10.88	938.16	536.91	47.31	9.91	574.31	363.85	325.66
Furniture and fixtures	77.23	0.05	4.29	17.98	63.59	53.10	4.85	17.68	40.27	23.32	24.13
Office equipments	49.18	0.06	6.57	3.60	52.21	39.36	3.65	3.27	39.74	12.47	9.82
Vehicles	15.28	-	3.05	4.05	14.28	9.25	1.98	3.62	7.61	6.67	6.03
<b>Owned assets leased out:</b>											
Buildings	4.86	-	-	-	4.86	1.23	0.08	-	1.31	3.55	3.63
<b>Sub-total (i)</b>	<b>1339.20</b>	<b>14.79</b>	<b>125.23</b>	<b>38.06</b>	<b>1441.16</b>	<b>734.88</b>	<b>66.46</b>	<b>34.69</b>	<b>766.65</b>	<b>674.51</b>	<b>604.32</b>
<b>(ii) Intangible Assets</b>											
Computer software	26.75	-	11.16	-	37.91	16.63	3.96	-	20.59	17.32	10.12
Technical know-how	19.27	-	4.32	-	23.59	11.66	3.81	-	15.47	8.12	7.61
Commercial rights	43.52	-	-	-	43.52	16.93	6.35	-	23.28	20.24	26.59
Research and development	16.40	-	31.83	-	48.23	4.55	8.97	-	13.52	34.71	11.85
<b>Sub-total (ii)</b>	<b>105.94</b>	<b>-</b>	<b>47.31</b>	<b>-</b>	<b>153.25</b>	<b>49.77</b>	<b>23.09</b>	<b>-</b>	<b>72.86</b>	<b>80.39</b>	<b>56.17</b>
<b>Total (i+ii)</b>	<b>1445.14</b>	<b>14.79</b>	<b>172.54</b>	<b>38.06</b>	<b>1594.41</b>	<b>784.65</b>	<b>89.55</b>	<b>34.69</b>	<b>839.51</b>		
Previous year	1344.58	-	140.92	40.36	1445.14	748.42	72.06	35.83	784.65		

## Notes:

- (a) Cost / Valuation of Buildings includes ownership accommodation:  
 (i) in various co-operative societies and apartments: ₹ 2.58 crore; (Previous year ₹ 2.87 crore), including 5 shares of ₹ 100 each and 25 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 ₹ 16.52 crore; (Previous year ₹ 11.04 crore) relating to research and development.  
 \* Acquisition of Compact Florescent Lamps business of Karma Industries integrated w.e.f. 1st June, 2013.

**NOTES** ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2014	As at 31-03-2013
<b>13. NON-CURRENT INVESTMENTS</b>		
<b>Quoted investments</b>		
Investment in Government or trust securities	0.44	0.46
	0.44	0.46
<b>Unquoted investments</b>		
<b>Investments in equity instruments</b>		
Subsidiary companies	559.64	308.49
Associate companies	227.60	227.60
Others	8.01	8.01
<b>Investment in debentures</b>		
Subsidiary companies	9.92	9.92
Others	0.05	0.05
<b>Others</b>	0.05	0.05
	805.27	554.12
	805.71	554.58
<b>Notes:</b>		
<b>Quoted investments</b>		
Book value	0.44	0.46
Market value	0.44	0.46
<b>Unquoted investments</b>		
Book value	805.27	554.12

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

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	Face value per unit in ₹ unless otherwise specified	No. of shares / units		As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
		As at 31-03-2014	As at 31-03-2014			
<b>13. NON-CURRENT INVESTMENTS (Contd.)</b>						
Details of investments:						
<b>A) Quoted investments</b>						
<b>Government and trust securities</b>						
1	Central Government Securities					
	10.18% GOI 2026 of ₹ 100 each	100	39000	0.44		0.46
	(Diminution in value provided during the year ₹ 0.02 crore; Previous year ₹ 0.03 crore)					
	<b>Total (A)</b>			<b>0.44</b>		<b>0.46</b>
<b>B) Unquoted investments</b>						
<b>Investments in equity instruments</b>						
<b>Investment in subsidiary companies</b>						
<b>Fully paid equity shares</b>						
1	CG Energy Management Limited	10	1600000	0.74		0.74
2	CG International B.V. (300000 shares acquired during the year)	EUR 100	480000	352.48		101.33
3	Crompton Greaves Holdings Mauritius Limited	USD 1	42134142	194.34		194.34
4	CG-ZIV Power Automation Solutions Limited	10	10000000	10.02		10.02
5	CG-PPI Adhesive Products Limited	10	2005520	2.01		2.01
6	CG Power Solutions Limited	10	50000	0.05		0.05
				<b>559.64</b>		<b>308.49</b>
<b>Investment in associate companies</b>						
<b>Fully paid equity shares</b>						
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
				<b>227.60</b>		<b>227.60</b>
<b>Others</b>						
1	Avantha Holdings Limited (Optionally Convertible, Zero Coupon, Non-marketable, transferable Debentures)	100	800000	8.00		8.00
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
				<b>8.01</b>		<b>8.01</b>
<b>Investments in debentures</b>						
<b>Investments in subsidiary company</b>						
	CG Energy Management Limited (0% Unsecured Irredeemable Non-convertible Debentures of ₹ 10 each)	10	9918000	9.92		9.92
<b>Others</b>						
	Dinette Exclusive Club Private Limited (0% Unsecured Irredeemable Non-convertible Debentures of ₹ 100 each)	100	5000	0.05		0.05
				<b>9.97</b>		<b>9.97</b>
<b>Other investments</b>						
	UTI - Balanced Fund - Dividend Plan - Payout	10	55909	0.05		0.05
				<b>0.05</b>		<b>0.05</b>
	<b>Total (B)</b>			<b>805.27</b>		<b>554.12</b>
	<b>Total (A+B)</b>			<b>805.71</b>		<b>554.58</b>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
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**14. LONG-TERM LOANS AND ADVANCES****Unsecured, considered good, unless otherwise stated**

Capital advances	29.88	6.72
Deposits	12.79	11.38
	<b>42.67</b>	<b>18.10</b>

	As at 31-03-2014	As at 31-03-2013
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**15. CURRENT INVESTMENTS****Quoted investments**

Investments in equity instruments	0.77	0.77
Investments in mutual funds	19.86	499.69
	<b>20.63</b>	<b>500.46</b>

**Notes:****Quoted investments**

Book value	20.63	500.46
Market value	20.72	500.46

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 31-03-2014	As at 31-03-2014	As at 31-03-2013
		As at 31-03-2014	As at 31-03-2014	As at 31-03-2013	

**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	0.01
{Diminution in value provided during the year ₹ 0.00 crore; (Previous year ₹ 0.01 crore)}				
			<b>0.77</b>	<b>0.77</b>

**Investments in mutual funds**

Canara Robeco Treasury Advantage Fund - Regular Daily Dividend	10	16197471	19.86	70.21
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
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
			<b>19.86</b>	<b>499.69</b>
			<b>20.63</b>	<b>500.46</b>



**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>16. INVENTORIES</b>		
Raw materials	165.54	177.49
Add: Goods-in-transit	54.12	46.28
	219.66	223.77
Work-in-progress - manufacturing	205.25	173.40
Finished goods- manufacturing	59.47	61.85
Add: Excise duty on finished goods	5.17	7.09
	64.64	68.94
Stock-in-trade	63.07	77.85
Stores, spares and packing materials	4.38	3.66
Loose tools	0.78	0.88
	557.78	548.50

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

	As at 31-03-2014	As at 31-03-2013
<b>17. TRADE RECEIVABLES</b>		
Unsecured		
<b>Debts overdue for six months</b>		
Considered good	232.61	230.49
Considered doubtful	95.48	72.36
	328.09	302.85
Less: Allowance for doubtful debts	95.48	72.36
	232.61	230.49
<b>Other debts</b>		
Considered good	1675.31	1610.13
	1907.92	1840.62

	As at 31-03-2014	As at 31-03-2013
<b>18. CASH AND BANK BALANCES</b>		
Cash and cash equivalents:		
<b>Balances with banks:</b> {Refer note (a) below}		
On current accounts	437.15	243.99
On deposit accounts {with less than 12 months maturity Refer note (b) below}	3.60	41.40
	440.75	285.39
Cash on hand	0.13	0.13
	440.88	285.52
<b>Other balances:</b>		
<b>Earmarked balances with banks:</b> {Refer note (c) below}		
Unpaid dividends	1.91	1.86
Unpaid matured fixed deposits and interest accrued thereon	0.01	0.01
	1.92	1.87
<b>Other</b>		
On deposit accounts (with more than 12 months maturity)	-	1.40
	1.92	3.27
	442.80	288.79

**Notes:**

- There are no balances with banks held as margin money or security against the borrowings, guarantees and other commitments.
- Deposits of ₹ 3.60 crore (Previous year ₹ 2.80 crore) are under lien with banks.
- There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2014.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>19. SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
<b>Security deposits:</b>		
Considered good	36.97	29.80
Considered doubtful	1.20	1.47
	<u>38.17</u>	<u>31.27</u>
<i>Less:</i> Allowance for bad and doubtful advances	1.20	1.47
	36.97	29.80
<b>Loans and advances to related parties:</b>		
Subsidiaries	655.33	509.38
Associates	-	0.00
Other related party	11.20	10.45
	<u>666.53</u>	<u>519.83</u>
<b>Advances recoverable in cash or in kind or for value to be received:</b>		
Considered good	142.12	86.97
Considered doubtful	2.77	4.59
	<u>144.89</u>	<u>91.56</u>
<i>Less:</i> Allowance for bad and doubtful advances	2.77	4.59
	142.12	86.97
Balances with excise, customs, service tax and value added tax, etc.	73.60	56.97
	<u>919.22</u>	<u>693.57</u>
<b>20. OTHER CURRENT ASSETS</b>		
Interest accrued on investments and deposits	0.05	0.07
Other receivables	67.04	49.67
	<u>67.09</u>	<u>49.74</u>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	2013-14	2012-13
<b>21. REVENUE FROM OPERATIONS</b>		
Sale of products	7870.97	7534.18
Sale of services	41.52	36.89
	7912.49	7571.07
Less: Excise duty	422.92	435.77
	7489.57	7135.30

**Note:**

	Sales Value 2013-14	Sales Value 2012-13
<b>DISCLOSURE OF SALE OF PRODUCTS</b>		
(i) Transformers, Reactors and Accessories thereof	1826.24	1813.01
(ii) Switchgears, Control Equipments and Accessories thereof	857.36	743.14
(iii) Traction Electronic, Industrial Drives and SCADA	189.74	147.99
(iv) Electric Motors, Alternators and Drives Panels	1298.21	1333.06
(v) Power driven Pumps	579.01	586.88
(vi) Electric Steel Stamping and Laminates	44.60	67.36
(vii) Electric Fans, Ventilation and Pollution Control Systems	1284.77	1113.78
(viii) Electric Lamps	900.95	768.90
(ix) Appliances	181.72	212.02
(x) Others	708.37	748.04
	7870.97	7534.18

	2013-14	2012-13
<b>22. OTHER INCOME</b>		
Interest income	61.78	45.61
<b>Dividend income:</b>		
Subsidiaries	0.20	0.30
Others	0.05	0.02
Gain on sale of investments (net)	10.86	23.45
Exchange gain (net)	43.31	-
<b>Other non-operating income (net of expenses):</b>		
Income from lease of premises / business service centers	19.38	21.49
Miscellaneous income	40.14	7.81
	175.72	98.68

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	2013-14	2012-13
<b>23. COST OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS</b>		
Opening stock	223.77	167.39
Add: Purchases	3476.56	3487.95
Less: Closing stock	219.66	223.77
	3480.67	3431.57
Less: Scrap sales	82.46	93.17
	3398.21	3338.40
Add: Sub-contracting charges	219.31	226.88
	<u>3617.52</u>	<u>3565.28</u>

**Note:**

	2013-14	2012-13
<b>DISCLOSURE OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS</b>		
(i) Ferrous materials	595.07	630.13
(ii) Non-ferrous materials	775.24	710.21
(iii) Chemicals, Oils and Paints	176.44	161.06
(iv) Wires, Pipes, Tubes and Cables	25.44	44.44
(v) Components	1271.47	1230.03
(vi) Others	637.01	655.70
	<u>3480.67</u>	<u>3431.57</u>

	2013-14	2012-13
<b>24. PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of stock-in-trade	1993.21	1811.80
	<u>1993.21</u>	<u>1811.80</u>

**Note:**

	2013-14	2012-13
<b>DETAILS OF PURCHASES OF STOCK-IN-TRADE</b>		
(i) Power driven Pumps	355.51	352.68
(ii) Electric Fans, Ventilation Control Systems and Pollution Control Systems	461.70	399.02
(iii) Electric Lamps	497.96	432.98
(iv) Appliances	138.31	172.74
(v) Others	539.73	454.38
	<u>1993.21</u>	<u>1811.80</u>

	2013-14	2012-13
<b>25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Changes in inventories of finished goods and work-in-progress:</b>		
Closing stock		
Finished goods	64.64	68.94
Work-in-progress	205.25	173.40
	269.89	242.34
Opening stock		
Finished goods	68.94	37.48
Work-in-progress	173.40	201.37
	242.34	238.85
	(27.55)	(3.49)
<b>Changes in inventories of stock-in-trade:</b>		
Closing stock		
Stock-in-trade	63.07	77.85
Opening stock		
Stock-in-trade	77.85	38.35
	14.78	(39.50)
	(12.77)	(42.99)



**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	2013-14	2012-13
<b>26. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	416.13	351.37
Contribution to provident and other funds	21.25	22.71
Post retirement medical benefits	9.66	8.13
Staff welfare expenses	29.32	28.53
	<b>476.36</b>	<b>410.74</b>
<b>27. FINANCE COSTS</b>		
Interest on loans	39.76	25.35
Loss on foreign currency transactions and translation	-	0.06
	<b>39.76</b>	<b>25.41</b>
<b>28. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation expense	89.55	72.06
Less: Recoupment from revaluation reserve {Refer note 3(a), <i>supra</i> }	0.20	0.20
	<b>89.35</b>	<b>71.86</b>
<b>29. OTHER EXPENSES</b>		
Consumption of stores and spares	46.74	43.74
Power and fuel	49.32	47.30
Rent	12.42	11.86
Repairs to buildings	8.30	6.76
Repairs to machinery	31.53	28.04
Insurance	9.79	11.41
Rates and taxes	42.23	42.27
Freight and forwarding	157.88	149.63
Packing materials	86.95	75.43
After sales services including warranties	47.33	47.95
Sales promotion	76.55	69.75
Miscellaneous expenses (Refer note below)	180.37	261.72
	<b>749.41</b>	<b>795.86</b>

**Note:**

	2013-14	2012-13
<b>MISCELLANEOUS EXPENSES INCLUDES THE FOLLOWING:</b>		
i) Auditors' remuneration (excluding service tax)		
Audit fees	0.78	0.78
Tax audit fees	0.14	0.14
Certification work	0.35	0.27
Other services	0.18	0.08
Expenses reimbursed	0.32	0.30
	<b>1.77</b>	<b>1.57</b>

ii) Donation to political party 'Bharatiya Janata Party' ` 3.50 crore

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>30. CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>A Contingent Liabilities:</b> (to the extent not provided for)		
(a) Claims against the Company not acknowledged as debts	9.18	9.37
(b) Sales tax / VAT liability that may arise in respect of matters in appeal	15.97	13.15
(c) Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	4.50	5.35
(d) Income tax liability that may arise in respect of matters in appeal preferred by the department	4.26	1.03
(e) Guarantees / securities given on behalf of subsidiary companies	1456.45	1267.94
(f) Bills discounted	91.52	79.89
<b>B Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	94.29	45.86

It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of the arbitration / appellate proceedings.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

31. The Board of Directors have approved the Scheme of Amalgamation of CG-ZIV Power Automation Solutions Limited and CG Energy Management Limited (wholly owned subsidiaries) with the Company on 29th January, 2014. The amalgamation will be effective from 1st April, 2014, subject to receipt of all regulatory approvals.

	2013-14	2012-13
<b>32. Expenses capitalised during the year:</b>		
(a) Raw materials consumed	5.28	8.92
(b) Employee benefits expense	4.58	6.40
(c) Other expenses	0.10	0.18
<b>33. Value of imports (on C.I.F. basis):</b>		
(a) Raw materials	686.90	598.14
(b) Trading goods	143.78	130.33
(c) Spare parts	6.79	2.88
(d) Capital goods	11.20	28.85
<b>34. Expenditure in foreign currency:</b>		
(a) Technical know-how fees	4.74	5.63
(b) Professional charges	1.39	6.60
(c) Interest	2.04	1.23
(d) Commission, travelling and others	53.80	53.03
<b>35. Remittance in foreign currency on account of dividend:</b>		
Final dividend for year ended 31st March, 2013		
(a) Number of non-resident shareholders	247	365
(b) Number of shares held	19088147	19970828
(c) Amount of dividend	0.76	0.80
1st Interim dividend for year ending 31st March, 2014		
(a) Number of non-resident shareholders	247	249
(b) Number of shares held	19059897	19856686
(c) Amount of dividend	0.76	0.79
2nd Interim dividend for year ending 31st March, 2014		
(a) Number of non-resident shareholders	246	250
(b) Number of shares held	18422387	19131125
(c) Amount of dividend	0.74	0.77
<b>36. Earnings in foreign exchange:</b>		
(a) Export of goods (on F.O.B. basis) including deemed exports ` 73.26 crore; (Previous year ` 101.60 crore)	902.16	831.05
(b) Service income	8.76	5.77
(c) Interest	29.65	21.27
(d) Others	50.19	19.07

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**

	2013-14	2012-13
<b>37. EXPENDITURE ON RESEARCH AND DEVELOPMENT</b>		
<b>(a) Capital expenditure:</b>		
Building	-	0.42
Plant and equipments	12.75	9.95
Furniture and fixtures	0.50	0.14
Vehicles	0.27	0.06
Intangible assets	3.00	0.47
Capital work-in-progress	1.25	13.31
Intangible assets under development	16.42	20.03
<b>Sub-total (a)</b>	<b>34.19</b>	<b>44.38</b>
<b>(b) Revenue expenditure:</b>		
Raw materials consumed	0.93	1.13
Employee benefits expense	29.01	24.86
Depreciation and amortisation expense	8.21	1.78
Other expenses:		
Consumption of stores and spares	2.64	3.01
Power and fuel	0.81	0.95
Rent	0.27	0.17
Repairs to buildings	0.49	0.22
Repairs to machinery	1.91	0.24
Insurance	0.36	0.18
Rates and taxes	0.24	0.33
Miscellaneous expenses	7.39	8.69
<b>Sub-total (b)</b>	<b>52.26</b>	<b>41.56</b>
<b>Total (a) + (b)</b>	<b>86.45</b>	<b>85.94</b>

	2013-14		2012-13	
<b>38. CONSUMPTION OF RAW MATERIALS, AND COMPONENT CONSUMED AND CONSTRUCTION MATERIALS</b>				
	Percentage of total Consumption	` crore	Percentage of total Consumption	` crore
Raw materials and construction materials:				
Imported	18.29	636.73	16.77	575.41
Indigenous	81.71	2843.94	83.23	2856.16
	100.00	3480.67	100.00	3431.57
Spare parts:				
Imported	5.79	2.66	5.53	2.37
Indigenous	94.21	43.30	94.47	40.50
	100.00	45.96	100.00	42.87
Loose tools:				
Indigenous	100.00	0.78	100.00	0.88
	100.00	0.78	100.00	0.88

	2013-14	2012-13
<b>39. DISCLOSURES UNDER ACCOUNTING STANDARD (AS) 7 CONSTRUCTION CONTRACTS</b>		
(a) Contract revenue recognised for the financial year	300.10	497.65
(b) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	1894.50	1594.40
(c) Amount of customer advances outstanding for contracts in progress as at reporting date	59.50	65.53
(d) Retention amount due from customer for contract in progress as at the reporting date	131.44	144.25



**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****40. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS**(a) Defined contribution plans [Refer accounting policy note 12(b), *supra*]Amount of ₹ 17.11 crore (Previous year ₹ 16.01 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer note 26, *supra*)

	2013-14	2012-13
<b>Benefits (Contribution to):</b>		
Provident fund	12.04	11.22
Superannuation fund	4.47	4.22
Employee state insurance scheme	0.58	0.56
Labour welfare scheme	0.02	0.01
<b>Total</b>	<b>17.11</b>	<b>16.01</b>

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

	Gratuity		Leave Encashment		Post Retirement Medical Benefits	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
	(Funded)	(Funded)	(Nonfunded)	(Nonfunded)	(Nonfunded)	(Nonfunded)
<b>I Change in present value of defined benefit obligation during the year</b>						
1 Present value of defined benefit obligation at the beginning of the year	52.36	47.51	24.80	21.51	16.47	12.83
2 Interest cost	4.19	3.92	1.99	1.78	1.36	0.91
3 Current service cost	3.27	2.78	1.86	1.81	0.66	0.40
4 Past service cost	-	-	-	-	-	-
5 Liability transfer from other Company	0.04	-	0.03	-	-	-
6 Benefits paid	(6.02)	(4.85)	(3.87)	(3.28)	(5.62)	(4.49)
7 Actuarial (gains) / losses	1.87	3.00	1.34	2.98	7.64	6.82
8 Present Value of defined benefit obligation at the end of the year	55.71	52.36	26.15	24.80	20.51	16.47
<b>II Change in fair value of plan assets during the year</b>						
1 Fair value of plan assets at the beginning of the year	52.36	47.51	-	-	-	-
2 Expected return on plan assets	4.55	3.81	-	-	-	-
3 Contributions	4.18	6.03	3.87	3.28	5.62	4.49
4 Benefits paid from the fund	(6.02)	(4.85)	(3.87)	(3.28)	(5.62)	(4.49)
5 Actuarial gain / (loss)	0.64	(0.14)	-	-	-	-
6 Fair value of plan assets at the end of the year	55.71	52.36	-	-	-	-
7 Total actuarial gain / (loss) to be recognised	(1.23)	(3.14)	(1.34)	(2.98)	(7.64)	(6.82)
<b>III Actual return on plan assets</b>						
1 Expected return on plan assets	4.55	3.81	-	-	-	-
2 Actuarial gain / (loss)	0.64	(0.14)	-	-	-	-
3 Actual return on plan assets	5.19	3.67	-	-	-	-
<b>IV Net asset / (liability) recognised in the balance sheet</b>						
1 Present Value of defined benefit obligation at the end of the year	(55.71)	(52.36)	(26.15)	(24.80)	(20.51)	(16.47)
2 Fair value of plan assets at the end of the year	55.71	52.36	-	-	-	-
3 Amount recognised in the balance sheet	-	-	(26.15)	(24.80)	(20.51)	(16.47)
Net (liability) / asset- Current	-	-	(3.48)	(2.23)	(1.27)	(0.95)
Net (liability) / asset- Non-current	-	-	(22.67)	(22.57)	(19.24)	(15.52)
<b>V Expenses recognised in the statement of profit and loss for the year</b>						
1 Current service cost	3.27	2.78	1.86	1.81	0.66	0.40
2 Interest cost	4.19	3.92	1.99	1.78	1.36	0.91
3 Expected return on plan assets	(4.55)	(3.81)	-	-	-	-
4 Actuarial (gains) / losses	1.23	3.14	1.34	2.98	7.64	6.82
5 Total expenses as per actuarial valuation	4.14	6.03	5.19	6.57	9.66	8.13
6 Optional payment	-	0.67	-	-	-	-
7 Total expenses included in employee benefits expense	4.14	6.70	5.19	6.57	9.66	8.13

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****40. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS (Contd.)**

	Gratuity		Leave Encashment		Post Retirement Medical Benefits	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
	(Funded)	(Funded)	(Nonfunded)	(Nonfunded)	(Nonfunded)	(Nonfunded)
<b>VI Balance sheet reconciliation</b>						
1 Opening net liability	-	-	24.80	21.51	16.47	12.83
2 Expenses as above	4.14	6.03	5.19	6.57	9.66	8.13
3 Employer's contribution	(4.18)	(6.03)	(3.87)	(3.28)	(5.62)	(4.49)
4 Liability transfer from other company	0.04	-	0.03	-	-	-
5 Amount recognised in the balance sheet	-	-	26.15	24.80	20.51	16.47
<b>VII The major categories of plan assets as a percentage of total Insurer managed funds</b>	100%	100%	-	-	-	-
<b>VIII Effect of one percent point change in the assumed medical inflation rate</b>						
(1) Increase / (decrease) on aggregate service and interest cost of Post Retirement Medical Benefits						
(i) One percentage point increase in discount rate	-	-	-	-	0.15	0.10
(ii) One percentage point decrease in discount rate	-	-	-	-	(0.13)	(0.09)
(2) Increase / (decrease) on present value of defined benefits obligation at the end of the year						
(i) One percentage point increase in Medical Inflation rate	-	-	-	-	1.93	1.55
(ii) One percentage point decrease in Medical Inflation rate	-	-	-	-	(1.58)	(1.27)
<b>IX Experience Adjustment</b>						
On plan liabilities - gain / (loss)	(6.17)	(5.33)	(1.47)	(1.59)	(9.76)	(6.82)
On plan assets - gain / (loss)	0.64	(0.14)	-	-	-	-
<b>X Actuarial assumptions</b>						
1 Discount rate	9.41% p.a.	8.00% p.a.	9.41% p.a.	8.00% p.a.	9.41% p.a.	8.25% p.a.
2 Rate of return on plan assets	8.70% p.a.	8.70% p.a.	-	-	-	-
3 Salary escalation	6.00% p.a.	5.00% p.a.	6.00% p.a.	5.00% p.a.	-	-
4 Mortality pre retirement rate	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate Table	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate Table	-	-
5 Mortality post retirement rate	-	-	-	-	Indian Assured Lives Mortality (2006-08) Ultimate	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, 2014. 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.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****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 2013-14
<b>Revenue</b>						
External sales (net of excise duty)	2818.71	2845.71	1440.45	384.70	-	7489.57
Inter segment sales	4.82	1.34	48.49	-	(54.65)	-
<b>Total</b>	<b>2823.53</b>	<b>2847.05</b>	<b>1488.94</b>	<b>384.70</b>	<b>(54.65)</b>	<b>7489.57</b>
Segment results	258.52	337.46	152.87	1.88	-	750.73
Less: Finance costs						(22.02)
Less: Other unallocable expenditure net of unallocable income						60.30
Profit before tax						712.45
Tax expense						191.36
Profit after tax						521.09
<b>Capital Employed:</b>						
Segment assets	1875.96	628.01	682.77	216.13	2183.58	5586.45
Segment liabilities	1024.31	506.85	286.01	26.77	281.97	2125.91
<b>Net Assets</b>	<b>851.65</b>	<b>121.16</b>	<b>396.76</b>	<b>189.36</b>	<b>1901.61</b>	<b>3460.54</b>
Capital expenditure	54.11	28.65	23.44	15.31	18.78	140.29
Depreciation and amortisation expense	37.45	10.30	26.10	1.22	14.28	89.35
Non-cash expenses other than depreciation	7.92	4.71	9.94	0.06	-	22.63

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations / Unallocable Expenditure / Assets*	Total 2012-13
<b>Revenue</b>						
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)	-
<b>Total</b>	<b>2724.71</b>	<b>2592.71</b>	<b>1499.44</b>	<b>376.79</b>	<b>(58.35)</b>	<b>7135.30</b>
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
<b>Capital Employed:</b>						
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
<b>Net Assets</b>	<b>780.45</b>	<b>110.33</b>	<b>391.83</b>	<b>67.49</b>	<b>1770.64</b>	<b>3120.74</b>
Capital expenditure	69.11	18.43	58.33	12.50	18.00	176.37
Depreciation and amortisation expense	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

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

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****41. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING (Contd.)****II Secondary Segments (Geographical Segments)****(a) Segment revenue by location of customers:**

	2013-14	2012-13
<b>Sales and service revenue:</b>		
Domestic	6584.28	6371.04
Overseas:		
Asia	348.45	256.22
Africa	230.15	191.99
North America	33.55	97.47
South America	225.84	167.59
Europe	59.09	42.55
Australia	8.21	8.44
<b>Total</b>	<b>7489.57</b>	<b>7135.30</b>

**(b) The carrying amount of segment assets by location of assets:**

	As at 31-03-2014	As at 31-03-2013
Domestic	4283.51	4318.48
Overseas	1302.94	951.14
<b>Total</b>	<b>5586.45</b>	<b>5269.62</b>

**III Unallocable Assets / Liabilities exclude:**

	As at 31-03-2014	As at 31-03-2013
<b>Liabilities:</b>		
Long-term borrowings	0.54	0.75
Deferred tax liabilities	73.59	49.83
Short-term borrowings	29.99	12.93
Current maturities of long-term borrowings	0.35	0.38
<b>Total</b>	<b>104.47</b>	<b>63.89</b>

**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, 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	Transactions entered during the year (Yes / No)
<b>i) List of related parties over which control exists:</b>			
<b>Subsidiaries:</b>			
1	CG Energy Management Limited	Wholly owned Subsidiary	No
2	CG-PPI Adhesive Products Limited	Subsidiary of the Company	Yes
3	CG-ZIV Power Automation Solutions Limited	Wholly owned Subsidiary	Yes
4	CG Power Solutions Limited	Wholly owned subsidiary	Yes
5	CG International B.V.	Subsidiary of the Company	Yes
6	CG Holdings Belgium N.V.	Wholly owned subsidiary of CG International B.V.	Yes
7	CG Power Systems Belgium N.V.	Subsidiary of CG Holdings Belgium N.V.	Yes
8	CG Power Systems Ireland Limited	Wholly owned subsidiary of CG Power Systems Belgium N.V.	Yes
9	CG Sales Networks France SA	Subsidiary of CG Power Systems Belgium N.V.	Yes
10	CG Power Systems USA Inc. (merged with CG Power USA Inc. w.e.f. 1st July, 2013)	Wholly owned subsidiary of CG Power Systems Belgium N.V.	Yes
11	CG Sales Networks Americas Inc. (merged with CG Power USA Inc. w.e.f. 1st July, 2013)	Wholly owned subsidiary of CG Holdings Belgium N.V.	Yes
12	CG Power Systems Canada Inc.	Wholly owned subsidiary of CG Power Systems Belgium N.V.	No
13	CG Service Systems Curacao N.V. (liquidated w.e.f. 6th September, 2013)	Subsidiary of CG International B.V.	No
14	PT. CG Power Systems Indonesia	Subsidiary of CG Power Systems Belgium N.V.	Yes
15	CG Holdings Hungary Kft.	Subsidiary of CG Holdings Belgium N.V.	No
16	CG Electric Systems Hungary Zrt.	Wholly owned subsidiary of CG Power Systems Belgium N.V.	Yes
17	CG Power Holdings Ireland Limited	Wholly owned subsidiary of CG International B.V.	No
18	Microsol Limited	Wholly owned subsidiary of CG Power Systems Ireland Limited	No
19	CG Automation Systems UK Limited	Subsidiary of CG Power Systems Belgium N.V.	Yes
20	Viserge Limited (liquidated w.e.f. 17th February, 2014)	Subsidiary of CG Power Holdings Ireland Limited	No
21	CG Service Systems France SAS	Wholly owned subsidiary of CG International B.V.	No
22	CG Power USA Inc. (formerly CG Power Solutions USA Inc.)	Subsidiary of CG Power Systems Belgium N.V.	No
23	CG Holdings Germany GmbH (liquidated w.e.f. 14th November, 2013)	Wholly owned subsidiary of CG International B.V.	No
24	CG Power Solutions UK Limited	Wholly owned subsidiary of CG Automation Systems UK Limited	No
25	CG Holdings USA Inc. (merged with CG Power USA Inc. w.e.f. 1st July, 2013)	Wholly owned subsidiary of CG Power Systems Belgium N.V.	No
26	CG Power County LLC	Wholly owned subsidiary of CG Power USA Inc.	No
27	CG Power Systems Brazil LTDA	Wholly owned subsidiary of CG Power Systems Belgium N.V.	Yes
28	CG Power Solutions Saudi Arabia Ltd	Subsidiary of CG Holdings Belgium N.V.	No
29	CG Sales Networks Singapore PTE. Limited (liquidated w.e.f. 9th October, 2013)	Wholly owned subsidiary of CG Holdings Belgium N.V.	No
30	Crompton Greaves Holdings Mauritius Limited	Wholly owned subsidiary	No
31	CG International Holdings Singapore PTE. Limited	Wholly owned subsidiary of Crompton Greaves Holdings Mauritius Limited	No
32	CG Industrial Holdings Sweden AB	Wholly owned subsidiary of CG International B.V.	No
33	Crompton Greaves Holdings Sweden AB (merged with CG Drives and Automation Sweden AB w.e.f. 6th February, 2014)	Wholly owned subsidiary of CG Industrial Holdings Sweden AB	No
34	CG Drives and Automation Sweden AB	Wholly owned subsidiary of CG Industrial Holdings Sweden AB	Yes
35	CG Drives and Automation Netherlands B.V.	Wholly owned subsidiary of CG International B.V.	Yes
36	CG Drives and Automations Germany GmbH	Wholly owned subsidiary of CG International B.V.	Yes
37	Emotron Latin America Inc.	Wholly owned subsidiary of CG Drives and Automation Sweden AB	No
38	CG Automation Solutions USA Inc. (merged with CG Power USA Inc. w.e.f. 1st July, 2013)	Wholly owned subsidiary of CG Holding USA Inc.	No
39	ZIV Aplicaciones y Tecnologia S.L.	Wholly owned subsidiary of CG International B.V.	No
40	ZIV Metering Solutions S.L.	Wholly owned subsidiary of ZIV Aplicaciones y Tecnologia S.L.	Yes
41	ZIV Grid Automation S.L.	Wholly owned subsidiary of ZIV Aplicaciones y Tecnologia S.L.	No
42	ZIV Communications S.A.	Wholly owned subsidiary of ZIV Aplicaciones y Tecnologia S.L.	Yes
43	ZIV USA Inc.	Wholly owned subsidiary of ZIV Aplicaciones y Tecnologia S.L.	No
44	ZIV Do Brazil LTDA	Subsidiary of ZIV Aplicaciones y Tecnologia S.L.	No
45	ZIV I+D Smart Energy Networks	Subsidiary of ZIV Metering Solutions S.L.	No
46	CG Middle East FZE (incorporated on 14th April, 2013)	Wholly owned subsidiary of CG International B.V.	No
47	Crompton Greaves Sales Network Malaysia SDN.BHD. (incorporated on 30th September, 2013)	Wholly owned subsidiary of CG International Holdings Singapore PTE. Limited	No

**NOTES** ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**42. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)****ii) List of related parties with whom transactions were carried out during the year and description of relationship:****Associate:**

- 1 CG Lucy Switchgear 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 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 Corella Investments Limited
- 11 Lustre International Limited
- 12 Varun Prakashan Private Limited
- 13 Jhabua Power Limited

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****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	2013-14	2012-13
<b>1</b>	<b>Purchase of goods and services</b>		
	<b>Subsidiaries</b>		
	CG-PPI Adhesive Products Limited	3.35	2.44
	CG-ZIV Power Automation Solutions Limited	15.81	11.41
	CG Holdings Belgium N.V.	-	0.03
	CG Power Systems Belgium N.V.	0.07	-
	CG Power System Ireland Limited	0.17	0.09
	CG Power Systems USA Inc.	0.04	0.21
	CG Sales Networks Americas Inc.	-	0.02
	CG Electric Systems Hungary Zrt.	10.49	37.42
	CG Automation Systems UK Limited	-	2.96
	CG Drives and Automation Sweden AB	5.08	3.55
	CG Drives & Automation Germany GmbH	-	0.01
	ZIV Metering Solutions S.L.	0.02	-
	ZIV Communications S.A.	0.84	1.19
	<b>Associate</b>		
	CG Lucy Switchgear Limited	113.87	58.99
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.09	0.79
	BILT Graphic Paper Products Limited	0.47	-
	<b>Total</b>	<b>150.30</b>	<b>119.11</b>
<b>2</b>	<b>Sales of goods and services</b>		
	<b>Subsidiaries</b>		
	CG-PPI Adhesive Products Limited	-	0.00
	CG-ZIV Power Automation Solutions Limited	0.16	-
	CG Holdings Belgium N.V.	4.18	0.01
	CG Power Systems Belgium N.V.	3.38	0.75
	CG Sales Networks France SA	0.69	1.30
	CG Power Systems USA Inc.	0.06	0.06
	CG Sales Networks Americas Inc.	78.38	63.18
	PT. CG Power Systems Indonesia	1.80	8.15
	CG Electric Systems Hungary Zrt.	20.56	4.91
	CG Automation Systems UK Limited	0.31	-
	CG Power Systems Brazil LTDA	17.43	14.87
	CG Drives & Automation Sweden AB	0.25	0.00
	CG Drives & Automation Netherlands B.V.	0.37	0.23
	CG Drives and Automations Germany GmbH	8.88	5.23
	<b>Associates</b>		
	CG Lucy Switchgear Limited	10.40	7.23
	Avantha Power & Infrastructure Limited	-	0.22
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.60	0.75
	Solaris ChemTech Industries Limited	0.13	0.24
	BILT Graphic Paper Products Limited	0.63	4.81
	Avantha Holdings Limited	0.01	0.02
	Korba West Power Company Limited	9.12	13.85
	Sabah Forest Industries Sdn. Bhd.	0.37	0.34
	Jhabua Power Limited	5.14	12.47
	<b>Total</b>	<b>162.85</b>	<b>138.62</b>
<b>3</b>	<b>Sale of fixed assets</b>		
	<b>Subsidiary</b>		
	CG Power Systems Belgium N.V.	-	0.31
	<b>Other Related Party</b>		
	Avantha Holdings Limited	-	0.01
	<b>Total</b>	<b>-</b>	<b>0.32</b>
<b>4</b>	<b>Purchase of fixed assets</b>		
	<b>Subsidiaries</b>		
	CG-ZIV Power Automation Solutions Limited	0.11	-
	CG Electric Systems Hungary Zrt.	0.03	7.59
	<b>Total</b>	<b>0.14</b>	<b>7.59</b>

**NOTES** ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)**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	2013-14	2012-13
<b>5</b>	<b>Subscription to equity shares</b>		
	<b>Subsidiaries</b>		
	CG-ZIV Power Automation Solutions Limited	-	3.02
	CG International B.V.	251.15	-
	<b>Total</b>	<b>251.15</b>	<b>3.02</b>
<b>6</b>	<b>Interest expenses</b>		
	<b>Subsidiaries</b>		
	CG-PPI Adhesive Products Limited	0.33	0.29
	CG Electric Systems Hungary Zrt.	-	1.77
	<b>Associate</b>		
	CG Lucy Switchgear Limited	0.36	0.56
	<b>Total</b>	<b>0.69</b>	<b>2.62</b>
<b>7</b>	<b>Dividend received</b>		
	<b>Subsidiary</b>		
	CG-PPI Adhesive Products Limited	0.20	0.30
	<b>Total</b>	<b>0.20</b>	<b>0.30</b>
<b>8</b>	<b>Bank charges recovered</b>		
	<b>Subsidiary</b>		
	CG International B.V.	50.09	19.00
	<b>Total</b>	<b>50.09</b>	<b>19.00</b>
<b>9</b>	<b>Rental income</b>		
	<b>Subsidiary</b>		
	CG-ZIV Power Automation Solutions Limited	0.34	0.50
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.85	2.05
	Solaris ChemTech Industries Limited	0.30	0.53
	BILT Graphic Paper Products Limited	1.12	-
	<b>Total</b>	<b>2.61</b>	<b>3.08</b>
<b>10</b>	<b>Interest income</b>		
	<b>Subsidiaries</b>		
	CG-ZIV Power Automation Solutions Limited	0.42	0.11
	CG Power Solutions Limited	3.96	0.14
	CG International B.V.	29.65	21.27
	<b>Other Related Party</b>		
	Malanpur Captive Power Limited	0.83	0.86
	<b>Total</b>	<b>34.86</b>	<b>22.38</b>
<b>11</b>	<b>Payment of salaries, commission and perquisites</b>		
	<b>Key Management Personnel</b>		
	Gautam Thapar	5.21	4.50
	Laurent Demortier	8.79	9.00
	<b>Total</b>	<b>14.00</b>	<b>13.50</b>
<b>12</b>	<b>Dividend paid</b>		
	<b>Other Related Parties</b>		
	Avantha Holdings Limited	30.71	30.71
	Avantha Realty Limited	0.00	0.00
	Corella Investments Limited	0.87	0.87
	Lustre International Limited	0.52	0.52
	Varun Prakashan Private Limited	0.00	0.00
	<b>Total</b>	<b>32.10</b>	<b>32.10</b>



**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****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	2013-14	2012-13
<b>13</b>	<b>Commission paid</b>		
	<b>Subsidiary</b>		
	CG Sales Networks Americas Inc.	1.44	2.07
	<b>Total</b>	<b>1.44</b>	<b>2.07</b>
<b>14</b>	<b>Rent paid</b>		
	<b>Other Related Party</b>		
	Avantha Realty Limited	2.04	2.04
	<b>Total</b>	<b>2.04</b>	<b>2.04</b>
<b>15</b>	<b>Other expenses</b>		
	<b>Subsidiaries</b>		
	CG Holdings Belgium N.V.	-	0.87
	CG Power Systems Belgium N.V.	-	0.18
	CG Sales Networks Americas Inc.	0.15	0.42
	PT. CG Power Systems Indonesia	-	0.02
	CG Electric Systems Hungary Zrt.	0.15	-
	CG Drives and Automation Sweden AB	-	38.83
	<b>Other Related Parties</b>		
	Avantha Holdings Limited	67.64	78.42
	Salient Business Solutions Limited	1.13	0.88
	Avantha Realty Limited	0.47	0.67
	Avantha Technologies Limited	-	0.01
	<b>Total</b>	<b>69.54</b>	<b>120.30</b>
<b>16</b>	<b>Recovery expenses</b>		
	<b>Subsidiary</b>		
	CG International B. V.	29.21	27.06
	<b>Total</b>	<b>29.21</b>	<b>27.06</b>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****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 31-03-2014	As at 31-03-2013
<b>1</b>	<b>Accounts payable</b>		
	<b>Subsidiaries</b>		
	CG-PPI Adhesive Products Limited	0.75	0.57
	CG-ZIV Power Automation Solutions Limited	8.84	3.33
	CG Holdings Belgium N.V.	0.03	0.24
	CG Power Systems Belgium N.V.	0.15	0.18
	CG Power System USA Inc.	0.19	0.19
	CG Sales Networks Americas Inc.	3.85	3.76
	PT. CG Power Systems Indonesia	-	0.02
	CG Electric Systems Hungary Zrt.	21.59	36.49
	CG Automation Systems UK Limited	1.79	1.51
	CG Service Systems France SAS	0.03	-
	CG Drives and Automation Sweden AB	45.76	37.68
	ZIV Metering Solutions S.L.	0.02	-
	ZIV Communication S.A.	0.95	1.18
	<b>Associate</b>		
	CG Lucy Switchgear Limited	35.15	21.63
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.00	0.01
	Avantha Holdings Limited	0.09	3.60
	Salient Business Solutions Limited	0.20	0.08
	<b>Total</b>	<b>119.39</b>	<b>110.47</b>
<b>2</b>	<b>Accounts receivable</b>		
	<b>Subsidiaries</b>		
	CG Energy Management Limited	1.10	1.10
	CG-PPI Adhesive Products Limited	-	0.00
	CG-ZIV Power Automation Solutions Limited	0.16	-
	CG Holdings Belgium N.V.	4.17	-
	CG Power Systems Belgium N.V.	0.53	1.06
	CG Power System Ireland Limited	0.00	0.00
	CG Sales Networks France SA	0.34	-
	CG Power Systems USA Inc.	0.11	0.13
	CG Sales Networks Americas Inc.	20.63	10.62
	CG Power Systems Canada Inc.	0.03	0.00
	PT. CG Power Systems Indonesia	0.09	7.94
	CG Electric Systems Hungary Zrt.	9.96	5.69
	CG Automation Systems UK Limited	0.09	-
	CG Power Systems, Brazil LTDA	10.60	7.70
	CG Drives and Automation Sweden AB	0.24	0.00
	CG Drives & Automation Netherlands B.V.	0.35	0.23
	CG Drives & Automation Germany GmbH	2.74	3.84
	<b>Associates</b>		
	CG Lucy Switchgear Limited	2.60	1.65
	Avantha Power & Infrastructure Limited	0.00	0.00
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.38	0.24
	Solaris ChemTech Industries Limited	0.17	0.24
	BILT Graphic Paper Products Limited	1.99	1.03
	Avantha Holdings Limited	0.00	0.01
	Korba West Power Company Limited	10.48	4.89
	Sabah Forest Industries Sdn. Bhd.	0.17	-
	Jhabua Power Limited	8.34	4.87
	<b>Total</b>	<b>75.27</b>	<b>51.24</b>

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****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 31-03-2014	As at 31-03-2013
<b>3</b>	<b>Loans and advances receivable</b>		
	<b>Subsidiaries</b>		
	CG Energy Management Limited	0.08	0.01
	CG-PPI Adhesive Products Limited	0.02	0.08
	CG-ZIV Power Automation Solutions Limited	11.83	4.54
	CG Power Solutions Limited	110.44	31.87
	CG International B.V.	528.70	469.89
	CG Holdings Belgium N.V.	0.05	-
	CG Power Systems Belgium N.V.	4.00	2.99
	CG Electric Systems Hungary Zrt.	0.02	-
	CG Drives and Automation Sweden AB	0.19	-
	<b>Associate</b>		
	CG Lucy Switchgear Limited	-	0.00
	<b>Other Related Party</b>		
	Malanpur Captive Power Limited	11.20	10.45
	<b>Total</b>	<b>666.53</b>	<b>519.83</b>
<b>4</b>	<b>Loans and advances payable</b>		
	<b>Subsidiaries</b>		
	CG Energy Management Limited	0.02	0.02
	CG-ZIV Power Automation Solutions Limited	1.38	-
	CG Power Systems USA Inc.	0.08	-
	CG Sales Networks Americas Inc.	1.77	3.85
	PT. CG Power Systems Indonesia	0.20	0.16
	CG Electric Systems Hungary Zrt.	0.01	0.03
	CG Drives and Automation Sweden AB	0.01	20.48
	ZIV Aplicaciones y Tecnologia S.L.	-	3.02
	<b>Other Related Parties</b>		
	Solaris ChemTech Industries Limited	0.13	0.10
	Korba West Power Company Limited	3.54	0.07
	<b>Total</b>	<b>7.14</b>	<b>27.73</b>
<b>5</b>	<b>Dividend payable</b>		
	<b>Other Related Parties</b>		
	Avantha Holdings Limited	10.24	10.24
	Avantha Realty Limited	0.00	0.00
	Corella Investments Limited	0.29	0.29
	Lustre International Limited	0.17	0.17
	Varun Prakashan Private Limited	0.00	0.00
	<b>Total</b>	<b>10.70</b>	<b>10.70</b>
<b>6</b>	<b>Due to Key Management Personnel</b>		
	Gautam Thapar	5.21	4.50
	Laurent Demortier	5.46	4.01
	<b>Total</b>	<b>10.67</b>	<b>8.51</b>
<b>7</b>	<b>Gurantees given on behalf of subsidiaries</b>		
	CG International B.V.	1151.67	1094.55
	CG Electric Systems Hungary Zrt.	304.78	173.39
	<b>Total</b>	<b>1456.45</b>	<b>1267.94</b>

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.

**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****44. DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD (AS) 20 EARNINGS PER SHARE**

Particulars		2013-14	2012-13
Profit for the year	` crore	521.09	445.84
Weighted average number of equity shares outstanding	Nos.	633254604	641491536
Face value of equity share	` / share	2.00	2.00
Weighted average earnings per share (basic and diluted)		8.23	6.95

**45. FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES**

Sr. No.	Category of Derivative Instruments	As at 31-03-2014	As at 31-03-2013
The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2014 are as under:			
<b>1</b>	<b>For hedging foreign currency risks:</b>		
(a)	Forward contracts for receivables including firm commitments USD (million)	34.00	37.50
(b)	Forward contracts for payables including firm commitments USD (million)	0.03	-
	EUR (million)	0.04	-
	GBP (million)	0.04	-
(c)	Forward contracts for loan EUR (million)	42.50	22.50
<b>2</b>	<b>Particulars of unhedged foreign currency exposure as at the balance sheet date:</b>		
		` crore	` crore
(a)	Trade payables	171.04	192.80
(b)	Loans and other receivable	179.09	313.53
(c)	Bank balance in current accounts and term deposit accounts	14.11	0.02
(d)	Investments in overseas subsidiaries	546.82	295.67

**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	
	31-03-2014	31-03-2013	2013-14	2012-13
<b>(a) Loans and advances in the nature of loans given to subsidiaries</b>				
CG Energy Management Limited	0.08	0.01	0.08	0.01
CG-PPI Adhesive Products Limited	0.02	0.08	0.02	0.08
CG-ZIV Power Automation Solutions Limited	11.83	4.54	14.16	4.54
CG Power Solutions Limited	110.44	31.87	110.44	32.13
CG International B.V.	528.70	469.89	625.67	635.47
CG Holdings Belgium N.V.	0.05	-	0.05	-
CG Power Systems Belgium N.V.	4.00	2.99	4.05	2.99
CG Electric Systems Hungary Zrt.	0.02	-	0.02	-
Crompton Greaves Holdings Mauritius Limited	-	-	-	0.11
CG Drives and Automation Sweden AB	0.19	-	0.19	-
<b>(b) Loans and advances in the nature of loans given to associate</b>				
CG Lucy Switchgear Limited	-	0.00	0.00	0.07
<b>(c) Loans and advances in the nature of loans where repayment schedule is not specified</b>				
CG Energy Management Limited	0.08	0.01	0.08	0.01
CG-PPI Adhesive Products Limited	0.02	0.08	0.02	0.08
CG-ZIV Power Automation Solutions Limited	11.83	4.54	14.16	4.54
CG International B.V.	528.70	454.99	625.67	620.57
CG Holdings Belgium N.V.	0.05	-	0.05	-
CG Power Systems Belgium N.V.	4.00	2.99	4.05	2.99
CG Electric Systems Hungary Zrt.	0.02	-	0.02	-
Crompton Greaves Holdings Mauritius Limited	-	-	-	0.11
CG Drives and Automation Sweden AB	0.19	-	0.19	-
CG Lucy Switchgear Limited	-	0.00	0.00	0.07



**NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS (Contd.)****46. PARTICULARS IN RESPECT OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS REQUIRED BY THE CLAUSE 32 OF LISTING AGREEMENT (Contd.)**

Name of the Company	Balance as at		Maximum outstanding during	
	31-03-2014	31-03-2013	2013-14	2012-13
<b>(d) Loans and advances in the nature of loans where interest is not charged</b>				
CG Energy Management Limited	0.08	0.01	0.08	0.01
CG-PPI Adhesive Products Limited	0.02	0.08	0.02	0.08
CG-ZIV Power Automation Solutions Limited	7.85	0.94	10.18	0.94
CG International B.V.	117.63	34.23	118.81	34.23
CG Holdings Belgium N.V.	0.05	-	0.05	-
CG Power Systems Belgium N.V.	4.00	2.99	4.05	2.99
CG Electric Systems Hungary Zrt.	0.02	-	0.02	-
Crompton Greaves Holdings Mauritius Limited	-	-	-	0.11
CG Drives and Automation Sweden AB	0.19	-	0.19	-
CG Lucy Switchgear Limited	-	0.00	0.00	0.07

47. The Company, during the year, has bought 14,745,394 equity shares under the Buy-back Scheme at a cost of ₹ 133.56 crore (including service tax). A sum of ₹ 133.54 crore pertaining to shares extinguished during the year has been reduced from securities premium account and ₹ 2.95 crore representing the face value has been reduced from the share capital and transferred to capital redemption reserve. The total amount utilised in the buy-back is ₹ 133.56 crore, being 50.27% of the maximum buy-back size of ₹ 265.70 crore. All shares bought back have been fully extinguished as on date.

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

49. Figures for the previous year have been regrouped whenever necessary.

**Signatures to Notes 1 to 49**

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration No. 109982W  
 by the hand of

**Madhav Acharya**  
**CHIEF FINANCIAL OFFICER**

**Laurent Demortier**  
**CEO & MANAGING DIRECTOR**

**Milind P. Phadke**  
**PARTNER**  
 Membership No. 033013  
 Mumbai, 29th May, 2014

**Minal Bhosale**  
**COMPANY SECRETARY**

**Gautam Thapar**  
**CHAIRMAN**

Mumbai, 29th May, 2014

**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, 2014	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, 2014	For the previous years since it became a subsidiary	For the financial year ended 31st March, 2014	For the previous years since it became a subsidiary
1	CG Energy Management Limited	31st March, 2014	100.00%	0.17	(2.35)	NIL	NIL
2	CG-PPI Adhesive Products Limited	31st March, 2014	81.42%	0.47	8.00	NIL	6.16
3	CG-ZIV Power Automation Solutions Limited	31st March, 2014	100.00%	(8.50)	(2.38)	NIL	NIL
4	CG Power Solutions Limited	31st March, 2014	100.00%	(10.14)	(7.24)	NIL	NIL
5	CG International B.V.	31st March, 2014	100.00%	16.51	38.90	NIL	NIL
6	CG Holdings Belgium N.V.	31st March, 2014	100.00%	49.62	373.95	NIL	NIL
7	CG Power Systems Belgium N.V.	31st March, 2014	100.00%	(118.55)	(114.29)	NIL	NIL
8	CG Power Systems Ireland Limited	31st March, 2014	100.00%	4.86	128.87	NIL	NIL
9	CG Sales Networks France SA	31st March, 2014	99.40%	0.43	0.40	NIL	NIL
10	CG Power Systems Canada Inc.	31st March, 2014	100.00%	(72.74)	(1.53)	NIL	NIL
11	PT. CG Power Systems Indonesia	31st March, 2014	95.00%	60.84	335.62	NIL	NIL
12	CG Holdings Hungary Kft.	31st March, 2014	100.00%	1.62	(62.88)	NIL	NIL
13	CG Electric Systems Hungary Zrt.	31st March, 2014	100.00%	(80.28)	9.85	NIL	NIL
14	CG Power Holdings Ireland Limited	31st March, 2014	100.00%	-	(130.43)	NIL	NIL
15	Microsol Limited	31st March, 2014	100.00%	(0.01)	144.79	NIL	NIL
16	CG Automation Systems UK Limited	31st March, 2014	100.00%	3.29	(3.89)	NIL	NIL
17	CG Service Systems France SAS	31st March, 2014	100.00%	(2.87)	3.61	NIL	NIL
18	CG Power USA Inc.	31st March, 2014	100.00%	31.06	162.54	NIL	NIL
19	CG Power Solutions UK Limited	31st March, 2014	100.00%	(44.52)	73.24	NIL	NIL
20	CG Power County LLC	31st March, 2014	100.00%	(0.02)	(33.62)	NIL	NIL
21	CG Power Systems Brazil LTDA	31st March, 2014	100.00%	(37.09)	(35.91)	NIL	NIL
22	CG Power Solutions Saudi Arabia Ltd.	31st December, 2013	51.00%	(0.74)	(1.82)	NIL	NIL
23	Crompton Greaves Holdings Mauritius Limited	31st March, 2014	100.00%	0.01	(0.01)	NIL	NIL
24	CG International Holdings Singapore PTE Limited	31st March, 2014	100.00%	(0.07)	(0.03)	NIL	NIL
25	CG Industrial Holdings Sweden AB	31st March, 2014	100.00%	(23.70)	0.01	NIL	NIL
26	CG Drives and Automation Sweden AB	31st March, 2014	100.00%	49.10	44.35	NIL	NIL
27	CG Drives and Automation Netherlands B.V.	31st March, 2014	100.00%	1.14	(1.35)	NIL	NIL
28	CG Drives and Automation Germany GmbH	31st March, 2014	100.00%	1.88	(1.13)	NIL	NIL
29	Emotron Latin America Inc.	31st March, 2014	100.00%	0.05	0.13	NIL	NIL
30	ZIV Aplicaciones y Tecnologia S.L.	31st March, 2014	100.00%	45.85	5.09	NIL	NIL
31	ZIV Metering Solutions S.L.	31st March, 2014	100.00%	25.32	5.74	NIL	NIL
32	ZIV Grid Automation S.L.	31st March, 2014	100.00%	(3.84)	2.14	NIL	NIL
33	ZIV Communications S.A.	31st March, 2014	100.00%	(12.68)	(3.06)	NIL	NIL
34	ZIV USA INC	31st March, 2014	100.00%	0.01	(0.58)	NIL	NIL
35	ZIV Do Brazil LTDA	31st March, 2014	100.00%	(3.88)	(2.54)	NIL	NIL
36	ZIV I+D Smart Energy Networks	31st March, 2014	100.00%	0.64	(1.06)	NIL	NIL
37	CG Middle East FZE	31st March, 2014	100.00%	(53.50)	-	NIL	NIL
38	CG Sales Network Malaysia SDN.BHD.	31st March, 2014	100.00%	0.07	-	NIL	NIL

Serial no. 37 was incorporated on 14th April, 2013

Serial no. 38 was incorporated on 30th September, 2013

**Madhav Acharya**  
CHIEF FINANCIAL OFFICER

**Minal Bhosale**  
COMPANY SECRETARY

**Laurent Demortier**  
CEO & MANAGING DIRECTOR

**Gautam Thapar**  
CHAIRMAN

Mumbai, 29th May, 2014

**INFORMATION IN RESPECT OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH 2014**

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Closing Exchange Rate	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
				Equity Share Capital	Preference Share Capital	Share Capital										
1	CG Energy Management Limited	INR	1.00	1.60	-	(2.19)	12.60	13.18	-	0.25	0.18	(0.01)	0.17	-	India	
2	CG-PPI Adhesive Products Limited	INR	1.00	3.90	-	9.69	16.48	2.90	-	13.52	0.91	(0.34)	0.58	0.20	India	
3	CG-ZIV Power Automation Solutions Limited	INR	1.00	10.00	-	(11.20)	25.53	26.74	-	13.62	(8.49)	(0.01)	(8.50)	-	India	
4	CG Power Solutions Limited	INR	1.00	0.05	-	(17.38)	93.54	110.86	-	0.48	(10.14)	-	(10.14)	-	India	
5	CG International B.V.	EUR	82.2620	641.64	-	161.25	3429.82	2626.93	-	160.78	16.51	-	16.51	-	The Netherlands	
6	CG Holdings Belgium N.V.	EUR	82.2620	963.62	-	1221.64	3790.20	1604.94	0.10	840.35	40.48	9.14	49.62	-	Belgium	
7	CG Power Systems Belgium N.V.	EUR	82.2620	1440.16	-	(416.00)	3159.16	2135.00	23.70	1251.30	(118.55)	-	(118.55)	-	Belgium	
8	CG Power Systems Ireland Limited	EUR	82.2620	31.01	19.37	195.71	480.01	233.92	-	591.16	6.22	(1.36)	4.86	-	Ireland	
9	CG Sales Networks France SA	EUR	82.2620	0.38	-	5.44	17.80	11.98	-	14.99	0.77	(0.34)	0.43	-	France	
10	CG Power Systems Canada Inc.	CAD	54.3747	149.53	43.50	(247.80)	418.57	473.34	-	384.39	(72.74)	-	(72.74)	-	Canada	
11	PT. CG Power Systems Indonesia	USD	59.9100	76.04	-	417.22	751.35	258.09	-	738.37	92.65	(28.61)	64.04	-	Indonesia	
12	CG Holdings Hungary Kft.	EUR	82.2620	32.21	-	24.19	110.19	53.79	-	2.27	1.71	(0.09)	1.62	-	Hungary	
13	CG Electric Systems Hungary Zrt.	EUR	82.2620	37.02	-	102.52	1220.78	1081.24	-	791.84	(80.28)	-	(80.28)	-	Hungary	
14	CG Power Holdings Ireland Limited	EUR	82.2620	29.73	9.03	(38.75)	0.01	0.01	-	-	-	-	-	-	Ireland	
15	Microsol Limited	EUR	82.2620	8.12	1.85	(9.96)	0.01	-	-	-	(0.01)	-	(0.01)	-	Ireland	
16	CG Automation Systems UK Limited	GBP	99.5820	17.42	-	11.59	158.14	129.13	-	34.18	3.29	-	3.29	-	United Kingdom	
17	CG Service Systems France SAS	EUR	82.2620	1.65	-	3.23	20.17	15.29	-	46.74	(2.87)	-	(2.87)	-	France	
18	CG Power USA Inc.	USD	59.9100	120.52	-	83.13	1014.80	811.15	4.57	1117.41	34.50	(3.42)	31.06	-	USA	
19	CG Power Solutions UK Limited	GBP	99.5820	0.00	-	46.06	225.43	179.37	-	266.85	(44.52)	-	(44.52)	-	United Kingdom	
20	CG Power County LLC	USD	59.9100	-	-	(37.13)	-	37.13	-	(0.02)	(0.02)	-	(0.02)	-	USA	
21	CG Power Systems Brazil LTDA	REAL	26.5323	-	-	(72.70)	92.01	164.71	-	89.92	(37.09)	-	(37.09)	-	Brazil	
22	CG Power Solutions Saudi Arabia Ltd.	SAR	15.9740	17.97	-	(5.37)	13.11	0.51	-	2.86	(1.45)	-	(1.45)	-	Saudi Arabia	
23	Crompton Greaves Holdings Mauritius Limited	EUR	82.2620	246.79	-	(0.01)	246.81	0.03	-	0.00	0.01	-	0.01	-	Mauritius	
24	CG International Holdings Singapore PTE Limited	EUR	82.2620	246.79	-	(0.10)	246.79	0.10	-	0.00	(0.07)	-	(0.07)	-	Singapore	
25	CG Industrial Holdings Sweden AB	SEK	9.2252	249.13	-	(99.96)	365.11	215.94	-	5.63	(23.70)	-	(23.70)	-	Sweden	
26	CG Drives and Automation Sweden AB	SEK	9.2252	23.65	-	182.04	280.39	74.70	-	271.74	61.25	(12.15)	49.10	-	Sweden	
27	CG Drives and Automation Netherlands B.V.	EUR	82.2620	4.89	-	12.09	24.47	7.49	-	57.37	1.51	(0.37)	1.14	-	The Netherlands	
28	CG Drives and Automation Germany GmbH	EUR	82.2620	0.21	-	5.98	47.11	40.92	-	129.58	2.85	(0.97)	1.88	-	Germany	
29	Emotron Latin America Inc.	USD	59.9100	0.00	-	(1.56)	0.48	2.04	-	1.46	0.05	-	0.05	-	USA	
30	ZIV Aplicaciones y Tecnologia S.L.	EUR	82.2620	9.71	-	103.63	711.39	598.05	-	141.79	53.10	(7.25)	45.85	-	Spain	
31	ZIV Metering Solutions S.L.	EUR	82.2620	13.82	-	140.26	226.97	72.89	-	326.93	23.84	1.48	25.32	-	Spain	
32	ZIV Grid Automation S.L.	EUR	82.2620	15.48	-	110.78	193.54	67.28	-	192.33	(15.32)	11.48	(3.84)	-	Spain	
33	ZIV Communications S.A.	EUR	82.2620	1.53	-	(0.06)	96.54	95.07	-	86.54	(5.06)	(7.62)	(12.66)	-	Spain	
34	ZIV USA INC	USD	59.9100	0.01	-	0.97	0.99	0.01	-	1.00	(0.04)	0.05	0.01	-	USA	
35	ZIV Do Brazil LTDA	REAL	26.5323	4.71	-	(9.52)	13.53	18.34	-	11.91	(3.88)	-	(3.88)	-	Brazil	
36	ZIV I+D Smart Energy Networks	EUR	82.2620	0.81	-	3.08	8.25	4.36	-	17.30	0.64	-	0.64	-	Spain	
37	CG Middle East FZE	EUR	82.2620	1.70	-	(53.49)	212.37	264.16	-	216.54	(53.50)	-	(53.50)	-	UAE	
38	CG Sales Network Malaysia SDN.BHD.	MYR	18.3040	0.00	-	0.07	0.21	0.14	-	0.18	0.09	(0.02)	0.07	-	Malaysia	

Serial no. 37 was Incorporated on 14th April, 2013

Serial no. 38 was Incorporated on 30th September, 2013

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, 2014, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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, 2014;
- (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:

<b>Audited by other auditors:</b>			
` crore			
	<b>Total assets</b>	<b>Total revenues</b>	<b>Net cash flows</b>
Indian subsidiary	93.54	0.48	(0.07)
Foreign subsidiaries	6,594.66	6,238.09	14.30

` crore		
	<b>Net carrying cost of investment</b>	<b>Current year share of profit or (loss)</b>
Foreign associates	3.60	(17.94)

Further, we did not audit the financial statements of Indian associate 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 said associate is based solely on these certified financial statements. The details of net carrying cost of investment and current year share of profit in respect of the associate to the extent to which they are reflected in the consolidated financial statements are given below:

<b>Certified by management:</b>		
` crore		
	<b>Net carrying cost of investment</b>	<b>Current year share of profit</b>
Indian associate	243.96	0.12

Since, the financial statements of the associate 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 the associate in the consolidated position is not significant in relative terms.

Our opinion is not qualified in respect of these matters.

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration No.109982W

by the hand of

**Milind P. Phadke**  
**PARTNER**

Mumbai, 29th May, 2014

Membership No. 033013



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

	Note No.	As at 31-03-2014	As at 31-03-2013
<b>EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS:</b>			
(a) Share capital	2	125.35	128.30
(b) Reserves and surplus	3	3519.21	3433.22
			3561.52
<b>2. MINORITY INTEREST</b>	4		9.48
		3644.56	
		11.75	
<b>3. NON-CURRENT LIABILITIES:</b>			
(a) Long-term borrowings	5	1632.25	1555.01
(b) Deferred tax liabilities	6	187.83	146.86
(c) Other long-term liabilities	7	86.48	144.59
(d) Long-term provisions	8	73.11	73.78
		1979.67	1920.24
<b>4. CURRENT LIABILITIES:</b>			
(a) Short-term borrowings	9	560.77	296.47
(b) Trade payables	10	2773.73	2461.83
(c) Other current liabilities	11	1712.04	1554.78
(d) Short-term provisions	12	333.33	348.46
		5379.87	4661.54
<b>TOTAL</b>		<b>11015.85</b>	<b>10152.78</b>
<b>ASSETS</b>			
<b>1. NON-CURRENT ASSETS:</b>			
(a) Fixed assets			
(i) Tangible assets	13	1571.17	1392.62
(ii) Intangible assets	13	510.79	463.24
(iii) Capital work-in-progress		91.54	127.06
(iv) Intangible assets under development		126.83	104.22
(v) Goodwill on consolidation		1158.81	979.17
(b) Non-current investments	14	278.00	290.08
(c) Deferred tax assets	6	341.00	314.95
(d) Long-term loans and advances	15	49.89	24.62
		4128.03	3695.96
<b>2. CURRENT ASSETS:</b>			
(a) Current investments	16	20.89	500.71
(b) Inventories	17	1671.39	1636.72
(c) Trade receivables	18	3591.25	3160.47
(d) Cash and bank balances	19	814.95	583.36
(e) Short-term loans and advances	20	495.57	357.13
(f) Other current assets	21	293.77	218.43
		6887.82	6456.82
<b>TOTAL</b>		<b>11015.85</b>	<b>10152.78</b>
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>	31		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The accompanying notes form an integral part of consolidated financial statements

As per our report attached

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration No. 109982W  
 by the hand of

**Madhav Acharya**  
**CHIEF FINANCIAL OFFICER**

**Laurent Demortier**  
**CEO & MANAGING DIRECTOR**

**Milind P. Phadke**  
**PARTNER**  
 Membership No. 033013  
 Mumbai, 29th May, 2014

**Minal Bhosale**  
**COMPANY SECRETARY**

**Gautam Thapar**  
**CHAIRMAN**

Mumbai, 29th May, 2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Note No.	2013-14	2012-13
<b>INCOME:</b>			
Sales and services		13906.87	12533.41
Less: Excise duty		426.29	438.97
Revenue from operations	22	13480.58	12094.44
Other income	23	211.51	100.00
<b>TOTAL REVENUE</b>		<b>13692.09</b>	<b>12194.44</b>
<b>EXPENSES:</b>			
Cost of raw materials and components consumed and construction materials	24	7193.12	6785.53
Purchases of stock-in-trade	25	1993.21	1811.80
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(51.07)	(251.26)
Employee benefits expense	27	1952.06	1740.06
Finance costs	28	136.62	95.49
Depreciation and amortisation expense	29	262.14	202.92
Other expenses	30	1711.29	1625.15
<b>TOTAL EXPENSES</b>		<b>13197.37</b>	<b>12009.69</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEM AND TAX</b>		<b>494.72</b>	<b>184.75</b>
Exceptional item		-	(120.71)
<b>PROFIT BEFORE TAX</b>		<b>494.72</b>	<b>64.04</b>
<b>TAX EXPENSE:</b>			
Current tax		193.52	184.45
Deferred tax	6	42.53	(83.54)
		236.05	100.91
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>258.67</b>	<b>(36.87)</b>
Minority interest in loss		0.68	1.12
Share of profit / (loss) of associate companies (net)		(15.02)	(0.39)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>244.33</b>	<b>(36.14)</b>
Earnings per share (basic and diluted) (₹)	39	3.86	(0.56)
(Face value of equity share of ₹ 2 each)			
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

**The accompanying notes form an integral part of consolidated financial statements**

As per our report attached

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration No. 109982W  
 by the hand of

**Madhav Acharya**  
**CHIEF FINANCIAL OFFICER**

**Laurent Demortier**  
**CEO & MANAGING DIRECTOR**

**Milind P. Phadke**  
**PARTNER**  
 Membership No. 033013  
 Mumbai, 29th May, 2014

**Minal Bhosale**  
**COMPANY SECRETARY**

**Gautam Thapar**  
**CHAIRMAN**

Mumbai, 29th May, 2014

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	2013-14	2012-13
<b>[A] CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxes</b>	494.72	64.04
Adjustments for:		
Depreciation and amortisation expense	262.14	202.92
Allowance for doubtful debts and advances	14.74	44.05
Interest expenses	136.62	95.43
Interest income	(39.96)	(24.56)
Income from investments (net)	(0.05)	(0.02)
Profit on sale of investments (net)	(10.86)	(23.45)
Unrealised exchange (gain) / loss (net)	(55.61)	(12.30)
Unrealised exchange gain on consolidation (net)	39.12	(17.21)
(Profit) / loss on sale of fixed assets (net)	(14.56)	(0.55)
	331.58	264.31
<b>Operating profit before working capital changes</b>	826.30	328.35
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(634.00)	239.26
(Increase) / Decrease in inventories	(34.67)	(283.19)
Increase / (Decrease) in trade and other payables	382.94	277.64
Increase / (Decrease) in provisions	34.43	14.26
	(251.30)	247.97
Cash (used in) / from operations	575.00	576.32
Direct taxes paid (net of refunds)	(241.11)	(151.99)
Minority interest in loss	0.68	1.12
Share of profit / (loss) of associate companies (net)	(15.02)	(0.39)
<b>Net cash (used in) / from operating activities</b>	<b>[A] 319.55</b>	<b>425.06</b>
<b>[B] CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Add: Inflows from investing activities</b>		
Sale of fixed assets	19.48	59.72
Unrealised foreign exchange gain on consolidation (net)	-	62.60
Sale of investments (net)	487.74	23.90
Cash and cash equivalents acquired pursuant to acquisition of subsidiaries	-	8.92
Interest received	39.97	24.68
Income received from investments (net)	0.05	0.02
Changes in investment in associate companies (net)	15.02	0.39
	562.26	180.23
<b>Less: Outflow from investing activities</b>		
Purchase of fixed assets	(281.48)	(339.82)
Unrealised foreign exchange loss on consolidation (net)	(363.80)	-
Addition on account of acquisition	(14.79)	-
Acquisition of subsidiaries and associates	-	(978.23)
	(660.07)	(1318.05)
<b>Net Cash (used in) / from investing activities</b>	<b>[B] (97.81)</b>	<b>(1137.82)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)**

	2013-14	2012-13
<b>[C] CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Add: Inflows from financing activities</b>		
Proceeds from long-term borrowings	4.65	1012.75
Unrealised foreign exchange loss on consolidation (net)	339.24	123.48
Proceeds from short-term borrowings (net)	264.30	-
	<b>608.19</b>	<b>1136.23</b>
<b>Less: Outflows from financing activities</b>		
Buy-back of shares	(133.54)	-
Repayments of short-term borrowings (net)	-	(72.12)
Repayments of long-term borrowings	(241.55)	(78.81)
Dividends paid	(75.88)	(76.94)
Additional tax on dividend	(12.96)	(12.56)
Interest paid	(133.65)	(93.60)
Changes in minority interest	(0.76)	(3.67)
	<b>(598.34)</b>	<b>(337.70)</b>
<b>Net cash (used in) / from financing activities</b>	<b>[C] 9.85</b>	<b>798.53</b>
<b>NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES (A+B+C)</b>	<b>231.59</b>	<b>85.77</b>
<b>Cash and bank balances at beginning of the year*</b>	<b>583.36</b>	<b>497.59</b>
<b>Cash and bank balances at end of the year*</b>	<b>814.95</b>	<b>583.36</b>

\* Refer Note 19, *infra*

**Notes:**

- 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.
- Additions to fixed assets include movements of capital work-in-progress during the year.
- Cash and bank balances at the end of the year represent cash and bank balances and include unrealised gain of ₹ 41.66 crore (Previous year ₹ 4.03 crore) on account of translation of foreign currency bank balances.
- Figures for the previous year have been regrouped wherever necessary.

As per our report attached

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration No. 109982W  
 by the hand of

**Madhav Acharya**  
**CHIEF FINANCIAL OFFICER**

**Laurent Demortier**  
**CEO & MANAGING DIRECTOR**

**Milind P. Phadke**  
**PARTNER**  
 Membership No. 033013  
 Mumbai : 29th May, 2014

**Minal Bhosale**  
**COMPANY SECRETARY**

**Gautam Thapar**  
**CHAIRMAN**

Mumbai : 29th May, 2014

**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. Further, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory bodies viz. SEBI guidelines override the same requiring a different treatment. 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, 2014, except as stated in Note 32(c).
- (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.

**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. Machinery spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.
- (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 of 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.



**1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)****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 three to ten years based on expected future benefits, 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 comparison of cost and carrying amount is done separately for each category of investments based on the market value of the investments.

**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 & materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

**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 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 the exchange rate at the date of the transaction.
- (c) 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.
- (d) 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.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

## 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 based on the contractual agreements 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. Claims are accounted as income in the year of acceptance by customer.

## (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 and 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.

**1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)****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. Earnings per share:**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**19. 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.

**20. Provisions, Contingent liabilities, Contingent assets and Commitments:**

- (a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:
  - (1) the Company has a present obligation as a result of a past event;
  - (2) a probable outflow of resources is expected to settle the obligation; and
  - (3) the amount of the obligation can be reliably estimated.
- (b) Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if obligation is settled.
- (c) Contingent liability is disclosed in the case of:
  - (1) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
  - (2) a present obligation 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.)

**21. 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.

**22. 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.



**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>2. SHARE CAPITAL</b>		
<b>Authorised:</b>		
1,80,50,00,000 Equity Shares of ₹ 2 each	361.00	361.00
<b>Issued (Refer note (a) below):</b>		
62,67,88,442 Equity Shares of ₹ 2 each (Previous year 64,15,33,836 Equity Shares of ₹ 2 each)	125.35	128.30
<b>Subscribed and paid-up (Refer note (a) below):</b>		
62,67,46,142 Equity Shares of ₹ 2 each (Previous year 64,14,91,536 Equity Shares of ₹ 2 each)	125.35	128.30
<b>Forfeited shares:</b>		
Amount paid-up on 42,300 Equity Shares of ₹ 2 each (Amount paid-up ₹ 32,175)	0.00	0.00
	125.35	128.30

**Notes:****(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year (Refer note 41, *infra*):**

Issued share capital	As at 31-03-2014		As at 31-03-2013	
	No. of Shares	₹ crore	No. of Shares	₹ crore
Balance at the beginning of the year	641533836	128.30	641533836	128.30
Less: Shares bought back	14745394	2.95	-	-
Balance at the end of the year	626788442	125.35	641533836	128.30

Subscribed and paid-up	As at 31-03-2014		As at 31-03-2013	
	No. of Shares	₹ crore	No. of Shares	₹ crore
Balance at the beginning of the year	641491536	128.30	641491536	128.30
Less: Shares bought back	14745394	2.95	-	-
Balance at the end of the year	626746142	125.35	641491536	128.30

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 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 Board of Directors have recommended a final dividend of ₹ 0.40 per share, subject to approval of shareholders at the ensuing Annual General Meeting.

In the event of liquidation, 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 31-03-2014		As at 31-03-2013	
	%	No. of Shares	%	No. of Shares
1 Avantha Holdings Limited	40.84	255937034	39.90	255937034
2 HDFC Trustee Company Limited - HDFC Equity Fund	9.30	58269500	-	-
3 HDFC Trustee Company Limited	-	-	9.05	58069500
4 Life Insurance Corporation of India	5.24	32842674	5.46	35043515

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(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 31-03-2014	As at 31-03-2013
	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares issued as fully paid-up bonus shares	274924944	274924944

(f) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

	As at 31-03-2014	As at 31-03-2013
	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares bought back	14745394	-

(g) Aggregate number of shares issued as GDRs

	As at 31-03-2014		As at 31-03-2013	
	%	No. of Shares	%	No. of Shares
The Bank of New York	0.22	1383534	0.23	1474294

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>3. RESERVES AND SURPLUS</b>		
<b>Capital reserve on consolidation</b>		
As per last balance sheet	158.10	158.10
<b>Capital reserve</b>		
As per last balance sheet	19.12	19.12
<b>Capital redemption reserve:</b>		
As per last balance sheet	10.00	10.00
Add: On account of Buy-back	2.95	-
	12.95	10.00
<b>Securities premium account:</b>		
As per last balance sheet	151.84	151.84
Less: Utilised for Buy-back	(133.54)	-
	18.30	151.84
<b>Revaluation reserve:</b>		
As per last balance sheet	30.93	14.02
Add : Addition during the year	-	18.51
Less: Transferred to Statement of profit and loss {Refer note (a) below}	(1.03)	(1.60)
	29.90	30.93
<b>Statutory reserve:</b>		
As per last balance sheet {Refer note (b) below}	63.02	63.02
Addition / (deduction) during the year	2.44	-
	65.46	63.02
<b>Government grant:</b>		
As per last balance sheet	0.10	-
Addition / (deduction) during the year	-	0.10
	0.10	0.10
<b>Foreign currency translation reserve:</b>		
As per last balance sheet	139.29	80.71
Addition / (deduction) during the year	60.34	58.58
	199.63	139.29
<b>Hedge reserve:</b>		
As per last balance sheet	(4.15)	(5.02)
Addition / (deduction) during the year {Refer note (c) below}	1.13	0.87
	(3.02)	(4.15)
<b>Balance in Statement of profit and loss:</b>		
As per last balance sheet	2864.97	2990.85
Add: Profit / (loss) for the year	244.33	(36.14)
Less: Transferred to statutory reserve {Refer note (b) below}	(2.44)	-
<b>Profit available for distribution:</b>	3106.86	2954.71
1st Interim dividend	25.19	25.66
2nd Interim dividend	25.07	25.66
Proposed dividend	25.07	25.66
Additional tax on dividend	12.86	12.76
	3018.67	2864.97
	3519.21	3433.22

**Notes:**

- (a) Depreciation on revalued amount of fixed assets recouped from Revaluation reserve ` 1.03 crore. {Also refer note 13(a), *infra*}
- (b) Statutory reserve 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.

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>4. MINORITY INTEREST</b>		
Opening balance	9.48	15.66
Addition / (Deletion) during the year	-	(2.43)
Share of profit / (loss) for the year	(0.68)	(1.12)
Dividend to minority shareholders	(0.08)	(0.12)
Translation adjustment	3.03	(2.51)
Closing balance	11.75	9.48

	As at 31-03-2014	As at 31-03-2013
<b>5. LONG-TERM BORROWINGS</b>		
<b>Secured loans</b>		
<b>Term loans</b>		
From banks {Refer note (a) below}	1554.16	1482.87
From financial Institutions {Refer note (b) below}	20.76	14.13
<b>Bonds {Refer note (c) below}</b>	53.27	52.48
<b>Unsecured loans</b>		
Interest-free sales tax deferral loans from State Government {Refer note (d) below}	0.54	0.75
Lease finance {Refer note (e) below}	3.52	4.78
	1632.25	1555.01

**(a) Term loans from banks:**

- (i) The long-term loan of ₹ 18.37 crore (Previous year ₹ 17.40 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 ₹ 59.89 crore (Previous year ₹ 72.38 crore) is secured by way of fixed and floating charge on all assets of CG Power USA Inc. located at Missouri and New Jersey. This loan is repayable in ten equal half yearly installments from drawdown in June, 2011.
- (iii) The long-term loan of ₹ 233.20 crore (Previous year ₹ 197.00 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 ₹ 13.16 crore (Previous year ₹ 11.12 crore) is secured 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 ₹ 141.16 crore (Previous year ₹ 155.67 crore) is secured by first ranking pledge 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. This loan is repayable in five equal annual installments from December, 2013.
- (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 ₹ 39.12 crore (Previous year ₹ 54.66 crore). This long-term loan is re-payable in four equal yearly installments from drawdown in May, 2010.
- (vii) The long-term loan of ₹ 1042.94 crore (Previous year ₹ 943.25 crore) is secured by pledge over 100% shares of ZIV Group, mortgage of fixed assets located at Spain and guaranteed by the Parent Company. This loan is repayable in unequal annual and half yearly installments from January, 2014.
- (viii) The long-term loan of ₹ 6.32 crore (Previous year ₹ 31.39 crore) is secured by first priority on all accounts receivables of the CG Power Systems USA Inc. located at Missouri and a lien senior in priority to all liens other than liens granted in favour of leased equipments.

**(b) Term loans from the financial institution consists the following:**

Soft loans of ₹ 20.76 crore (Previous year ₹ 14.13 crore) from Government / Ministry of Spain which are repayable in periodical installments from the year 2012 to 2022.

**(c) 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 ₹ 0.15 crore to ₹ 0.29 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 ₹ 0.78 crore to ₹ 2.36 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 ₹ 0.51 crore to ₹ 1.26 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 ₹ 1.20 crore to ₹ 1.80 crore through maturity in June, 2015.

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

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****(e) Finance lease:**

Finance lease obligations are repayable in equated monthly installments.

The assets acquired on finance lease mainly comprise, plants 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, 2014 and the present value as at 31st March, 2014 of minimum lease payments in respect of assets acquired under finance leases are as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2013-14	2012-13	2013-14	2012-13
Due within one year	2.51	2.62	2.03	1.97
Due one to five years	4.54	5.35	3.52	4.78
<b>Total</b>	<b>7.05</b>	<b>7.97</b>	<b>5.55</b>	<b>6.75</b>
<i>Less:</i> Future finance charges	1.50	1.22		
Present value of minimum lease payable	5.55	6.75		

	As at 31-03-2014		As at 31-03-2013	
<b>6. DEFERRED TAX</b>	<b>Deferred tax assets</b>	<b>Deferred tax liabilities</b>	<b>Deferred tax assets</b>	<b>Deferred tax liabilities</b>
Difference between book and tax depreciation		167.68		138.41
Expenses allowable for tax purposes when paid / on payment of tax (TDS)	62.57		51.95	
Unabsorbed carried forward tax losses / depreciation	210.40		203.94	
Other items giving rise to timing differences	68.03	20.15	59.06	8.45
	<b>341.00</b>	<b>187.83</b>	<b>314.95</b>	<b>146.86</b>
Net deferred tax liabilities / asset	153.17		168.09	
Deferred tax assets on acquisition of subsidiaries	-		30.57	
Effect of translation gain / loss	27.61		2.68	
Net asset / liability credited / charged to Statement of profit and loss		42.53		83.54
	<b>27.61</b>	<b>42.53</b>	<b>116.79</b>	
Net incremental assets / liabilities		14.92		116.79

	As at 31-03-2014		As at 31-03-2013	
<b>7. OTHER LONG-TERM LIABILITIES</b>				
<b>Other payables:</b>				
Deposits	28.12		27.33	
Others	58.36		52.13	
		86.48		79.46
Due to erstwhile shareholders of acquired subsidiaries		-		65.13
		<b>86.48</b>		<b>144.59</b>

	As at 31-03-2014	As at 31-03-2013
<b>8. LONG-TERM PROVISIONS</b>		
Employees benefits (Refer note below)	73.11	73.78
	<b>73.11</b>	<b>73.78</b>

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



**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>9. SHORT-TERM BORROWINGS</b>		
<b>Secured loans</b>		
<b>Term loans</b>		
From banks (Refer note below)	338.91	254.05
<b>Working capital demand loan</b>		
From banks (Refer note below)	57.34	42.42
<b>Unsecured loans</b>		
From banks	164.52	-
	<b>560.77</b>	<b>296.47</b>

**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 31-03-2014	As at 31-03-2013
<b>10. TRADE PAYABLES</b>		
Acceptances	346.66	257.32
Due to others	2389.66	2182.44
<b>Due to related parties:</b>		
Associates	37.41	22.07
	<b>2773.73</b>	<b>2461.83</b>

	As at 31-03-2014	As at 31-03-2013
<b>11. OTHER CURRENT LIABILITIES</b>		
<b>Current maturities:</b>		
<b>Long-term borrowings:</b>		
From banks (Refer note 5(a), <i>supra</i> )	195.98	171.15
From financial institutions (Refer note 5(b) and note 9, <i>supra</i> )	4.61	4.37
	<b>200.59</b>	<b>175.52</b>
Interest free deferral loans from State Government (Refer note 5(d), <i>supra</i> )	0.35	0.38
Lease finance (Refer note 5(e), <i>supra</i> )	2.03	1.97
Interest accrued but not due on borrowings	7.23	4.26
Advances from customers	945.64	918.11
<b>Investor Education and Protection Fund:</b>		
Unclaimed dividend	1.94	1.90
Unclaimed matured fixed deposits	-	0.00
	<b>1.94</b>	<b>1.90</b>
Due to directors	12.85	10.03
Due to customers (construction and project related activity)	125.82	66.33
<b>Other payables:</b>		
Due to erstwhile shareholders	44.74	-
Security deposits	2.01	0.73
Statutory dues	70.97	59.84
Employee dues	154.24	146.83
Others	143.63	168.88
	<b>415.59</b>	<b>376.28</b>
	<b>1712.04</b>	<b>1554.78</b>

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>12. SHORT-TERM PROVISIONS</b>		
Taxes (net of advance tax)	-	49.54
Proposed dividend	25.07	25.66
Additional tax on dividend	4.26	4.36
Employee benefits	4.77	3.19
Others provisions (Refer note below)	299.23	265.71
	<b>333.33</b>	<b>348.46</b>

**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/ Customs duty / Service tax	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Carrying amount at the beginning of the year	81.17	104.02	19.10	20.66	8.76	7.46
Addition on acquisition of subsidiaries during the year	-	0.03	-	-	-	-
Additional provision made during the year #	54.97	39.37	3.94	1.71	2.89	1.39
Amounts used during the year	21.94	42.35	-	1.31	-	-
Unused amounts reversed during the year #	23.01	26.47	0.45	1.96	0.33	0.09
Translation adjustment	4.34	6.57	-	-	-	-
Carrying amount at the end of the year	<b>95.53</b>	<b>81.17</b>	<b>22.59</b>	<b>19.10</b>	<b>11.32</b>	<b>8.76</b>

Nature of provisions	Liquidated damages		Other litigation claims		Environmental obligations	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Carrying amount at the beginning of the year	76.32	33.81	48.98	47.37	16.99	17.83
Addition on acquisition of subsidiaries during the year	-	-	-	-	-	-
Additional provision made during the year #	19.13	84.32	13.33	1.34	-	2.13
Amounts used during the year	34.25	12.88	-	0.83	0.72	2.13
Unused amounts reversed during the year #	7.33	29.24	-	-	-	5.10
Translation adjustment	9.33	0.31	8.08	1.10	3.11	4.26
Carrying amount at the end of the year	<b>63.20</b>	<b>76.32</b>	<b>70.39</b>	<b>48.98</b>	<b>19.38</b>	<b>16.99</b>

Nature of provisions	Onerous contracts		Total	
	2013-14	2012-13	2013-14	2012-13
Carrying amount at the beginning of the year	14.39	8.44	265.71	239.59
Addition on acquisition of subsidiaries during the year	-	-	-	0.03
Additional provision made during the year #	21.67	10.51	115.93	140.77
Amounts used during the year	0.69	-	57.60	59.50
Unused amounts reversed during the year #	19.53	4.59	50.65	67.45
Translation adjustment	0.98	0.03	25.84	12.27
Carrying amount at the end of the year	<b>16.82</b>	<b>14.39</b>	<b>299.23</b>	<b>265.71</b>

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

**(2) Nature of provisions:**

- Product warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is expected to be within a period of two years.
- 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.
- Provision for excise duty / customs duty / service tax represents the differential duty liability that is expected to materialise in respect of matters in appeal.
- Provision for liquidated damages has been made on contracts for which delivery dates are exceeded and computed in reasonable and prudent manner.
- Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.
- 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.
- Provision for onerous contracts have been made on contracts when it is probable that the estimated cost will exceed the total contract revenue.

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)														
	Gross block (Cost/ Valuation)				Depreciation / Amortisation				Net block					
	As at 01-04-2013	Acquisition*	Revaluation	Additions	Deductions	Translation adjustments	As at 31-03-2014	Upto 31-03-2013 or subsidiaries	For the year	Deductions	Translation adjustments	Upto 31-03-2014	As at 31-03-2014	As at 31-03-2013
<b>13. FIXED ASSETS</b>														
<b>(i) Tangible assets</b>														
Freehold land	95.92	1.41	-	-	0.55	12.27	109.05	-	-	-	-	-	109.05	95.92
Leasehold land	17.46	-	-	0.61	0.52	-	17.55	3.14	0.16	0.03	-	3.27	14.28	14.32
Buildings	1008.98	5.79	-	46.96	3.03	108.50	1167.20	461.91	33.05	2.39	55.07	547.64	619.56	547.07
Plant and equipments	1844.90	7.48	-	148.45	14.10	135.00	2121.73	1197.17	108.68	12.47	87.50	1380.88	740.85	647.73
Furniture and fixtures	128.57	0.05	-	10.74	19.49	8.03	127.90	87.88	10.72	18.80	11.70	91.50	36.40	40.69
Office equipments	119.32	0.06	-	9.85	3.71	3.61	129.13	94.10	7.11	3.33	2.22	100.10	29.03	25.22
Vehicles	42.20	-	-	3.27	4.63	5.06	45.90	28.90	3.41	4.09	3.56	31.78	14.12	13.30
Leased assets:														
Buildings	4.86	-	-	-	-	-	4.86	1.23	0.08	-	-	1.31	3.55	3.63
Plant and equipments	17.93	-	-	0.15	-	2.84	20.92	13.19	1.30	-	2.10	16.59	4.33	4.74
<b>Sub-total (i)</b>	<b>3280.14</b>	<b>14.79</b>	<b>-</b>	<b>220.03</b>	<b>46.03</b>	<b>275.31</b>	<b>3744.24</b>	<b>1887.52</b>	<b>164.51</b>	<b>41.11</b>	<b>162.15</b>	<b>2173.07</b>	<b>1571.17</b>	<b>1392.62</b>
<b>(ii) Intangible Assets</b>														
Computer software	181.06	-	-	26.68	-	32.83	240.57	124.47	27.35	-	26.14	177.96	62.61	56.59
Technical know-how	60.66	-	-	5.01	-	0.49	66.16	19.49	10.55	-	0.19	30.23	35.93	41.17
Commercial rights	43.52	-	-	-	-	-	43.52	16.93	6.35	-	-	23.28	20.24	26.59
Research and development	220.10	-	-	42.67	-	53.28	316.05	134.39	23.64	-	32.92	190.95	125.10	85.71
Brand names and customer lists	299.57	-	-	-	-	54.33	353.90	46.39	30.77	-	9.83	86.99	266.91	253.18
<b>Sub-total (ii)</b>	<b>804.91</b>	<b>-</b>	<b>-</b>	<b>74.36</b>	<b>-</b>	<b>140.93</b>	<b>1020.20</b>	<b>341.67</b>	<b>98.66</b>	<b>-</b>	<b>69.08</b>	<b>509.41</b>	<b>510.79</b>	<b>463.24</b>
<b>Total (i+ii)</b>	<b>4085.05</b>	<b>14.79</b>	<b>-</b>	<b>294.39</b>	<b>46.03</b>	<b>416.24</b>	<b>4764.44</b>	<b>2229.19</b>	<b>263.17</b>	<b>41.11</b>	<b>231.23</b>	<b>2682.48</b>	<b>1571.17</b>	<b>1392.62</b>
Previous year	3576.72	423.10	18.51	257.81	283.29	92.20	4085.05	2048.91	217.26	224.12	49.50	2229.19	1571.17	1392.62

**Notes:**

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

\* Acquisition of Compact Florescent Lamps business of Karma Industries integrated w.e.f. 1st June, 2013.

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>14. NON-CURRENT INVESTMENTS</b>		
<b>Quoted investments</b>		
Investment in Government or trust securities	0.44	0.46
<b>Unquoted investments</b>		
Investment in Government or trust securities	3.37	4.02
<b>Investment in equity instruments</b>		
Associate companies	266.07	277.48
Others	8.01	8.01
<b>Investments in debentures or bonds</b>		
Others	0.06	0.06
<b>Others</b>	0.05	0.05
	<b>278.00</b>	<b>290.08</b>
<b>Notes:</b>		
<b>Quoted investments</b>		
Book value	0.44	0.46
Market value	0.44	0.46
<b>Unquoted investments</b>		
Book value	277.56	289.62

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

	As at 31-03-2014	As at 31-03-2013
<b>15. LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
Capital advances	37.06	13.21
Deposits	12.83	11.41
	<b>49.89</b>	<b>24.62</b>

	As at 31-03-2014	As at 31-03-2013
<b>16. CURRENT INVESTMENTS</b>		
<b>Quoted investments</b>		
Investments in equity instruments	0.77	0.77
Investment in mutual funds	19.86	499.69
<b>Unquoted investments</b>		
Investment in Government or trust securities	0.26	0.25
	<b>20.89</b>	<b>500.71</b>
<b>Notes:</b>		
<b>Quoted investments</b>		
Book value	20.63	500.46
Market value	20.72	500.46
<b>Unquoted investments</b>		
Book value	0.26	0.25
Market value	0.26	0.25

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

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>17. INVENTORIES</b>		
Raw materials	523.60	537.75
Add: Goods-in-transit	64.25	67.18
	587.85	604.93
Work-in-progress - manufacturing	873.15	799.26
Finished goods - manufacturing	135.56	141.74
Add: Excise duty on finished goods	5.23	7.09
	140.79	148.83
Stock-in-trade	63.07	77.85
Stores, spares and packing materials	5.75	4.97
Loose tools	0.78	0.88
	<u>1671.39</u>	<u>1636.72</u>

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

	As at 31-03-2014	As at 31-03-2013
<b>18. TRADE RECEIVABLES</b>		
Unsecured		
<b>Debts overdue for six months</b>		
Considered good	319.73	371.02
Considered doubtful	119.80	114.12
	439.53	485.14
Less: Allowance for doubtful debts	119.80	114.12
	319.73	371.02
<b>Other debts</b>		
Considered good	3271.52	2789.45
	<u>3591.25</u>	<u>3160.47</u>



**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	As at 31-03-2014	As at 31-03-2013
<b>19. CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents:</b>		
<b>Balances with banks:</b>		
On current accounts	683.44	468.98
On deposit accounts {with less than 12 months maturity Refer note (a) below}	84.74	53.59
	<u>768.18</u>	<u>522.57</u>
Cash on hand	0.56	0.71
	<u>768.74</u>	<u>523.28</u>
<b>Other balances:</b>		
<b>Earmarked balances with banks:</b>		
Unpaid dividend {Refer note (b) below}	1.94	1.90
Unpaid matured fixed deposits and interest thereon {Refer note (b) below}	0.01	0.01
Others	40.19	54.42
	<u>42.14</u>	<u>56.33</u>
<b>Others</b>		
On deposit accounts {With more than 12 months maturity Refer note (a) below}	4.07	3.75
	<u>46.21</u>	<u>60.08</u>
	<u>814.95</u>	<u>583.36</u>

**Notes:**

- (a) Deposits include ₹ 3.60 crore (Previous year ₹ 2.80 crore) under lien with banks and ₹ 0.10 crore (Previous year ₹ 0.08 crore) 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, 2014.

	As at 31-03-2014	As at 31-03-2013
<b>20. SHORT-TERM LOANS AND ADVANCES</b>		
<b>Security deposits:</b>		
Considered good	48.59	41.79
Considered doubtful	1.20	1.47
	<u>49.79</u>	<u>43.26</u>
<i>Less:</i> Allowance for bad and doubtful advances	1.20	1.47
	<u>48.59</u>	<u>41.79</u>
<b>Loans and advances to related parties:</b>		
Associate	-	0.00
Other related party	11.20	10.45
	<u>11.20</u>	<u>10.45</u>
<b>Advances recoverable in cash or in kind or for value to be received:</b>		
Considered good	309.50	216.42
Considered doubtful	4.19	9.49
	<u>313.69</u>	<u>225.91</u>
<i>Less:</i> Allowance for bad and doubtful advances	4.19	9.49
	<u>309.50</u>	<u>216.42</u>
Balances with excise, customs, service tax and value added tax, etc.	126.28	88.47
	<u>495.57</u>	<u>357.13</u>

	As at 31-03-2014	As at 31-03-2013
<b>21. OTHER CURRENT ASSETS</b>		
Interest accrued on investments and deposits	0.20	0.21
Due from customers (construction and project related activity)	226.52	168.54
Other receivables	67.05	49.68
	<u>293.77</u>	<u>218.43</u>

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	2013-14	2012-13
<b>22. REVENUE FROM OPERATIONS</b>		
Sale of products	13735.56	12457.61
Sale of services	171.31	75.80
	13906.87	12533.41
<i>Less:</i> Excise duty	426.29	438.97
	13480.58	12094.44
<b>23. OTHER INCOME</b>		
Interest income	39.96	24.56
Dividend income	0.05	0.02
Gain on sale of investments (net)	10.86	23.45
Exchange gain (net)	22.50	-
<b>Other non-operating income (net of expenses):</b>		
Income from lease of premises / business service centers	19.04	21.00
Government grant	19.26	11.38
Miscellaneous income	99.84	19.59
	211.51	100.00
<b>24. COST OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS</b>		
Opening stock	604.93	438.50
Add: Purchases	6888.14	6722.33
<i>Less:</i> Closing stock	587.85	604.93
	6905.22	6555.90
<i>Less:</i> Scrap sales	109.87	125.97
	6795.35	6429.93
Add: Sub-contracting charges	397.77	355.60
	7193.12	6785.53
<b>25. PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of stock-in-trade	1993.21	1811.80
	1993.21	1811.80
<b>26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Changes in inventories of finished goods and work-in-progress:</b>		
Closing stock		
Finished goods	140.79	148.83
Work-in-progress	873.15	799.26
	1013.94	948.09
Opening stock		
Finished goods	148.83	144.63
Work-in-progress	799.26	591.70
	948.09	736.33
	(65.85)	(211.76)
<b>Changes in inventories of stock-in-trade:</b>		
Closing stock		
Stock-in-trade	63.07	77.85
Opening stock		
Stock-in-trade	77.85	38.35
	14.78	(39.50)
	(51.07)	(251.26)

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	2013-14	2012-13
<b>27. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	1559.53	1385.58
Contribution to provident and other funds	245.39	225.91
Post retirement medical benefits	9.66	8.13
Staff welfare expenses	137.48	120.44
	<b>1952.06</b>	<b>1740.06</b>
<b>28. FINANCE COSTS</b>		
Interest on loans	136.62	95.43
Loss on foreign currency transactions and translation (net)	-	0.06
	<b>136.62</b>	<b>95.49</b>
<b>29. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation expense	263.17	204.52
<i>Less: Recoupment from revaluation reserve (Refer note 3(a), supra)</i>	1.03	1.60
	<b>262.14</b>	<b>202.92</b>
<b>30. OTHER EXPENSES</b>		
Consumption of stores and spares	102.81	94.66
Power and fuel	104.12	99.90
Rent	92.19	85.12
Repairs to buildings	25.49	19.84
Repairs to machinery	54.36	43.88
Insurance	47.51	20.05
Rates and taxes	65.31	61.59
Freight and forwarding	375.23	335.00
Packing materials	87.08	75.47
After sales services including warranties	82.59	51.04
Sales promotion	130.37	114.03
Legal and professional charges	104.37	150.34
Miscellaneous expenses	439.86	474.23
	<b>1711.29</b>	<b>1625.15</b>

**NOTES** ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	As at 31-03-2014	As at 31-03-2013
<b>31. CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>A Contingent Liabilities</b> (to the extent not provided for)		
(a) Claims against the Company not acknowledged as debts	9.18	9.37
(b) Sales tax / VAT liability that may arise in respect of matters in appeal	18.08	14.43
(c) Excise duty / customs duty / service tax liability that may arise in respect of matters in appeal	4.56	5.40
(d) Income tax liability that may arise in respect of matters in appeal	5.21	2.90
(e) Bills discounted	91.52	79.89
<b>B Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	98.65	60.71

It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of the arbitration / appellate proceedings.

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

32. (a) In terms of Accounting Standard (AS) 21 Consolidated Financial Statements and Accounting Standard (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements specified by the Companies (Accounting Standards) Rules, 2006 (as amended), the consolidated financial statements present the consolidated financial statements of Crompton Greaves Limited (the Parent Company) with its subsidiaries and associates as under:

Sr. No.		Country of Incorporation	Proportion of Ownership Interest (%) either directly or through subsidiary	
			As at 31-03-2014	As at 31-03-2013
<b>Subsidiaries</b>				
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	100.00
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	CG Power Systems Ireland Limited	Ireland	100.00	100.00
9	CG Sales Networks France SA	France	99.40	99.40
10	CG Power Systems USA Inc. (merged with CG Power USA Inc. w.e.f. 1st July, 2013)	USA	-	100.00
11	CG Sales Networks Americas Inc. (merged with CG Power USA Inc. w.e.f. 1st July, 2013)	USA	-	100.00
12	CG Power Systems Canada Inc.	Canada	100.00	100.00
13	CG Service Systems Curacao N.V. (liquidated w.e.f. 6th September, 2013)	Netherlands Antilles	-	100.00
14	PT CG Power Systems Indonesia	Indonesia	95.00	95.00
15	CG Holdings Hungary Kft.	Hungary	100.00	100.00
16	CG Electric Systems Hungary Zrt.	Hungary	100.00	100.00
17	CG Power Holdings Ireland Limited	Ireland	100.00	100.00
18	Microsol Limited	Ireland	100.00	100.00
19	CG Automation Systems UK Limited	United Kingdom	100.00	100.00
20	Viserge Limited (liquidated w.e.f. 17th February, 2014)	Ireland	-	100.00
21	CG Service Systems France SAS	France	100.00	100.00
22	CG Power USA Inc. (formerly CG Power Solutions USA Inc.)	USA	100.00	100.00
23	CG Holdings Germany GmbH (liquidated w.e.f. 14th November, 2013)	Germany	-	100.00
24	CG Power Solutions UK Limited	United Kingdom	100.00	100.00
25	CG Holdings USA Inc. (merged with CG Power USA Inc. w.e.f. 1st July, 2013)	USA	-	100.00
26	CG Power County LLC	USA	100.00	100.00
27	CG Power Systems Brazil LTDA.	Brazil	100.00	100.00
28	CG Power Solutions Saudi Arabia Ltd	Saudi Arabia	51.00	51.00
29	CG Sales Networks Singapore PTE. Limited (liquidated w.e.f. 9th October, 2013)	Singapore	-	100.00
30	Crompton Greaves Holdings Mauritius Limited	Mauritius	100.00	100.00
31	CG International Holdings Singapore PTE. Limited	Singapore	100.00	100.00
32	CG Industrial Holdings Sweden AB	Sweden	100.00	100.00
33	Crompton Greaves Holdings Sweden AB (merged with CG Drives & Automation Sweden AB w.e.f. 6th February, 2014)	Sweden	-	100.00
34	CG Drives and Automation Sweden AB	Sweden	100.00	100.00
35	CG Drives and Automation Netherlands B.V.	The Netherlands	100.00	100.00
36	CG Drives and Automations Germany GmbH	Germany	100.00	100.00
37	Emotron Latin America Inc.	USA	100.00	100.00
38	CG Automation Solutions USA Inc. (merged with CG Power USA Inc. w.e.f. 1st July, 2013)	USA	-	100.00
39	ZIV Aplicaciones y Tecnologia S.L.	Spain	100.00	100.00
40	ZIV Metering Solutions S.L.	Spain	100.00	100.00
41	ZIV Grid Automation S.L.	Spain	100.00	100.00
42	ZIV Communications S.A.	Spain	100.00	100.00
43	ZIV USA Inc.	USA	100.00	100.00
44	ZIV Do Brasil LTDA	Brazil	100.00	100.00
45	ZIV I+D Smart Energy Networks	Spain	100.00	100.00
46	CG Middle East FZE (incorporated on 14th April, 2013)	UAE	100.00	-
47	Crompton Greaves Sales Network Malaysia SDN. BHD. (incorporated on 30th September, 2013)	Malaysia	100.00	-



**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

32. (a) In terms of Accounting Standard (AS) 21 Consolidated Financial Statements and Accounting Standard (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements specified by the Companies (Accounting Standards) Rules, 2006 (as amended), the consolidated financial statements present the consolidated financial statements of Crompton Greaves Limited (the Parent Company) with its subsidiaries and associates as under:

Sr. No.		Country of Incorporation	Proportion of Ownership Interest (%) either directly or through subsidiary	
			As at 31-03-2014	As at 31-03-2013
<b>Associates:</b>				
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

- (b) The % of voting rights that Parent Company holds in all its subsidiaries is equal to the % of corresponding shareholding except in case of Serial No. 14 PT CG Power Systems Indonesia. The Parent Company holds 95% of shareholding of PT CG Power Systems Indonesia through its subsidiary CG Power Systems Belgium N.V. and balance 5% is held by other partner. However, the parent Company through its subsidiary CG Power Systems Belgium N.V., has 100% voting rights since 5% shares held by other partner has no voting rights.
- (c) In the case of CG Power Solutions Saudi Arabia Ltd and Saudi Power Transformer Company, the financial statements as at 31st December, 2013 have been considered. There were no material adjustments required for any significant events or transactions for the three months upto 31st March, 2014.
- (d) For the purposes of consolidation, the financial statements of the foreign subsidiaries and associates as at 31st March, 2014, have been restated to comply with the Generally Accepted Accounting Principles in India.

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

	2013-14	2012-13
<b>33. EXPENSES CAPITALISED DURING THE YEAR</b>		
(a) Raw materials consumed	6.15	9.62
(b) Employee benefits	23.89	11.19
(c) Other expenses	13.68	3.86
	<b>43.72</b>	<b>24.67</b>

	2013-14	2012-13
<b>34. DISCLOSURES UNDER ACCOUNTING STANDARD (AS) 7 CONSTRUCTION CONTRACTS</b>		
(a) Contract revenue recognised for the financial year	1097.92	1258.26
(b) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	4056.62	3003.74
(c) Amount of customer advances outstanding for contracts in progress as at the reporting date	229.32	162.95
(d) Retention amount due from customer for contract in progress as at the reporting date	131.44	153.08

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****35. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS**

## (a) Defined contribution plans

Amount of ` 235.44 crore (Previous year ` 208.68 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer note 27, *supra*)

	2013-14	2012-13
<b>Benefits (Contribution to)</b>		
Provident fund	12.27	11.26
Superannuation fund	4.48	4.23
Employee state insurance scheme	0.60	0.58
Labour welfare scheme	0.02	0.02
Social security	218.07	192.59
<b>Total</b>	<b>235.44</b>	<b>208.68</b>

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

	Gratuity		Leave Encashment		Post Retirement Medical Benefits	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
	(Funded)	(Funded)	(Non-funded)	(Non-funded)	(Non-funded)	(Non-funded)
<b>I Change in present value of defined benefit obligation during the year</b>						
1 Present value of defined benefit obligation at the beginning of the year	52.63	47.72	24.84	21.51	16.47	12.83
2 Interest cost	4.21	3.94	1.99	1.78	1.36	0.91
3 Current service cost	3.31	2.81	1.88	1.82	0.66	0.40
4 Past service cost	-	0.01	-	(0.01)	-	-
5 Liability transfer from other Company	0.04	0.00	0.03	0.02	-	-
6 Benefits paid	(6.03)	(4.86)	(3.87)	(3.28)	(5.62)	(4.49)
7 Actuarial (gains) / losses	1.91	3.01	1.41	3.00	7.64	6.82
8 Present value of defined benefit obligation at the end of the year	56.07	52.63	26.28	24.84	20.51	16.47
<b>II Change in fair value of plan assets during the year</b>						
1 Fair value of plan assets at the beginning of the year	52.61	47.75	-	-	-	-
2 Expected return of plan assets	4.58	3.83	-	-	-	-
3 Contributions	4.18	6.03	3.87	3.28	5.62	4.49
4 Transfer from other company	-	-	-	-	-	-
5 Benefits paid	(6.03)	(4.86)	(3.87)	(3.28)	(5.62)	(4.49)
6 Actuarial gain / (loss)	0.64	(0.14)	-	-	-	-
7 Fair value of plan assets at the end of the year	55.98	52.61	-	-	-	-
8 Total actuarial gain / (loss) to be recognised	(1.27)	(3.15)	(1.41)	(3.00)	(7.64)	(6.82)
<b>III Actual return on plan assets</b>						
1 Expected return on plan assets	4.58	3.83	-	-	-	-
2 Actuarial gain / (loss)	0.64	(0.14)	-	-	-	-
3 Actual return on plan assets	5.22	3.69	-	-	-	-
<b>IV Net asset / (liability) recognised in the balance sheet</b>						
1 Liability at the end of the year	(56.07)	(52.63)	(26.28)	(24.84)	(20.51)	(16.47)
2 Fair value of plan assets at the end of the year	55.98	52.61	-	-	-	-
3 Amount recognised in the balance sheet	(0.09)	(0.02)	(26.28)	(24.84)	(20.51)	(16.47)
Net liability / (asset)- Current	-	-	(3.50)	(2.24)	(1.27)	(0.95)
Net liability / (asset)- Non-current	(0.09)	(0.02)	(22.78)	(22.60)	(19.24)	(15.52)

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****35. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS (Contd.)****(b) Defined Benefit Plans as per Actuarial Valuation are as under (Contd.)**

	Gratuity		Leave Encashment		Post Retirement Medical Benefits	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
	(Funded)	(Funded)	(Non-funded)	(Non-funded)	(Non-funded)	(Non-funded)
<b>V Expenses recognised in the statement of profit and loss for the year</b>						
1 Current service cost	3.31	2.81	1.88	1.82	0.66	0.40
2 Interest cost	4.21	3.94	1.99	1.78	1.36	0.91
3 Expected return on plan assets	(4.58)	(3.83)	-	-	-	-
4 Actuarial (gains) / losses	1.27	3.15	1.41	3.00	7.64	6.82
5 Past service cost	-	0.01	-	(0.01)	-	-
6 Total expenses as per actuarial valuation	4.21	6.08	5.28	6.59	9.66	8.13
7 Optional payment	-	0.67	-	-	-	-
8 Total expenses included in employee benefits expense	4.21	6.75	5.28	6.59	9.66	8.13
<b>VI The major categories of plan assets as a percentage of total Insurer managed funds</b>	100%	100%	-	-	-	-
<b>VII Effect of one percent point change in the assumed medical inflation rate</b>						
(1) Increase / (decrease) on aggregate service and interest cost of Post Retirement Medical Benefits						
(i) One percentage point increase in discount rate	-	-	-	-	0.15	0.10
(ii) One percentage point decrease in discount rate	-	-	-	-	(0.13)	(0.09)
(2) Increase / (decrease) on present value of defined benefits obligation as at 31st March, 2014						
(i) One percentage point increase in Medical Inflation rate	-	-	-	-	1.93	1.55
(ii) One percentage point decrease in Medical Inflation rate	-	-	-	-	(1.58)	(1.27)
<b>VIII Experience adjustment</b>						
On plan liabilities - gain / (loss)	(6.17)	(5.33)	(1.40)	(1.59)	(9.76)	(6.82)
On plan assets - gain / (loss)	0.64	(0.14)	-	-	-	-
<b>IX Actuarial assumptions</b>						
1 Discount rate	8.00% to 9.41% p.a.	8.00% to 8.25% p.a.	9.32% to 9.41% p.a.	8.00% to 8.25% p.a.	9.41% p.a.	8.00% to 8.25% p.a.
2 Rate of return on plan assets	8.70% p.a.	8.70% p.a.	-	-	-	-
3 Salary escalation	5.00% to 6.00% p.a.	5.00% p.a.	6.00% p.a.	5.00% p.a.	-	-
4 Mortality pre retirement rate	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate Table	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1994-96) Ultimate Table	-	-
5 Mortality post retirement rate	-	-	-	-	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (1996-98) Ultimate Table
6 Medical premium inflation rate	-	-	-	-	4.00 % p.a.	4.00 % p.a.

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****35. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS (Contd.)****(b) Defined Benefit Plans as per Actuarial Valuation are as under (Contd.)**

	Pension	
	2013-14 (Funded)	2012-13 (Funded)
<b>I Change in present value of defined benefit obligation during the year</b>		
1 Present value of defined benefit obligation at the beginning of the year	178.44	154.89
2 Interest cost	8.85	8.80
3 Current service cost	6.74	5.21
4 Past service cost	0.66	0.02
5 Benefits paid	(11.62)	(10.91)
6 Actuarial (gains) / losses	13.81	12.01
7 Curtailment loss	(0.58)	-
8 Settlement payment	-	1.58
9 Employee contributions	0.96	0.81
10 Translation difference	9.27	6.03
11 Present value of defined benefit obligation at the end of the year	206.53	178.44
<b>II Change in fair value of assets during the year</b>		
1 Fair value of plan assets at the beginning of the year	171.27	140.45
2 Expected return of plan assets	7.30	7.97
3 Contributions	9.44	20.14
4 Benefits paid	(11.62)	(10.91)
5 Actuarial gain / (loss)	16.88	8.38
6 Translation difference	8.83	5.24
7 Fair value of plan assets at the end of the year	202.10	171.27
8 Total actuarial gain / (loss) to be recognised	3.07	(3.63)
<b>III Actual return on plan assets</b>		
1 Expected return on plan assets	7.30	7.97
2 Actuarial gain / (loss)	16.88	8.38
3 Actual return on plan assets	24.18	16.35
<b>IV Net asset / (liability) recognised in the balance sheet</b>		
1 Liability at the end of the year	206.53	178.44
2 Fair value of plan assets at the end of the year	202.10	171.27
3 Net liability at the end of the year	4.43	7.17
4 Related deferred tax (asset) / liability	(0.22)	(0.22)
5 Amount recognised in the balance sheet	4.21	6.95
<b>V Expenses recognised in the statement of profit and loss for the year</b>		
1 Current service cost	6.74	5.21
2 Interest cost	8.85	8.80
3 Expected return on plan assets	(7.30)	(7.97)
4 Actuarial (gains) / losses	(3.07)	3.63
5 Past service cost	0.66	0.02
6 Curtailment loss	(0.58)	-
7 Effect of changes in foreign exchange	0.44	0.79
8 Total expenses as per actuarial valuation	5.74	10.48
9 Total expenses included in employee benefits	5.74	10.48
<b>VI The major categories of plan assets as a percentage of total:</b>		
Equity instruments	47%	51%
Debt instruments	45%	42%
Insurer managed funds	7%	6%
Cash	1%	1%
<b>VII Experience adjustment</b>		
On plan liabilities - gain / (loss)	(13.35)	(9.93)
On plan assets - gain / (loss)	15.60	8.49
<b>VIII Actuarial assumptions</b>		
1 Discount rate	3.95% - 8.60% p.a.	3.95% - 6.30% p.a.
2 Rate of return on plan assets	2.90% - 6.65% p.a.	3.50% - 7.25% p.a.
3 Salary escalation	3.00% - 7.50% p.a.	3.00% - 7.50% p.a.



**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****36. 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 2013-14
<b>Revenue</b>						
External sales (net of excise duty)	8472.75	2845.71	1767.93	394.19	-	13480.58
Inter segment sales	4.82	1.34	48.49	-	(54.65)	-
<b>Total</b>	<b>8477.57</b>	<b>2847.05</b>	<b>1816.42</b>	<b>394.19</b>	<b>(54.65)</b>	<b>13480.58</b>
Segment results	234.08	337.46	128.24	2.31	-	702.09
Less: Finance costs						96.66
Less: Other unallocable expenditure net of unallocable income						110.71
Profit before tax						494.72
Tax expense						236.05
Profit after tax						258.67
<b>Capital Employed:</b>						
Segment assets	7483.17	628.01	1322.10	242.82	998.75	10674.85
Segment liabilities	3584.66	506.85	371.14	31.10	281.97	4775.72
<b>Net Assets</b>	<b>3898.51</b>	<b>121.16</b>	<b>950.96</b>	<b>211.72</b>	<b>716.78</b>	<b>5899.13</b>
Capital expenditure	185.94	28.65	47.54	15.36	18.78	296.27
Depreciation and amortisation expense	194.09	10.30	41.99	1.48	14.28	262.14
Non-cash expenses other than depreciation	(0.37)	4.71	10.20	0.20	-	14.74

Particulars	Power Systems	Consumer Products	Industrial Systems	Others	Eliminations / Unallocable Expenditure / Assets*	Total 2012-13
<b>Revenue</b>						
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)	-
<b>Total</b>	<b>7335.86</b>	<b>2592.71</b>	<b>1834.58</b>	<b>389.64</b>	<b>(58.35)</b>	<b>12094.44</b>
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 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)
<b>Capital Employed:</b>						
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
<b>Net Assets</b>	<b>3382.43</b>	<b>110.33</b>	<b>866.34</b>	<b>89.54</b>	<b>983.62</b>	<b>5432.26</b>
Capital expenditure	222.59	18.43	68.23	12.57	18.00	339.82
Depreciation and amortisation expense	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

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

**NOTES** ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**36. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING (Contd.)****II Secondary Segments (Geographical Segments)****(a) Segment revenue by location of customers:**

	2013-14	2012-13
<b>Sales and service revenue:</b>		
Domestic	6610.74	6327.91
Overseas	6869.84	5766.53
<b>Total</b>	<b>13480.58</b>	<b>12094.44</b>

**(b) Cost incurred on acquisition of tangible and intangible assets:**

	2013-14	2012-13
Domestic	134.03	176.37
Overseas	162.24	163.45
<b>Total</b>	<b>296.27</b>	<b>339.82</b>

**(c) The carrying amount of segment assets by location of assets:**

	As at 31-03-2014	As at 31-03-2013
Domestic	4294.99	4357.42
Overseas	6379.86	5480.41
<b>Total</b>	<b>10674.85</b>	<b>9837.83</b>

**III Continent-wise sales:**

	2013-14	2012-13
<b>Continents:</b>		
Asia	8271.22	7408.11
Africa	430.49	355.43
North America	1472.65	1523.76
South America	412.64	281.32
Europe	2706.21	2336.43
Australia	187.37	189.39
<b>Total</b>	<b>13480.58</b>	<b>12094.44</b>

**IV Unallocable assets / liabilities exclude:**

	As at 31-03-2014	As at 31-03-2013
<b>Liabilities:</b>		
Long-term borrowings	1632.25	1555.01
Deferred tax liabilities	187.83	146.86
Short-term borrowings	560.77	296.47
Current maturities of long-term borrowings	202.97	177.87
<b>Total</b>	<b>2583.82</b>	<b>2176.21</b>
<b>Assets:</b>		
Deferred tax assets	341.00	314.95
<b>Total</b>	<b>341.00</b>	<b>314.95</b>

**36. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING (Contd.)****V 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.

**37. 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

**(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 Corella Investments Limited
- 11 Lustre International Limited
- 12 Varun Prakashan Private Limited
- 13 Jhabua Power Limited

**NOTES** ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**37. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)**

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

Sr. No.	Nature of transaction / relationship	2013-14	2012-13
<b>1</b>	<b>Purchase of goods and services</b>		
	<b>Associate</b>		
	CG Lucy Switchgear Limited	113.87	58.99
	<b>Other Related Parties</b>		
	BILT Graphic Paper Products Limited	0.47	-
	Ballarpur Industries Limited	0.09	0.79
	<b>Total</b>	<b>114.43</b>	<b>59.78</b>
<b>2</b>	<b>Sales of goods and services</b>		
	<b>Associates</b>		
	CG Lucy Switchgear Limited	10.40	7.23
	Avantha Power & Infrastructure Limited	-	0.22
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.60	0.75
	Solaris ChemTech Industries Limited	0.13	0.24
	BILT Graphic Paper Products Limited	0.63	4.81
	Korba West Power Company Limited	9.12	13.85
	Avantha Holdings Limited	0.01	0.02
	Sabah Forest Industries Sdn. Bhd.	0.37	0.34
	Jhabua Power Limited	5.14	12.47
	<b>Total</b>	<b>26.40</b>	<b>39.93</b>
<b>3</b>	<b>Sale of fixed assets</b>		
	<b>Other Related Party</b>		
	Avantha Holdings Limited	-	0.01
	<b>Total</b>	<b>-</b>	<b>0.01</b>
<b>4</b>	<b>Interest expenses</b>		
	<b>Associate</b>		
	CG Lucy Switchgear Limited	0.36	0.56
	<b>Total</b>	<b>0.36</b>	<b>0.56</b>
<b>5</b>	<b>Rental income</b>		
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.85	2.05
	BILT Graphic Paper Products Limited	1.12	-
	Solaris ChemTech Industries Limited	0.30	0.53
	<b>Total</b>	<b>2.27</b>	<b>2.58</b>
<b>6</b>	<b>Interest income</b>		
	<b>Other Related Party</b>		
	Malanpur Captive Power Limited	0.83	0.86
	<b>Total</b>	<b>0.83</b>	<b>0.86</b>
<b>7</b>	<b>Payment of salaries, commission and perquisites</b>		
	<b>Key Management Personnel</b>		
	Gautam Thapar	5.21	4.50
	Laurent Demortier	8.79	9.00
	<b>Total</b>	<b>14.00</b>	<b>13.50</b>

**NOTES** ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**37. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES (Contd.)****(b) The following transactions were carried out with the related parties in the ordinary course of business (Contd.)**

Sr. No.	Nature of transaction / relationship	2013-14	2012-13
<b>8</b>	<b>Dividend paid</b>		
	<b>Other Related Parties</b>		
	Avantha Holdings Limited	30.71	30.71
	Avantha Realty Limited	0.00	0.00
	Corella Investments Limited	0.87	0.87
	Lustre International Limited	0.52	0.52
	Varun Prakashan Private Limited	0.00	0.00
	<b>Total</b>	<b>32.10</b>	<b>32.10</b>
<b>9</b>	<b>Rent paid</b>		
	<b>Other Related Party</b>		
	Avantha Realty Limited	2.04	2.04
	<b>Total</b>	<b>2.04</b>	<b>2.04</b>
<b>10</b>	<b>Other expenses</b>		
	<b>Other Related Parties</b>		
	Avantha Holdings Limited	67.64	78.42
	Avantha Realty Limited	0.47	0.67
	Avantha Technologies Limited	-	0.01
	Salient Business Solutions Limited	1.13	0.88
	<b>Total</b>	<b>69.24</b>	<b>79.98</b>

**iv) Amount due to / from related parties:**

Sr. No.	Nature of transaction / relationship	As at 31-03-2014	As at 31-03-2013
<b>1</b>	<b>Accounts payable</b>		
	<b>Associates</b>		
	CG Lucy Switchgear Limited	35.15	21.63
	Saudi Power Transformers Company Limited	0.72	-
	Pauwels Middle East Trading & Contracting (Pvt.) Co. LLC	1.54	0.44
	<b>Other Related Parties</b>		
	Ballarpur Industries Limited	0.00	0.01
	Avantha Holdings Limited	0.09	3.60
	Salient Business Solutions Limited	0.20	0.08
	<b>Total</b>	<b>37.70</b>	<b>25.76</b>
<b>2</b>	<b>Accounts receivable</b>		
	<b>Associates</b>		
	CG Lucy Switchgear Limited	2.60	1.65
	Avantha Power & Infrastructure Limited	0.00	0.00
	<b>Other Related Parties</b>		
	BILT Graphic Paper Products Limited	1.99	1.03
	Ballarpur Industries Limited	0.38	0.24
	Solaris ChemTech Industries Limited	0.17	0.24
	Korba West Power Company Limited	10.48	4.89
	Sabah Forest Industries Sdn. Bhd.	0.17	-
	Avantha Holdings Limited	0.00	0.01
	Jhabua Power Limited	8.34	4.87
	<b>Total</b>	<b>24.13</b>	<b>12.93</b>



**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****37. 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 31-03-2014	As at 31-03-2013
<b>3</b>	<b>Loans and advances receivable</b>		
	Associate		
	CG Lucy Switchgear Limited	-	0.00
	Other Related Party		
	Malanpur Captive Power Limited	11.20	10.45
	<b>Total</b>	<b>11.20</b>	<b>10.45</b>
<b>4</b>	<b>Loans and advances payable</b>		
	Other Related Parties		
	Solaris ChemTech Industries Limited	0.13	0.10
	Korba West Power Company Limited	3.54	0.07
	<b>Total</b>	<b>3.67</b>	<b>0.17</b>
<b>5</b>	<b>Dividend payable</b>		
	Other Related Parties		
	Avantha Holdings Limited	10.24	10.24
	Avantha Realty Limited	0.00	0.00
	Corella Investments Limited	0.29	0.29
	Lustre International Limited	0.17	0.17
	Varun Prakashan Private Limited	0.00	0.00
	<b>Total</b>	<b>10.70</b>	<b>10.70</b>
<b>6</b>	<b>Due to Key Management Personnel</b>		
	Gautam Thapar	5.21	4.50
	Laurent Demortier	5.46	4.01
	<b>Total</b>	<b>10.67</b>	<b>8.51</b>

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

**38. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 19 LEASES**

## Operating Leases:

- (i) The Company has taken various residential / commercial premises and plant and equipment under cancellable operating leases. These lease agreements are normally renewed on expiry.
- (ii) (a) The Company has taken certain assets on non-cancellable operating lease, the future minimum lease payment in respect of which are as follows:

	Minimum lease payments	
	2013-14	2012-13
Due within one year	20.93	14.85
Due one to five years	20.36	22.94
Due beyond five years	2.95	18.66
<b>Total</b>	<b>44.24</b>	<b>56.45</b>

- (b) The lease agreements provide for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional / restrictive covenants in the lease agreements.
- (iii) Lease rental expense in respect of operating leases is ₹ 26.34 crore (Previous year ₹ 14.74 crore)

**NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****39. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS) 20 EARNINGS PER SHARE**

		2013-14	2012-13
Profit / (loss) for the year	₹ crore	244.33	(36.14)
Weighted average number of equity shares outstanding	Nos.	633254604	641491536
Face value of equity share	₹ / share	2.00	2.00
Weighted average earnings per share (basic and diluted)	₹	3.86	(0.56)

**40. 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 transactions which are not covered by the existing Accounting Standard (AS) 11. This treatment has resulted in a net gain of ₹ 1.13 crore (Previous year gain of ₹ 0.87 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, 2014 are as under:

Sr. No.	Category of Derivative Instruments	As at 31-03-2014	As at 31-03-2013
<b>1</b>	<b>For hedging foreign currency risks:</b>		
(a)	Forward contracts for receivables including firm commitments and highly probable forecasted transactions	785.07	579.72
(b)	Forward contracts for payable including firm commitments and highly probable forecasted transactions	224.35	230.61
<b>2</b>	<b>For hedging commodity price risks</b>		
	Commodity futures	94.73	69.52
<b>3</b>	<b>Particulars of Unhedged foreign currency exposure as at the balance sheet date:</b>		
(a)	Trade receivables	129.95	124.66
(b)	Trade payables	314.32	241.84
(c)	Loans payables	184.27	208.23
(d)	Bank balance in current accounts and term deposit accounts	40.37	16.22
(e)	Investments in overseas associates	3.60	17.17

41. The Company, during the year, has bought 14,745,394 equity shares under the Buy-back Scheme at a cost of ₹ 133.56 crore (including service tax). A sum of ₹ 133.54 crore pertaining to shares extinguished during the year has been reduced from securities premium account and ₹ 2.95 crore representing the face value has been reduced from the share capital and transferred to capital redemption reserve. The total amount utilised in the buy-back is ₹ 133.56 crore, being 50.27% of the maximum buy-back size of ₹ 265.70 crore. All shares bought back have been fully extinguished as on date.

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

43. Figures of the previous year have been regrouped wherever necessary.

**Signatures to Notes 1 to 43**

**SHARP & TANNAN**  
**CHARTERED ACCOUNTANTS**  
 Firm's Registration No. 109982W  
 by the hand of

**Madhav Acharya**  
**CHIEF FINANCIAL OFFICER**

**Laurent Demortier**  
**CEO & MANAGING DIRECTOR**

**Milind P. Phadke**  
**PARTNER**  
 Membership No. 033013  
 Mumbai, 29th May, 2014

**Minal Bhosale**  
**COMPANY SECRETARY**

**Gautam Thapar**  
**CHAIRMAN**

Mumbai, 29th May, 2014

# ACCOUNTS IN FOREIGN CURRENCY

**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2014**

	As at 31-03-2014		As at 31-03-2013	
	USD million	USD million	USD million	USD million
<b>EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS:</b>				
(a) Share capital	20.92		23.63	
(b) Reserves and surplus	539.26		539.48	
		560.18		563.11
<b>2. NON-CURRENT LIABILITIES:</b>				
(a) Long-term borrowings	0.09		0.14	
(b) Deferred tax liabilities (net)	12.28		9.18	
(c) Other long-term liabilities	4.68		5.03	
(d) Long-term provisions	7.00		7.02	
		24.05		21.37
<b>3. CURRENT LIABILITIES:</b>				
(a) Short-term borrowings	5.01		2.38	
(b) Trade payables	260.90		278.95	
(c) Other current liabilities	60.58		77.68	
(d) Short-term provisions	21.75		27.24	
		348.24		386.25
<b>TOTAL</b>		<b>932.47</b>		<b>970.73</b>
<b>ASSETS</b>				
<b>1. NON-CURRENT ASSETS:</b>				
(a) Fixed assets				
(i) Tangible assets	112.59		111.32	
(ii) Intangible assets	13.42		10.35	
(iii) Capital work-in-progress	7.08		13.80	
(iv) Intangible assets under development	4.22		7.34	
(b) Non-current investments	134.49		102.16	
(c) Long-term loans and advances	7.12		3.34	
		278.92		248.31
<b>2. CURRENT ASSETS:</b>				
(a) Current investments	3.44		92.19	
(b) Inventories	93.10		101.04	
(c) Trade receivables	318.47		339.07	
(d) Cash and bank balances	73.91		53.20	
(e) Short-term loans and advances	153.43		127.76	
(f) Other current assets	11.20		9.16	
		653.55		722.42
<b>TOTAL</b>		<b>932.47</b>		<b>970.73</b>

Note: Closing exchange rate considered for 1 USD as at 31st March, 2014 is ` 59.9100 and as at 31st March, 2013 is ` 54.2850

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	2013-14		2012-13	
	USD million	USD million	USD million	USD million
<b>INCOME:</b>				
Sales and services	1310.94		1390.93	
<i>Less: Excise duty</i>	70.07		80.06	
Revenue from operations		1240.87		1310.87
Other income		29.11		18.13
<b>TOTAL REVENUE</b>		<b>1269.98</b>		<b>1329.00</b>
<b>EXPENSES:</b>				
Cost of raw materials and components consumed and construction materials	599.35		655.00	
Purchases of stock-in-trade	330.23		332.86	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2.12)		(7.90)	
Employee benefits expense	78.92		75.46	
Finance costs	6.59		4.67	
Depreciation and amortisation expense	14.81		13.20	
Other expenses	124.16		146.21	
<b>TOTAL EXPENSES</b>		<b>1151.94</b>		<b>1219.50</b>
<b>PROFIT BEFORE TAX</b>		<b>118.04</b>		<b>109.50</b>
<b>TAX EXPENSE:</b>				
Current tax	27.77		26.38	
Deferred tax	3.94		1.21	
		<b>31.71</b>		<b>27.59</b>
<b>PROFIT FOR THE YEAR</b>		<b>86.33</b>		<b>81.91</b>
Earnings per share (basic and diluted) (in USD)		<b>0.14</b>		<b>0.13</b>

Note: Average exchange rate considered for 1 USD for 2013-14 is ` 60.3575 and for 2012-13 is ` 54.4316



**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2014**

	As at 31-03-2014		As at 31-03-2013	
	Euro million	Euro million	Euro million	Euro million
<b>EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS:</b>				
(a) Share capital	15.24		18.46	
(b) Reserves and surplus	392.74		421.40	
		407.98		439.86
<b>2. NON-CURRENT LIABILITIES:</b>				
(a) Long-term borrowings	0.07		0.11	
(b) Deferred tax liabilities (net)	8.95		7.17	
(c) Other long-term liabilities	3.41		3.93	
(d) Long-term provisions	5.09		5.48	
		17.52		16.69
<b>3. CURRENT LIABILITIES:</b>				
(a) Short-term borrowings	3.65		1.86	
(b) Trade payables	190.01		217.91	
(c) Other current liabilities	44.12		60.67	
(d) Short-term provisions	15.84		21.28	
		253.62		301.72
<b>TOTAL</b>		<b>679.12</b>		<b>758.27</b>
<b>ASSETS</b>				
<b>1. NON-CURRENT ASSETS:</b>				
(a) Fixed assets				
(i) Tangible assets	82.00		86.96	
(ii) Intangible assets	9.77		8.08	
(iii) Capital work-in-progress	5.16		10.78	
(iv) Intangible assets under development	3.08		5.74	
(b) Non-current investments	97.94		79.80	
(c) Long-term loans and advances	5.19		2.60	
		203.14		193.96
<b>2. CURRENT ASSETS:</b>				
(a) Current investments	2.51		72.01	
(b) Inventories	67.81		78.93	
(c) Trade receivables	231.93		264.86	
(d) Cash and bank balances	53.83		41.55	
(e) Short-term loans and advances	111.74		99.80	
(f) Other current assets	8.16		7.16	
		475.98		564.31
<b>TOTAL</b>		<b>679.12</b>		<b>758.27</b>

Note: Closing exchange rate considered for 1 Euro as at 31st March, 2014 is ` 82.2620 and as at 31st March 2013 is ` 69.4950

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	2013-14		2012-13	
	Euro million	Euro million	Euro million	Euro million
<b>INCOME:</b>				
Sales and services	977.61		1080.00	
<i>Less: Excise duty</i>	52.25		62.16	
Revenue from operations		925.36		1017.84
Other income		21.71		14.08
<b>TOTAL REVENUE</b>		<b>947.07</b>		<b>1031.92</b>
<b>EXPENSES:</b>				
Cost of raw materials and components consumed and construction materials	446.96		508.58	
Purchases of stock-in-trade	246.27		258.45	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1.58)		(6.13)	
Employee benefits expense	58.86		58.59	
Finance costs	4.91		3.63	
Depreciation and amortisation expense	11.04		10.25	
Other expenses	92.59		113.53	
<b>TOTAL EXPENSES</b>		<b>859.05</b>		<b>946.90</b>
<b>PROFIT BEFORE TAX</b>		<b>88.02</b>		<b>85.02</b>
<b>TAX EXPENSE:</b>				
Current tax	20.71		20.48	
Deferred tax	2.93		0.94	
		23.64		21.42
<b>PROFIT FOR THE YEAR</b>		<b>64.38</b>		<b>63.60</b>
Earnings per share (basic and diluted) (in Euro)		0.10		0.10

Note: Average exchange rate considered for 1 Euro for 2013-14 is ` 80.9367 and for 2012-13 is ` 70.1028

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

	As at 31-03-2014		As at 31-03-2013	
	USD million	USD million	USD million	USD million
<b>EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS:</b>				
(a) Share capital	20.92		23.63	
(b) Reserves and surplus	587.42		632.44	
		608.34		656.07
<b>2. MINORITY INTEREST</b>		1.96		1.75
<b>3. NON-CURRENT LIABILITIES:</b>				
(a) Long-term borrowings	272.45		286.45	
(b) Deferred tax liabilities	31.35		27.05	
(c) Other long-term liabilities	14.43		26.64	
(d) Long-term provisions	12.20		13.59	
		330.43		353.73
<b>4. CURRENT LIABILITIES:</b>				
(a) Short-term borrowings	93.60		54.61	
(b) Trade payables	462.98		453.50	
(c) Other current liabilities	285.77		286.41	
(d) Short-term provisions	55.64		64.19	
		897.99		858.71
<b>TOTAL</b>		<b>1838.72</b>		<b>1870.26</b>
<b>ASSETS</b>				
<b>1. NON-CURRENT ASSETS:</b>				
(a) Fixed assets				
(i) Tangible assets	262.25		256.54	
(ii) Intangible assets	85.26		85.33	
(iii) Capital work-in-progress	15.28		23.41	
(iv) Intangible assets under development	21.17		19.20	
(v) Goodwill on consolidation	193.42		180.38	
(b) Non-current investments	46.40		53.43	
(c) Deferred tax assets	56.92		58.01	
(d) Long-term loans and advances	8.33		4.53	
		689.03		680.83
<b>2. CURRENT ASSETS:</b>				
(a) Current investments	3.49		92.24	
(b) Inventories	278.98		301.50	
(c) Trade receivables	599.44		582.20	
(d) Cash and bank balances	136.03		107.46	
(e) Short-term loans and advances	82.72		65.79	
(f) Other current assets	49.03		40.24	
		1149.69		1189.43
<b>Total</b>		<b>1838.72</b>		<b>1870.26</b>

Note: Closing exchange rate considered for 1USD as at 31st March, 2014 is ` 59.9100 and as at 31st March, 2013 is ` 54.2850

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	2013-14		2012-13	
	USD million	USD million	USD million	USD million
<b>INCOME:</b>				
Sales and services	2304.08		2302.60	
<i>Less:</i> Excise duty	70.62		80.65	
Revenue from operations		2233.46		2221.95
Other income		35.04		18.37
<b>TOTAL REVENUE</b>		<b>2268.50</b>		<b>2240.32</b>
<b>EXPENSES:</b>				
Cost of raw materials and components consumed and construction materials	1191.75		1246.61	
Purchases of stock-in-trade	330.23		332.86	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(8.46)		(46.16)	
Employee benefits expense	323.42		319.68	
Finance costs	22.64		17.54	
Depreciation and amortisation expense	43.43		37.28	
Other expenses	283.53		298.57	
<b>TOTAL EXPENSES</b>		<b>2186.54</b>		<b>2206.38</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEM AND TAX</b>		<b>81.96</b>		<b>33.94</b>
Exceptional item		-		(22.18)
<b>PROFIT BEFORE TAX</b>		<b>81.96</b>		<b>11.76</b>
<b>TAX EXPENSE:</b>				
Current tax	32.06		33.89	
Deferred tax	7.04		(15.35)	
		<b>39.10</b>		<b>18.54</b>
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>42.86</b>		<b>(6.78)</b>
Minority interest in loss		0.11		0.21
Share of profit / (loss) of associate companies (net)		(2.49)		(0.07)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>40.48</b>		<b>(6.64)</b>
Earnings per share (basic and diluted) (in USD)		<b>0.06</b>		<b>(0.01)</b>

Note: Average exchange rate considered for 1USD for 2013-14 is ` 60.3575 and for 2012-13 is ` 54.4316

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

	As at 31-03-2014		As at 31-03-2013	
	Euro million	Euro million	Euro million	Euro million
<b>EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS:</b>				
(a) Share capital	15.24		18.46	
(b) Reserves and surplus	427.80		494.02	
		443.04		512.48
<b>2. MINORITY INTEREST</b>		1.43		1.36
<b>3. NON-CURRENT LIABILITIES:</b>				
(a) Long-term borrowings	198.42		223.76	
(b) Deferred tax liabilities	22.83		21.13	
(c) Other long-term liabilities	10.51		20.80	
(d) Long-term provisions	8.89		10.62	
		240.65		276.31
<b>4. CURRENT LIABILITIES:</b>				
(a) Short-term borrowings	68.17		42.66	
(b) Trade payables	337.18		354.25	
(c) Other current liabilities	208.12		223.73	
(d) Short-term provisions	40.52		50.14	
		653.99		670.78
<b>TOTAL</b>		<b>1339.11</b>		<b>1460.93</b>
<b>ASSETS</b>				
<b>1. NON-CURRENT ASSETS:</b>				
(a) Fixed assets				
(i) Tangible assets	191.00		200.39	
(ii) Intangible assets	62.09		66.66	
(iii) Capital work-in-progress	11.13		18.28	
(iv) Intangible assets under development	15.42		15.00	
(v) Goodwill on consolidation	140.87		140.90	
(b) Non-current investments	33.79		41.74	
(c) Deferred tax assets	41.45		45.32	
(d) Long-term loans and advances	6.06		3.54	
		501.81		531.83
<b>2. CURRENT ASSETS:</b>				
(a) Current investments	2.54		72.05	
(b) Inventories	203.18		235.51	
(c) Trade receivables	436.56		454.78	
(d) Cash and bank balances	99.07		83.94	
(e) Short-term loans and advances	60.24		51.39	
(f) Other current assets	35.71		31.43	
		837.30		929.10
<b>Total</b>		<b>1339.11</b>		<b>1460.93</b>

Note: Closing exchange rate considered for 1 Euro as at 31st March, 2014 is ` 82.2620 and as at 31st March 2013 is ` 69.4950



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	2013-14		2012-13	
	Euro million	Euro million	Euro million	Euro million
<b>INCOME:</b>				
Sales and services	1718.24		1787.86	
Less: Excise duty	52.67		62.62	
Revenue from operations		1665.57		1725.24
Other income		26.13		14.26
<b>TOTAL REVENUE</b>		<b>1691.70</b>		<b>1739.50</b>
<b>EXPENSES:</b>				
Cost of raw materials and components consumed and construction materials	888.73		967.93	
Purchases of stock-in-trade	246.27		258.45	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(6.31)		(35.84)	
Employee benefits expense	241.18		248.22	
Finance costs	16.88		13.62	
Depreciation and amortisation expense	32.39		28.95	
Other expenses	211.44		231.82	
<b>TOTAL EXPENSES</b>		<b>1630.58</b>		<b>1713.15</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEM AND TAX</b>		<b>61.12</b>		<b>26.35</b>
Exceptional item		-		(17.22)
<b>PROFIT BEFORE TAX</b>		<b>61.12</b>		<b>9.13</b>
<b>TAX EXPENSE:</b>				
Current tax	23.91		26.31	
Deferred tax	5.25		(11.92)	
		<b>29.16</b>		<b>14.39</b>
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>31.96</b>		<b>(5.26)</b>
Minority interest in loss		0.08		0.16
Share of profit / (loss) of associate companies (net)		(1.86)		(0.06)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>30.18</b>		<b>(5.16)</b>
Earnings per share (basic and diluted) (in Euro)		<b>0.05</b>		<b>(0.01)</b>

Note: Average exchange rate considered for 1 Euro for 2013-14 is ` 80.9367 and for 2012-13 is ` 70.1028

# PRODUCTS & SERVICES

# Power

## 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 800 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 up to 36 kV
- Indoor GIS up to 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 12 kV, 630A
- LT STATCOM for Reactive Power Compensation
- LT STATCOM for Active Harmonic Filtering
- LT STATCOM for Voltage Phase Balancing
- HT APFC: 12 kV
- LT APFC: LT
- 12 kV Automatic Vacuum Capacitor Switches
- Unitised Substation up to 24 kV
- Numerical Relays
- SF6 Insulated Vacuum Ring Main Units up to 24 kV
- Oil Ring Main Units up to 12 kV
- Gas Insulated Switchgear (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 transformers (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: EMEA

- 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 wind parks
- 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 biodegradable 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 pad mounted 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® & Bio-SLIM® 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

### **PT CG Power Systems Indonesia Transformers**

- 3-phase Power Transformers up to 300 MVA–500 kV
- Single phase Transformers up to 250 MVA, 500 kV
- Phase Shifting Transformers
- Mobile Transformers (up to 100 MVA, 220 kV)
- Special Purpose Transformers  
Shunt Reactors up to 275 kV

### **Systems Division**

- AIS Switchyards up to 500 kV
- GIS Switchyards up to 275 kV
- Refurbishment / Extension of GIS
- Mobile and Compact Substation up to 100 MVA, 220 kV
- Mobile Capacitor Banks
- Substation Automation and SCADA projects
- Substation refurbishment projects
- Engineering Consultancy for transmission grid operators

# Automation

## **India**

### **Products and Solutions for:**

- Control and Protection Systems for
  - Distance/ Feeder/ Line Control and Protection.
  - Transformer/ Reactor Control and Protection.
  - Busbar Protection.
  - Bus Coupler/ Transfer Bus coupler Control and Protection.
  - Capacitor Bank Control and Protection.
  - Motor Protection
- Transformer Voltage Regulator & RTCC
- IEC 61850 based Substation Automation System (SAS) Solutions.
- IEC 61850 certified IEDs for Power System Control & Protection
- IEC 61850 Substation Server cum Gateway for local and remote monitoring and control of substation
- IEC 61850 Certified Ethernet switches
- GPS clock with NTP server
- Analog/ Digital Power Line Carrier Communication (PLCC) System Solutions
- Coupling Device
- Carrier Equipment
- Protection Coupler
- PLCC Modem
- Distribution Automation Solutions
- FRTU for Feeder / RMU / Distribution Transformer Monitoring & Control
- RTU for Central substation data management, protocol conversion, data concentration etc.
- CG SCADA/ HMI Solution
- AMI/ AMR Systems
- Digital Multifunction Smart Meters for Generation & Transmission
- Digital Multifunction Smart Meters for Industry & Commerce
- Digital Multifunction Smart Meters for residential
- Software Application for AMI & AMR
- Power Quality Meters
- Data Concentrator
- Modems for AMI/AMR communication
  - GPRS
  - PSTN
  - RTC
  - GPRS with TCP/IP
- Accessories:
  - Serial Link optical probe
  - USB Link Optical probe

- Meter Cabinets
- Data Concentrator

### **Activities and Services**

- Control and Protection System Design, Engineering, Testing & Commissioning
- Substation Automation System Design, Engineering, Testing & Commissioning
- Distribution Automation System Design, Engineering, Testing & Commissioning
- Power Line Carrier Communication System Design, Engineering, Testing & Commissioning
- Smart Grid/ AMI/ AMR System Design, Engineering, Testing & Commissioning
- Project Management.
- After sales services and support to customers.

## **Non India**

### **Substation Automation Systems (SAS)**

- Communications
  - Power Line Carrier Systems & Accessories
  - Tele protection Systems
  - Line-Tuning Units
  - Synchronization Systems GPS
- Automation
  - SAS Server/Gateway
  - RTU
  - HMI & SCADA
  - Software Engineering Tools
- Protection & Control Systems
  - Protection Relays
  - Bay Control Units
  - P&C IEDS
  - Recorders
- Global Engineering Services
- System Integration
- Panel Assembly
- Selectivity & Settings Calculation
- Commissioning
- Training

### **Distribution Automation Solutions (DAS)**

- AMI
  - Smart Meters
  - Data Concentrators (DCU)
  - Communication Solutions (PLC, Optical fiber, ADSL, GPRS)
- LV Supervision
  - Advanced LV Supervision DCU
  - LV three phase line supervisor & feeder detector
- Modular RTUs
- MV Automation & Supervision
- Communications GPRS & MV PLC



- Sensors & Couplings
- Monitoring & Automation RTU
- Power Electronics
- Battery backup
- Compact Secondary Substation
- Grid Automation Solutions for overhead MV Lines
- MV pole mounted solutions
- Electric Vehicle
- Charging Stations (Outdoor & Wall box)

### Transit

Automation and Supervisory Control for Electric, Transportation & Water Utilities

- Control Room SCADA
- Remote Gateways & RTU's
- Emergency Trip System
- Train Tracking
- Fault Detection

## Industrial

### MV Motors & Generators: CG India

- **MV & LV 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 Generators** 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

### MV Motors: CG Hungary

- MV Slip Ring and Squirrel Cage Induction Motors power upto 20 MW, Pole number upto 16 in standardised designs and non standard designs in very low speeds, voltage upto 15 kV
- Synchronous Generators power from 1 MVA upto 60 MVA, Voltage upto 13.2 kV, in high speed 2pole and very low speed even till 48poles, vertical and horizontal configuration
- 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 factory and 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
- BLDC Fan
- 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 58 MW, Voltage upto 13.8 kV
- MV Softstarters upto 50 MW, Voltage upto 13.8kV
- 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 Rotating Machines as complete package

### LT Motors

- AC Motors, Frame 63 to 355 (0.18 kW to 375 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 and Frame 80 to 132M (0.75 to 7.5 kw ) IE 3 Efficiency
- AC Motor NEMA Range 56 to 504 (0.75 to 150kW) EPACT & OWP
- AC Motor Kibosh Series, Frame 80 to 200L (0.37 KW to 30KW )
- 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

- NEMA B42, B48 Frame: 30 to 370W, 2/4/6/8 Pole Sheet Metal Body Motors
- M50 Frame (NEMA B56): 187 to 1500W, 2/4 Pole Sheet Metal Body Motors
- 100S Frame: 1100 to 2250W, 4 Pole Sheet Metal Body Motors
- IEC 80–132 Frame: 370 to 3750W, 4 Pole CI Body Single Phase Motors
- Flame Proof Enclosure: 370 to 750W, 4 Pole Motors
- IEC 63–112 Frame: 370 to 750W, 2/4 Pole and 2250 W Aluminum Body Single Phase Motors
- Open Construction/ Customized frames: 20 to 187W, 2/4/6 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

### Lighting

#### Lamps

- Incandescent Lamps
- Fluorescent Tubular Lamps
- Compact Fluorescent Lamps
- Metal Halide Lamps
- Sodium & Mercury Vapor Lamps
- Halogen Lamps
- LED Lamps & Tubes

#### Luminaires & Accessories

- LED Indoor Commercial Luminaires
- LED High, Medium & Low Bay Industrial Fittings
- LED Street Lights
- LED Floodlights & Landscape Luminaires
- Domestic & Decorative Luminaires
- Retail Lighting Fixtures
- Healthcare & Cleanroom Luminaires
- Office Lighting
- Lighting Management System
- Industrial Luminaires
- Street Lighting
- Street Light Automation
- Flood Lighting
- Landscape Lighting
- Induction Lighting for Industrial, Street & Flood Applications
- High Masts, Stadium Masts & Poles
- Lighting Electronics & Gear
- 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, Toasters, Induction Cook Tops
- Heaters & Coolers: Room Heaters, Air Coolers
- Power Solution: Home UPS, Batteries, Torches, Lanterns

### Pumps

- Centrifugal Monobloc Pump sets: Single/Two Stage
- Self Priming Pump sets
- Submersible Pump sets for 75, 100, 150, 200 & 250 mm borewells
- Submersible Pump sets: 75, 100 mm with Oilfield Motors
- Stainless Steel Submersible Pump sets for 100 & 150 mm borewells
- Cables suitable for submersible pump sets 1.5 sq mm to 6 sq mm
- 3 PH/1 PH Control Panels for Submersible Motors
- Electronic Control Panel
- GSM Pump Controller
- Star Delta Starter
- Jet Centrifugal Pump sets: Single / Two Stage
- Dewatering Pump sets: Bare / Monobloc / Coupled
- Vertical In Line Pump sets
- Open well Submersible Pump sets
- Petrol Kerosene Engine Pumps
- Compressor Pumps & Air Compressors
- Horizontal Split case Pumps
- End Suction Pumps
- Fire Fighting Pumps

- Pressure Boosting Pumps
- Single Pump Booster
- Multistage Pumps
- Sewage Submersible Pumps

### International

Exports of all Crompton manufactured products

# ESTABLISHMENTS

# India

## Registered Office

CG House, 6th Floor  
Dr. Annie Besant Road  
Worli, Mumbai 400 030  
Maharashtra, India  
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2423 7765  
Fax +91 (0)22 2423 7733

## Power Systems

### Transformer Division

Kanjur Marg (East), Mumbai 400 042  
Maharashtra, India  
Tel +91 (0)22 6755 8000, 6755 8173,  
6755 8202, 6755 8212, 6755 8372  
Fax +91 (0)22 6755 8305, 2578 3271,  
25780456  
Email jayantkumar.kulkarni@cgglobal.com

Plot No. T1-T5 MPAKVN Industrial Area  
District Bhind, Malanpur 477 116  
Madhya Pradesh, India  
Tel +91 (0)7539 301200, 301254, 301260  
Fax +91 (0)7539 283585, 301242  
Email rakesh.kumar@cgglobal.com

Plot No. 29, 31 & 32 New Industrial Area No.1  
AKVN, District Raichur, Mandideep 462 046  
Madhya Pradesh, India  
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Fax +91 (0)7480 408208, 408255  
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### Switchgear Division

A-3, M.I.D.C., Ambad,  
Nashik 422 010  
Maharashtra, India  
Tel +91 (0)253 2382271-75  
Fax +91 (0)253 2381247  
Email jayantkumar.kulkarni@cgglobal.com

### S6 & Power Quality

Vacuum Interrupters & Instrument Transformer  
Division  
D2 & D1/2, MIDC, Waluj  
Aurangabad 431 136, India  
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2558031  
Fax +91 (0)240 2554697  
Email pramod.rao@cgglobal.com

## Engineering Projects Division

3rd Floor, Tower A, Cyber Greens  
DLF Cyber City, Sector 25-A  
DLF Phase III, Gurgaon 122 002  
Haryana, India  
Tel +91 (0)124 3047700, 3047999  
Fax +91 (0)124 3047777, 3047888  
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## Power Distribution Franchisee

Crompton Greaves Limited,  
Distribution Franchisee, Old Power House,  
Dixitwadi, Jilha Peth, Jalgaon - 425 001  
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Tel +91 (0)257 2232514  
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## Automation

### Automation Business Unit (India)

Global Village Tech Park, Block - A  
Ground Floor - Right Wing  
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Bangalore 560059  
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Tel +91 (0)80 30037500  
Fax +91 (0)80 30037599  
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## CG-ZIV Power Automation Solutions Ltd.

Global Village Tech Park, Block - A  
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Fax +91 (0)80 30037599  
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## Industrial Systems

### Machines 7 Division

D-5, Industrial Area, MPAKVN  
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Madhya Pradesh, India  
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## Drives & Automation Division

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## Rail Transportation & Traction Electronics

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## Railway Signalling Division

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Madhya Pradesh, India  
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## Stampings Division

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Fax +91 (0)241 6610511  
Email delip.wakode@cgglobal.com

## LT Motors Division

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S 14-15, Colvale Industrial Estate  
Colvale Bardez  
Goa 403 513, India  
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2404003, 2404012  
Fax +91 (0)832 2404011  
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## Commercial Motors Division

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Kundaim Ponda  
Goa-403115, India

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**Fax** +91 (0)832 2395377, 3983299  
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## **Consumer Products**

### **Fans Division**

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Bethora, Ponda  
Goa 403 409, India  
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Kundaim  
Goa 403 115, India  
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**Fax** +91 (0)832 2395305  
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Baddi, District Solan  
Himachal Pradesh 173 205, India  
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310143, 245664  
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Plot No 148- 150 & 157- 159  
HPSIDC Industrial Area  
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Himachal Pradesh 173 205, India  
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### **Appliances Division**

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### **Lighting Division**

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67558000

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Padra Taluka, Padra Jambusar Road  
District Baroda 391430  
Gujarat, India  
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Lighting Division – Baddi (Unit III)  
Village Thana, Tehsil Baddi  
District Solan, Pin: 173205  
Himachal Pradesh – India  
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### **Pumps Division**

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## **Branch & Marketing Offices**

### **Northern Region**

#### **Regional Head Office: New Delhi**

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New Delhi 110 002, India  
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## **Rail Transportation Systems**

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## **Eastern Region**

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### **Guwahati**

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Ganeshguri  
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### **Ranchi**

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### **Patna**

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## Ahmedabad

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## Baroda (Satellite office)

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Near Harinagar Water Tank  
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## Kolhapur (Satellite office)

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## Southern Region

### Regional Head Office: Chennai

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## Bangalore

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## Cochin

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## Secunderabad

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## Service Centres

### Northern Region

#### New Delhi

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3rd Floor, Express Building  
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**Fax** +91 (0)11 23324360, 23737617

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#### Jaipur

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#### Jalandhar

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Near BSF Chowk, Ladowali Road  
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## **Eastern Region**

### **Kolkata**

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### **Bhubaneswar**

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### **Patna**

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### **Ranchi**

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### **Guwahati**

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## **Western Region**

### **Mumbai**

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### **Ahmedabad**

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### **Pune**

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### **Nagpur**

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### **Raipur**

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## **Southern Region**

### **Chennai**

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# Region SEAP

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# NOTES

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