

MADE BY GREAVES.

THE MARK OF QUALITY.



CONTENTS

- 02 Chairman's Letter
- 03 Corporate Information
- 04 Board of Directors
- 06 Made by Greaves. The Mark of Quality.
- 08 Financial Highlights
- 10 Directors' Report
- 32 Management Discussion & Analysis
- 41 Corporate Governance Report
- 57 Financial Statement
- 96 Information on Subsidiary Companies
- 99 Consolidated Financial Statement

FORWARD-LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This Report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the Management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe, we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

GREAVES IS MOTIVATED BY THE VISION OF BEING THE WORLD'S BEST IN EVERYTHING THAT IT DOES. IT STANDS FOR QUALITY.

Only those products that match our quality criteria are branded with the coveted Greaves Cotton logo. Our undivided and high focus on quality is powered by innovation, engineering expertise and deep understanding of customer requirements. We believe that offering products which provide unparalleled performance is our solemn duty.

We believe this creates a bond with our customers, and provides us with a solid platform for growth, which enables us to create greater value for all our stakeholders.



CHAIRMAN'S LETTER



Dear Shareholders,

Strong focus on building operational excellence enabled your Company to show improved performance and growth during the financial year 2015, despite the pressures that kept the Indian economy under stress for most part of the year. On the positive side, however, the Indian economy has shown some recovery since the last quarter, as the Government initiated several measures to infuse confidence and boost consumer sentiment. This ensured a stable current account deficit and exchange rate environment, with interest rates also coming down. The other key market areas of the Company's presence, namely East Africa and the Middle East, are also expected to pick up during the financial year 2016, after tepid growth during the financial year 2015 that resulted mainly from decline in oil prices. South East Asia is also expected to show greater growth momentum going forward, due to greater political stability in the region, coupled with robust domestic demand.

Overall, the Company's top line remained under pressure as a result of the prevailing economic environment. Demand for the Company's products, used primarily in the Automobile and Farm Equipment sectors as well as the Capital Goods industry, was impacted. For the year under review, your Company has reported revenue of ₹ 1,689 crore as against ₹ 1,719 crore for the last year. The Company, as you are aware, operates in a strategic framework that is flexible and adaptable to changes in the business environment. In line with this approach, we exited manufacturing operations in the Construction Equipment business in mid financial year 2015, due to non-viability of operations on account of its continuing losses and which was one of the reasons for the lower revenue for the financial year 2015. Nevertheless, we will continue to have a presence in this business through the trading route. We are confident that this strategic decision will help the Company increase its net worth, going forward. On the operational front, the sustained focus on tightening controls has resulted in improvement in material cost, fixed costs and working capital, leading to an improvement in the EBITDA margin. The exit from the Construction Equipment business also contributed to the improved EBITDA margin.

The spotlight on improving efficiencies remained at the forefront of our business strategy during the year. With a strong customer-centric thrust, product innovation and quality upgradation continued to be the core drivers of our growth strategy. Backed by our extensive manufacturing prowess, we delivered greater excellence across

our business segments and aligned our business operations to the evolving demands of our customers.

The launch of a new range of CPCB-II compliant engines and gensets, offering better life cycle costs, was a key initiative aimed at enhancing customer value and meeting the new-age industry demands.

New service initiatives, including a unified IVR based toll-free number for customer support, strengthened customer engagement, while reinforcement of our distribution network enabled greater reach across the country. Our expansion thrust also extended to the international markets, as we focused on expanding our presence into new geographies while strengthening our reach in the existing markets.

I strongly believe that our focused efforts and actions, combined with our superior products that are customised to evolving customer needs, will open up a plethora of growth opportunities for your Company, going forward. Our manufacturing strength, which has been pivotal to our growth stratagem, shall continue to steer our future progress as we scale up our operations and systems to match the pace of industry growth.

The Company's progressive journey shall continue to be steered by its people, who have always been our partners in growth. It has been our constant endeavour to attract and nurture people with the necessary skills and aptitude to meet the Company's current and future goals. Our focus on building a positive and collaborative work culture shall continue to be a priority agenda for us in the years ahead.

The macro environment seems favourable for the Company's positive growth in the coming quarters. Macro stability has returned, reforms are being pursued at a brisk pace and the external environment, through lowering of crude oil prices, has moved in India's advantage. Investments in industries are expected to accelerate and consumer demand should be on a stronger footing. These improved conditions augur well for your Company. With business from prestigious and well-established automotive OEMs already showing signs of an uptick, the Company sees significant growth coming in from this segment.

Before I conclude, I would like to thank all our customers, both domestic and international, for their patronage. I would also like to convey my appreciation to the entire Greaves Cotton Team for their dedication and hard work. Together, we have an enormous sense of confidence in our Company's future. I thank all shareholders and business partners for their continued support and trust. We look forward to charting new roads of success and delivering superior value..

Yours truly,

Karan Thapar

Chairman

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Karan Thapar

Chairman

Mr. Sunil Pahilajani

Managing Director & CEO

Mr. Vijay Rai

Mr. Vikram Tandon

Dr. Clive Hickman

Mr. Navneet Singh

Mr. Arvind Kumar Singhal

Ms. Monica Chopra

Executive Director - Legal &

Company Secretary

w.e.f. 1st August, 2014

CHIEF FINANCIAL OFFICER

Mr. Narayan Barasia

AUDITORS

Walker, Chandiok & Co. LLP

COST AUDITORS

Dhananjay V. Joshi & Associates

INTERNAL AUDITORS

KPMG

BANKERS

State Bank of India

Bank of India

ICICI Bank

HDFC Bank

Royal Bank of Scotland N.V.

REGISTRAR & SHARE TRANSFER AGENT

Sharepro Services (India) Private Limited

13 A B Samhita Warehousing Complex

2nd Floor, off Andheri Kurla Road

Sakinaka Telephone Exchange Lane

Sakinaka, Andheri (E), Mumbai - 400 072

Tel no.: 022 67720330, 67720344

Fax no.: 022 28591568

Email: gcl@shareproservices.com

REGISTERED OFFICE

3rd Floor, Motilal Oswal Tower

Junction of Gokhale & Sayani Road

Prabhadevi, Mumbai - 400025

WORKS

Maharashtra

Chinchwad, Pune

Nighoje, Pune

Chikalthana, Aurangabad

Shendra, Aurangabad

Tamil Nadu

Gummidipoondi

Ranipet

BOARD OF DIRECTORS



Mr. Vijay Rai

Position

Independent Director

Education Qualification

B. Tech. (Mechanical)
IIT-Kharagpur

Expertise

Manufacturing management
and agro inputs marketing

Mr. Sunil Pahilajani

Position

Managing Director & CEO

Education Qualification

B. Tech. (Mechanical)
IIT-Roorkee

Expertise

Building, growing and
managing engineering,
manufacturing and
technology businesses at top
management positions

Mr. Karan Thapar

Position

Chairman of the Board

Education Qualification

CA

Expertise

Managing companies, both
private and public, having
interest in diversified areas

Dr. Clive Hickman

Position

Independent Director

Education Qualification

B.Sc., MBA, PhD, DSc
FIMechE

Expertise

Manufacturing engineering
and technology

**Ms. Monica Chopra****Position**

Executive Director

Education Qualification

LL.B, CS

Expertise

Secretarial, legal, statutory compliance and governance

Mr. Vikram Tandon**Position**

Independent Director

Education Qualification

B. Tech (Hons.), IIT-Delhi

Expertise

Corporate development and strategy

Mr. Arvind Kumar Singhal**Position**

Independent Director

Education QualificationB. E. (Electronics and Communication), IIT-Roorkee
MBA-UCLA**Expertise**

Retail marketing strategy and strategic business planning

Mr. Navneet Singh**Position**

Independent Director

Education QualificationCA (England & Wales)
CA (ICAI)**Expertise**

Banking, regulatory compliances and operational risk management

MADE BY GREAVES. THE MARK OF QUALITY.

Greaves Cotton is one of India's leading and well-diversified engineering companies. It manufactures a wide range of industrial products to meet the requirement of core sectors in India and abroad.

At Greaves Cotton, our commitment to customer satisfaction is underpinned by our efforts to deliver reliable products, provide outstanding services and make meaningful innovations happen. Each of our value propositions bears the mark of undisputed quality - achieved by abiding to good manufacturing practices and adhering to a culture of excellence.



Quality showcased through Best-in-Class Product Portfolio

With a strong understanding of international standards and leveraging its expertise and capabilities, Greaves Cotton delivers products and services customised to meet the wide variety of needs of the automotive, farm and industrial equipment manufacturers, and of the farm and auxiliary power segment. Irrespective of the industry or the market that we serve, our commitment to quality is consistent and stands undefeated. To further strengthen our product portfolio, the Company is continually upgrading existing offerings and developing new products and services to meet the evolving needs of the sectors it serves.

During the year, our value additions in the Auxiliary Power Segment included

- CPCB II Gensets with controllers having remote interfacing and monitoring capability.
- Almost all engines were introduced on mechanical platform, capturing the requirements of the industry.

Quality driven through Manufacturing Excellence

Through our state-of-the-art manufacturing processes, we are able to create meaningful advantage for our customers. Our plant facilities are accredited with ISO 9001 certifications, reinforcing our best practice methodology and adherence to quality management systems. Continually striving to provide the highest quality at the most competitive prices, we are building new efficiencies by adopting lean manufacturing across most of our manufacturing facilities.

During the year under review, the Company expanded its manufacturing capacity in Pune to meet the growing demand of CPCB II Gensets in the Auxiliary Power segment.



Quality Assurance through Innovation and Technology

Innovation is critical to our success in both new and established markets. Cognizant of this, the Company has interested in R&D facilities. It is this which ensures that our products are relevant and meaningful to our customers and, at the same time, do not compromise on quality. We are continually staying abreast of information and technology trends in the areas of customer service, dealer communication, material control, etc. These technologies enable the Company to improve products and manufacturing processes and achieve operational excellence.

Quality Guaranteed through Aftermarket Initiatives

The Aftermarket business of the Company ensures genuine spares and ground support for all Greaves Cotton products. The Company has strengthened its distribution network by entering areas where its penetration is low and ensuring supply chain efficiency. This customer-focused approach has led to greater levels of customer satisfaction while improving brand visibility.

Quality steered through People Expertise

The Company continues to maintain focus not only on building new systems, adopting new technologies but is also investing in continuous learning and development programs to enhance competencies of the personnel employed. Also, instilling and ingraining quality and compliance deep into the DNA ensures that Greaves Cotton delivers best-in-class engineering solutions. The depth of our employees' knowledge and professionalism is the fountainhead of our competitive advantage.

Quality endorsed across the World

Stringent adherence to quality has ensured that our products have wide and ready acceptance across the global markets.



FINANCIAL HIGHLIGHTS

₹ in crore

Particulars	05-06 Jul-Jun 12 mths	06-07 Jul-Jun 12 mths	07-08 Jul-Jun 12 mths	08-09 Jul-Jun 12 mths	09-10 Jul-Jun 12 mths	10-11 Jul-Mar 9 mths	11-12 Apr-Mar 12 mths	12-13 Apr-Mar 12 mths	13-14 Apr-Mar 12 mths	14-15 Apr-Mar 12 mths
Revenue from Operation	834	1063	1150	1041	1347	1252	1753	1873	1719	1689
EBIDTA	133	166	162	115	206	193	237	242	194	200
EBIDTA (%)	16%	16%	14%	11%	15%	15%	14%	13%	11%	12%
EBIT	130	162	150	101	186	185	211	219	177	177
Profit before Tax	132	144	138	80	173	184	251	200	164	109
Profit after Tax	85	122	110	56	118	127	185	138	113	82
ROCE (%)	52%	53%	39%	22%	39%	49%	34%	30%	22%	21%
Equity	48.84	48.84	48.84	48.84	48.84	48.84	48.84	48.84	48.84	48.84
Earnings Per Share (₹)	3.63	5.01	4.51	2.29	4.83	5.21	7.60	5.65	4.63	3.34
Net Worth	211	295	371	404	437	522	645	738	814	816
Debt	54	39	49	44	5	6	20	2	0	0
Capital Employed	271	340	434	478	471	558	700	779	851	832
Debt : Equity	0.26	0.13	0.13	0.11	0.01	0.01	0.03	0.01	0.01	0.00
Shareholders (Number)	42,459	41,781	44,239	44,565	42,663	42,946	38,235	41,082	40,980	39,024
Dividend (%)	70	70	60	40	150#	75	110#	80	65	125

Includes special Dividend of 75% (FY 09-10) & 40% (FY 11-12)

₹ 1 crore = 10 million

EBIDTA does not include Other Income and EBIT includes Other Income

EBIDTA - Earnings Before Interest, Depreciation, Taxes and Amortization

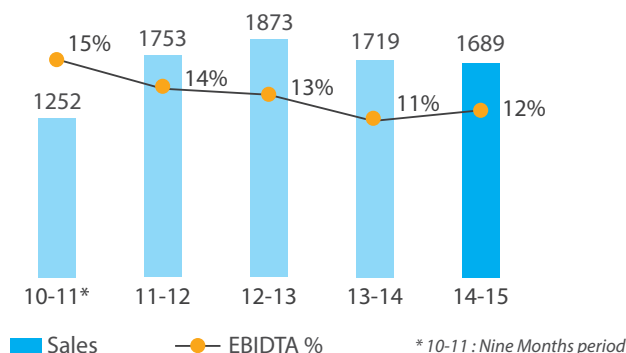
EBIT - Earnings Before Interest and Tax

ROCE - Return On Capital Employed

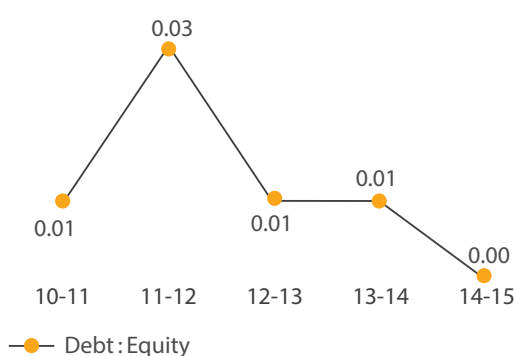
KEY PERFORMANCE INDICATORS

SALES & EBITDA %

(₹ in crore)

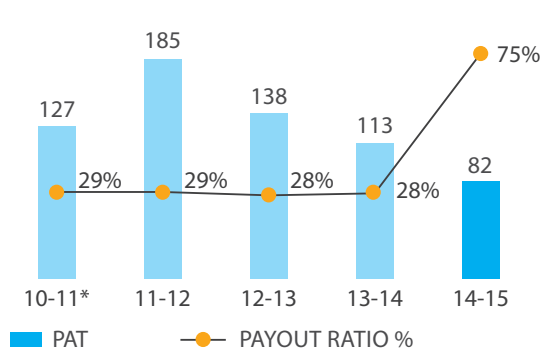


DEBT : EQUITY



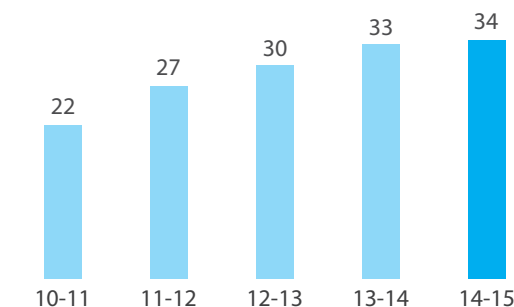
PAT & PAYOUT RATIO

(₹ in crore)



BOOK VALUE PER SHARE*

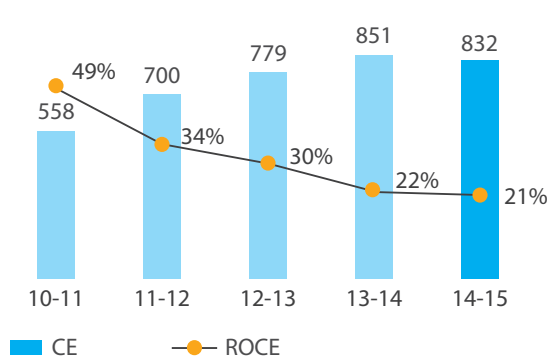
(₹ per share)



* On face value of ₹ 2 per share

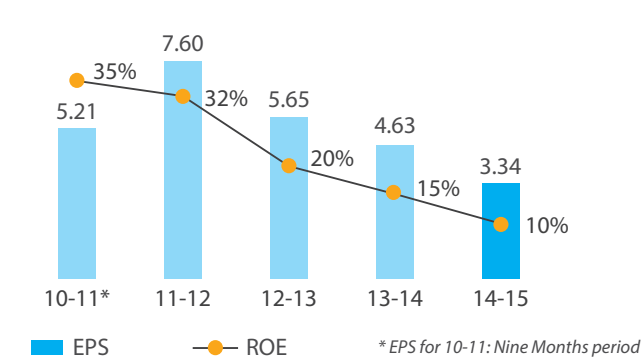
CAPITAL EMPLOYED & ROCE

(₹ in crore)



EPS & ROE

(₹ per share)



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report for the financial year ended 31st March, 2015.

Financial Highlights

(₹ in crore)

	Year ended 31 st March 2015	Year ended 31 st March 2014
Total Revenue	1,713.03	1,745.72
Profit Before Tax and Exceptional items	174.66	172.26
Loss / (Gain) on Exceptional Items	65.92	7.99
Profit Before Tax	108.74	164.27
Less: Provision for Tax	27.21	51.18
Profit after Tax	81.53	113.09
Dividends (including proposed final dividend) and Tax on Dividend	72.15	37.09
Transfer to General Reserve	8.15	25.00
Balance of the Profit carried forward	404.94	411.22

Review of Operations

The Company registered total revenue of ₹ 1,713.03 crore during the year under review as against ₹ 1,745.72 crore in the previous financial year. The Profit after tax was ₹ 81.53 crore during the year under review as against ₹ 113.09 crore in the previous financial year. The decline in profit after tax has been due to exceptional losses during the current financial year. Profit before tax and exceptional items improved by 1.39% at ₹ 174.66 crore during the year under review as against ₹ 172.26 crore in the previous financial year.

The Company's sustained efforts towards back-end cost control, new product launches and efficiency improvement measures, supported the insulation and limited the impact on the profitability margins. The profit before tax and exceptional items as a percentage of total revenue for the year under review was higher at 10.20% as against 9.86% in the previous financial year.

The Company's ability to better utilise capacities and product range will help derive better margins out of the businesses. The outlook of each business has been discussed in detail in the 'Management Discussion & Analysis' which forms a part of this Annual Report.

Dividend

The Directors have recommended a final dividend of ₹ 1.10 per share which together with the interim dividend of ₹ 1.40 per share of ₹ 2 paid during the year, aggregates to ₹ 2.5 per share of ₹ 2 as against ₹ 1.30 per share in the previous year. The total dividend pay-out for the year under review, excluding tax on dividend, is ₹ 61.05 crore as against ₹ 31.74 crore in the previous year. Dividend as a percentage of profit after tax is 74.88% as compared to 28.07% in the previous year.

Public Deposits

The Company discontinued its Fixed Deposit Scheme in April, 2005. During the year under review, the Company did not accept any deposits within the meaning of the provisions of Chapter V of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

Investor Education and Protection Fund

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, unpaid or unclaimed dividends in respect of the 3rd interim dividend and final dividend for the financial year ended 31st March, 2007, the 1st and 2nd interim dividend for the financial year ended 31st March, 2008 and the unclaimed fixed deposits have been transferred to the IEPF.

Members, who have not yet en-cashed or claimed the dividend / fixed deposits, that are yet to be transferred to the IEPF, are requested to contact the Company's Registrar and Share Transfer Agent, at the earliest.

Report on performance of Subsidiaries

During the year, no company became or ceased to be a subsidiary of the Company. The details of the performance of the subsidiary companies are as follows:

Greaves Leasing Finance Limited (GLFL)

GLFL, a wholly owned subsidiary of the Company, is a non-banking finance company. It reported total revenue of ₹ 2.53 crore and profit after tax of ₹ 1.95 crore for the year under review. Being in excess of its requirements, the Paid-up Share Capital of GLFL, as per the order of the Hon'ble High Court of Bombay, was reduced from ₹ 20,78,10,690 comprising of 2,07,81,069 Equity Shares of ₹ 10 each to ₹ 25,00,000 comprising of 2,50,000 Equity Shares of ₹ 10 each. The excess capital i.e. ₹ 20,53,10,690

comprising of 2,05,31,069 Equity Shares of ₹ 10 each was paid off / returned to the holder of the said Equity Shares. GLFL, post reduction of the Paid-up Share Capital, is in compliance with the requirements pertaining to maintenance of minimum Net Owned Funds as stipulated in Section 45-IA of the Reserve Bank of India Act, 1934.

Dee Greaves Limited (DGL)

DGL, a wholly owned step-down subsidiary through GLFL, did not undertake any business during the financial year under review. A marginal profit, representing interest income, was earned during the year.

Greaves Cotton Middle East FZC, United Arab Emirates (GCME)

GCME, a wholly owned step-down subsidiary of the Company through GLFL, is engaged in trading and after sales services of the company's products in the Middle East and the North African countries and has a strategic importance. For the year under review, GCME recorded revenue of ₹ 18.08 crore (previous year ₹ 14.51 crore) and incurred a loss of ₹ 1.66 crore (previous year ₹ 1.03 crore).

Greaves Auto Limited (GAL)

GAL, a wholly owned subsidiary of the Company, being a dormant company, was struck off from the register of the Registrar of Companies with effect from 10th April, 2014, under the Fast Track Scheme of the Ministry of Corporate Affairs.

A statement containing salient features of the financial statement in Form AOC-1, as required under Section 129(3) of the Companies Act, 2013, forms a part of this Annual Report. The audited financial statement of each subsidiary company shall be kept open for inspection at the Registered Office of the Company on every working day between 10 a.m. to 12 noon up to the date of the forthcoming Annual General Meeting.

Consolidated Financial Statement

The consolidated financial statement, prepared by the Company in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Listing Agreement with the Stock Exchanges, forms a part of this Annual Report. The Auditors' Report on the consolidated financial statement is also attached. The same is unqualified.

Management Discussion & Analysis

Detailed review by the Management of the operations, performance and future outlook of the Company and its business, pursuant to Clause 49 of the Listing Agreement is presented in a separate section - Management Discussion and Analysis, which forms a part of this Annual Report.

Corporate Governance Report

The Company has followed the principles of Corporate Governance in letter and spirit. Requirements relating to Board of Directors, its Committees, Related Party transactions, Disclosures etc. as prescribed under Clause 49 of the Listing Agreement have been duly complied with. A detailed Report on Corporate Governance and a Certificate from the Statutory Auditors confirming compliance of conditions of the Corporate Governance, forms a part of this Directors' Report.

Compliance with the Code of Conduct

A declaration signed by the Managing Director & CEO affirming compliance with the Company's Code of Conduct by the Directors and Senior Management, for the financial year 2014-15, as required under Clause 49 of the Listing Agreement form a part of this Annual Report.

Environment, Health and Safety

The Company is committed to conduct business in a sustainable manner with adequate safety procedures in place at each unit level. Measures have been implemented across the Company for stringent compliance with Environment, Health and Safety (EHS) regulations.

EHS is a key Management focus area. Our plants are governed by our "Environment, Occupational Health and Safety Policy" and are certified in accordance with ISO 14001 and OHSAS 18001 Standards.

Waste generation is continually reduced through 3Rs (Reduce, Reuse & Recycling). Apart from annual health check up for employees, all units have a first aid facility including a room for recuperation, with doctors on call round the clock. Various low cost automations at workplace area have been introduced to reduce fatigue. Regular training is provided to employees on EHS. Mock Drills and emergency evacuation exercises are carried out at specified intervals. New systems like SMAT (Safety Management Auditing Training) & SAR (Safety Activity Rate) have been initiated in our plants. In order to sustain focus on EHS, various competitions on safety and environment through posters, slogans, essays and poems have been conducted in our plants. Results of safety initiatives are visible through reduced number of reportable accidents.

Human Resources

The Directors place on record their appreciation for the employees' valuable contribution at all levels. Our industrial relations continue to be cordial.

The total number of permanent employees of the Company as on 31st March, 2015 was 2,005 (2,307 as on 31st March, 2014).

During the year under review, the Company continued to focus on talent conservation and talent development.

Pursuant to the requirements under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has enacted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Work Place. There were no cases filed during the year under review.

Awards

We are pleased to share that the Light Engine Unit – V of the Company, located at Shendra MIDC, Aurangabad has been awarded the prestigious Silver Medal in the national Green Manufacturing Challenge conducted by the International Research Institute for Manufacturing (IRIM).

Directors and Key Managerial Personnel

Mr. Karan Thapar, retires by rotation at the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment. The Board recommends the re-appointment.

Ms. Monica Chopra was appointed as an Additional Director with effect from 1st August, 2014. She holds office up to the date of the forthcoming Annual General Meeting. The Company has received from her the requisite notice in writing along with the necessary deposit signifying her candidature for the office of Director. The Board recommends the appointment.

Profiles of these Directors, as required by Clause 49 of the Listing Agreement, are given in the Notice of the forthcoming Annual General Meeting.

During the year, the following Directors were appointed as Independent Directors by the Shareholders at the 95th Annual General Meeting held on 31st July, 2014 in compliance with the provisions of Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014:

Name	For a consecutive term up to
Mr. Vijay Rai	12 th October, 2016
Mr. Vikram Tandon	17 th November, 2018
Dr. Clive Hickman	31 st March, 2019
Mr. Navneet Singh	31 st March, 2019
Mr. Arvind Singhal	31 st March, 2019

Mr. Sunil Pahilajani, Managing Director & CEO, Ms. Monica Chopra, Executive Director - Legal & Company Secretary, and Mr. Narayan Barasia, Chief Financial Officer, are the Key Managerial Personnel of the Company as per the provisions of Sections 2 (51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

There were no resignations by the Directors or Key Managerial Personnel during the year.

Statement on declaration given by the Independent Directors

As required under Section 149 (7) of the Companies Act, 2013, all the Independent Directors have given their respective declarations that they meet the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013.

Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013 the Directors state that to the best of their knowledge and belief and according to the information and explanations obtained by them:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the Profit of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts on a going concern basis;
5. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Policy on appointment and remuneration of Directors

The Company has constituted a Nomination and Remuneration Committee and formulated the criteria for determining the qualification, positive attributes and independence of a Director (the Criteria). The Nomination and Remuneration Committee has recommended to the Board a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees, as required under Section 178 (1) of the Companies Act, 2013. The Remuneration Policy is given as **Annexure 1** to this Directors' Report. The Criteria, inter alia, includes: a person to be appointed on the Board of the Company should possess in addition to the fundamental attributes of character and integrity, appropriate qualifications, skills, experience and knowledge in one or more fields of engineering, banking, management, finance, marketing and legal, a proven track record, etc.

As required under the provisions of Section 197 (14) of the Companies Act, 2013, the Executive Directors of the Company confirm that they do not receive any remuneration or commission from any subsidiary of the Company.

Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is available. In terms of Section 136 (1) read with its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the Members of the Company and others entitled thereto. The said information is available for inspection by the Members at the Registered Office of the Company during working hours up to the date of the forthcoming Annual General Meeting.

Familiarisation Programme for Directors

The Company has formulated a structured orientation programme including presentations by key personnel, information about the various codes, policies, etc. to familiarize the new Directors with the Company's operations. In addition, plant visits are organised to familiarise the Directors with the Company's products, production process, etc. Periodically, the Company sponsors interested Directors for seminars / training programmes. Presentations made at the Board / Committee Meetings, inter alia, cover the business strategies, human resource matters, budgets, initiatives, risks, operations of subsidiaries, etc. where the Directors get an opportunity to interact with the Senior Management.

The Directors' Familiarisation Programme is available on the website of the Company on www.greaves cotton.com.

Evaluation of performance of Board, its Committees and individual Directors

The Board has established a comprehensive and participative annual process to evaluate its own performance, its Committees and the individual Directors. The performance evaluation matrix defining the criteria of evaluation for each of the above was prepared by the Nomination and Remuneration Committee. The criteria for performance evaluation includes, inter alia, relevant experience and skills of the Directors, ability and willingness to speak up, ability to carry others, ability to disagree, stand his / her ground, Integrity, focus on shareholder value creation and high governance standards. The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The outcome of the evaluation process conducted was, inter alia, recognition of strengths, identification of areas of improvements, focus areas for the future, etc.

During the year, a meeting of the Independent Directors was held to review the performance of the non-independent Directors and the Board as a whole and the Chairman on the parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the Management and the Board.

Mr. Vikram Tandon was appointed as the Lead Director to oversee the evaluation process at the meeting of the Independent Directors.

Loans, Guarantees and Investments

Particulars of loans, guarantees and investments as on 31st March, 2015 are given in the Notes to the financial statement.

Contracts and arrangements with Related Parties

All transactions of the Company with Related Parties are in the ordinary course of business and at arm's length. Information about the transactions with Related Parties are given in the Corporate Governance Report which forms a part of this Annual Report.

Form AOC – 2 pursuant to the provisions of Section 134 (3) (h) of the Companies Act, 2013, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is given as **Annexure 2** to this Directors' Report.

Number of Meetings of the Board

The details of the number of meetings of the Board and other Committees are given in the Corporate Governance Report which forms a part of this Annual Report.

Extract of Annual Return

As required pursuant to Section 134 (3) (a) of the Companies Act, 2013, an extract of Annual Return in the prescribed Form MGT 9 is given as **Annexure 3** to this Directors' Report.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Particulars of conservation of energy, technology absorption foreign exchange earnings and outgo, as prescribed in Rule 8 (3) of the Companies (Accounts) Rules, 2014 are given as **Annexure 4** to this Directors' Report.

Risk Management Policy

The Company has constituted a Risk, CSR and Strategy Committee of Directors to oversee the risk management efforts. The Company has put in place a robust Enterprise Risk Management (ERM) Policy which covers strategic risks, operational risks, regulatory risks and catastrophic risks and provides a clear identification of "Risks That Matter (RTM)". These RTMs are monitored on a quarterly basis by the Management and on a half-yearly basis

by the Risk, CSR and Strategy Committee. Implementation of this ERM Policy effectively supports the Board and the Management in ensuring that risks, if any, which may significantly impact the Company are adequately highlighted and mitigation actions are implemented in a time-bound manner to reduce the risk impact. There are no risks, which in the opinion of the Board threaten the existence of the Company. However, the risks that may pose a concern are set out in the Management Discussion and Analysis, which forms a part of this Annual Report.

Corporate Social Responsibility

The Company believes that being a good corporate citizen begins with being a great community leader. Economic and social development of people from the under-privileged section of the society is thus firmly embedded across the business fabric.

Committed to creating opportunities for the local people to enable their empowerment, initiatives are aligned to areas of skill development. An important intervention undertaken by the Company to promote job growth is its ongoing programme to develop Authorised Trained Mechanics (ATM). The programme, now running for around two decades at the Company's facilities, focuses on training people and building capabilities for repair and maintenance of engines. Promoting self-sufficiency and improving the quality of life through technical and financial support, the ATM programme has been very well-received by the local community.

By contributing to community welfare and fulfilling unmet needs, the Company will continue to work towards bringing about a transformation in the communities in and around its areas of operations.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a CSR Policy, as recommended by the Risk, CSR and Strategy Committee covering the objectives, initiatives, outlay, implementation, monitoring, etc. The CSR Policy is uploaded in the Company's website www.gravescotton.com.

A report on the CSR activities in the prescribed format as set out in Annexure to the Companies (Social Responsibility Policy) Rules, 2014, duly signed by the Managing Director & CEO and the Chairman of the Risk, CSR and Strategy Committee, is given as **Annexure 5** to this Directors' Report.

Vigil Mechanism and Whistle Blower Policy

The Company has established a vigil mechanism, through a Whistle Blower Policy, where Directors and employees can voice their genuine concerns or grievances about any unethical or unacceptable business practice. A whistle-blowing mechanism not only helps the Company in detection of fraud, but is also used as a corporate governance tool leading to prevention and deterrence of misconduct. It provides direct access to the employees of the Company to approach the Compliance Officer or the Chairman of the Audit Committee, where necessary. The Company ensures that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment or victimisation.

Internal Financial Controls related to financial statement

The Company has in place adequate internal financial controls related to financial statement. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed. Some of the controls are outlined below:

- The Company has adopted accounting policies, which are in line with the Accounting Standards and other applicable provisions of the Companies Act, 2013;
- Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors;
- In preparing the financial statement, judgements and estimates have been made based on sound policies. The basis of such judgements and estimates are approved by the Auditors and the Audit Committee;
- The stand alone accounts are audited every quarter by the Auditors.

Internal Control Systems and their adequacy

Details of the Internal Control Systems and their adequacy are provided in the Management Discussion and Analysis which forms a part of this Annual Report.

Statutory Auditors

The Company's Auditors, Walker, Chandiok & Co LLP, Chartered Accountants, Mumbai and the Branch Auditors, Wrigley Partington, U.K., in respect of Company's Branch in Cheshire, London (U.K.), retire at the forthcoming Annual General Meeting. The appointment of the Statutory Auditors and re-appointment of the Branch Auditors forms a part of the Notice convening the forthcoming Annual General Meeting and the Resolutions are recommended for your approval.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of M/s Pradeep Purwar and Associates, Company Secretary in Practice, Mumbai to conduct the secretarial audit of the Company for the financial year ended 31st March, 2015.

The Secretarial Audit Report (Form MR – 3) is given as **Annexure 6** to this Directors' Report.

Auditors' Report

Reports issued by the Statutory Auditors on the financial statement for the financial year ended 31st March, 2015 and by the Secretarial Auditors on the verification of secretarial and compliance records of the Company for the financial year ended 31st March, 2015 do not contain any qualification, reservation or adverse remark or disclaimer.

Cost Auditors

Pursuant to the provisions of Section 148 (3) of the Companies Act, 2013, the Board has appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants, as the Cost Auditors of the Company to conduct an audit of the cost records maintained by the Company for the financial year ending 31st March, 2016. The Board has approved the remuneration payable to the Cost Auditors subject to approval of the Members at the forthcoming Annual General Meeting.

Other Disclosures

The Directors confirm that during the financial year under review-

- no significant and material order has been passed against the Company by any Regulator or Court or Tribunal which will impact the going concern status of the Company's operations;
- there was no issue of Equity Shares with differential rights as to dividend, voting or otherwise; there was no issue of shares (including Sweat Equity Shares) to the employees of the Company under any scheme.

Acknowledgement

The Board places on record its appreciation for the support and co-operation the Company has been receiving from its all stakeholders. The Company looks upon them as partners in its progress. It will always be the Company's endeavour to build and nurture strong relationship for mutual benefits.

For and on behalf of the Board

Mumbai
6th May, 2015

Karan Thapar
Chairman

Annexure 1

Remuneration Policy for Management Staff

(approved at the Board Meeting held on 4th March, 2015)

1. Preamble:

This Policy concerns the remuneration and benefits of employment in Greaves Cotton Limited for the Management Staff. This Policy is applicable from 1st April, 2015 onwards and may be reviewed periodically by the Nomination and Remuneration Committee.

2. Aims and Objectives:

This Policy aims to design and implement compensation structure to reward the Management Staff for sustained financial and operating performance and leadership excellence, to align their interest with those of our shareowners and to encourage them to remain with the Company for long and productive careers.

3. Elements of remuneration:

Remuneration consists of two parts:

- Monthly Remuneration (Fixed Pay):** It is based on roles and responsibilities and level
- Annual Incentive (Variable Pay):** It is based on the performance of the individual, business or function.

4. Implementation of Elements of remuneration:

- Increment Policy:
 - Fixed Pay:** Increments will be given each year effective 1st April, based on the performance and potential of the employee, additional responsibility that he/she is taking and the worth of the position. It is not based on years of performance but on merit. Quantum of increment will be based on capacity of the Company to pay.
 - Variable Pay:** Variable Pay of the Management Staff will be based on evaluation of overall performance of the Company, the individual's business / function performance and assessment of the individual's performance against stated goals and objectives which were established at the beginning of the year based on the Company's strategic business plan and budget towards driving growth.

- Long Term Incentive: This is applicable to MD and his direct reports (M1) only.
- Benefits: Apart from remuneration, the following benefits are provided to retain employees:
 - Holiday homes (Club Mahindra)
 - Mediclaime insurance scheme
 - Group Life and Personal accident Insurance
 - Mobile monthly usage charges
 - Company maintained car for senior management
 - Paid Leaves

5. Normalization:

To remain competitive in the market place, we follow the bell curve pattern and reward high performing employees by paying them better compensation than the lower performing employees.

The following normalization pattern is followed for level wise increments:

Performance Rating	Percentage Distribution For M4, M5 & M6	Percentage Distribution For M1, M2 & M3
5	10%	30%
4	25%	50%
3	50%	20%
2	10%	Nil
1	5%	Nil

6. Governance of the Remuneration Policy:

- The Executive Directors' remuneration will be decided by the Nomination and Remuneration Committee including the annual increments based on principle of elements of remuneration.
- Management Staff remuneration will be decided and approved by the Managing Director based on principle of elements of remuneration.

Annexure 2

Form AOC – 2

Pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contract / arrangements entered in to by the Company with the related parties referred to in sub-Section 188 (1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to by the Company during the year ended 31st March, 2015, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

There were no material contracts or arrangement or transactions at arm's length basis for the year ended 31st March, 2015.

For and on behalf of the Board

Mumbai
6th May, 2015

Karan Thapar
Chairman

Annexure 3

Extract of Annual Return as on 31st March, 2015 pursuant to Sections 92(3), 134(3)(a) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

Form No. MGT-9

(As on the financial year ended 31st March, 2015)

I. Registration and Other Details:

Sr. No.	Particulars	Details
1	Corporate Identification Number	L99999MH1922PLC000987
2	Registration Date	29 th March, 1922
3	Name of the Company	Greaves Cotton Limited
4	Category of the Company	Public Company
5	Sub-Category of the Company	Limited by Shares
6	Address of the Registered office and contact details	3 rd floor, Motilal Oswal Tower Junction of Gokhale & Sayani Road Prabhadevi, Mumbai – 400 025 Tel: +91 22 33551700 Fax: +91 22 33812799 Email: investorservices@greavescotton.com Website: www.greavescotton.com
7	Whether listed company	Yes
8	Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharepro Services (India) Pvt. Ltd. 13 AB Samhita Ware House Complex 2 nd Floor, Near Sakinaka Telephone Exchange, Sakinaka Andheri Kurla Road, Andheri (E) Mumbai - 400 072 Tel: +91 22 6772 0300 / 0330 Fax: +91 22 2850 8927 Email: gcl@shareproservices.com Website: www.shareproservices.com

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description main products / services	NIC Code of the Product/Service	% to total turnover of the Company
1	Engines	2811	96%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Greaves Leasing Finance Limited Industry Manor Appasaheb Marathe Marg, Prabhadevi Mumbai-400025	U29299MH1958PLC011250	Subsidiary Company	100%	2(87)
2	Dee Greaves Limited Industry Manor Appasaheb Marathe Marg Prabhadevi, Mumbai-400025	U28920MH1960PLC011788	Subsidiary Company	100%	2(87)
3	Greaves Cotton Middle East FZC P.O.Box 8241 SHJ, Sharjah, United Arab Emirates	Not Applicable	Step-down Subsidiary Company	100%	2(87)

IV. Share Holding Pattern

(Equity Share Capital Breakup as percentage of Total Equity Category-wise shareholding)

(A) Category wise shareholding

	Category of Shareholder	Number of Shares held at the beginning of the year				Number of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

(A) Promoters

(1)	Indian									
(a)	Individuals/H.U.F	1000	-	1000	0	1000	-	1,000	0	0
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	125920566	-	125920566	51.56	125852726	-	125852726	51.54	-0.02
(e)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	125921566	-	125921566	51.56	125853726		125853726	51.54	-0.02
(2)	Foreign									
(a)	Non Resident Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	125921566	-	125921566	51.56	125853726		125853726	51.54	-0.02

	Category of Shareholder	Number of Shares held at the beginning of the year				Number of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public Shareholding										
(1)	Institutions									
(a)	Mutual Funds	51066035	-	51066035	20.91	55350729	-	55350729	22.67	1.76
(b)	Financial Institutions/ Banks	32523	22370	54893	0.02	389977	22370	412347	0.17	0.15
(c)	Central Government									
(d)	State Government									
(e)	Venture Capital Funds									
(f)	Insurance Companies	28408591	10525	28419116	11.64	22404136	10525	22414661	9.18	-2.46
(g)	Foreign Institutional Investors	8486004	-	8486004	3.47	11579582	-	11579582	4.74	1.27
(h)	Foreign Venture Capital Funds									
(i)	Any other									
	Sub-Total (B)(1)	87993153	32895	88026048	36.05	89724424	32895	89757319	36.75	0.70
(2)	Non Institutions									
(a)	Bodies Corporate									
	i) Indian	7203905	37710	7241615	2.97	6298278	35890	6334168	2.59	-0.38
	ii) Overseas									
(b)	Individuals -									
	i) Individuals shareholders holding nominal share capital upto ₹ 1 lakh	15728689	3001340	18730029	7.65	15026077	2844560	17870637	7.32	-0.33
	ii)Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	2469538	58540	2528078	1.04	2550636	58540	2609176	1.07	0.03
(c)	Any Other									
(c-i)	Non Domestic Companies	-	775000	775000	0.32	-	775000	775000	0.32	0.00
(c-ii)	Non Resident Individuals	890464	34125	924589	0.38	926799	34125	960924	0.39	0.01
(c-iii)	Trusts	20145	21075	41220	0.02	5620	21075	26695	0.01	-0.01
(c-iv)	Directors & their Relatives	18650	-	18650	0.01	19150	-	19150	0.01	0.00
	Sub-Total (B)(2)	26331391	3927790	30259181	12.39	24826560	3769190	28595750	11.71	-0.68
	Total Public shareholding (B)=(B)(1)+(B)(2)	240246110	3960685	244206795	48.44	114550984	3802085	118353069	48.46	0.02
(C)	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	240246110	3960685	244206795	100	240404710	3802085	244206795	100	-

(B) Shareholding of Promoters

Sr No	Shareholders' Name	Shareholding as on 1 st April, 2014			Number of Shares	Shareholding as 31 st March, 2015		% change in shareholding during the year
		Number of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares		% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1	Karan Thapar	1000	-	-	1000	-	-	-
2	DBH International Private Limited	98537502	40.34	-	98469662	40.32	-	(67840)
3	Bharat Starch Products Limited	13775865	5.64	-	13775865	5.64	-	-
4	Karun Carpets Private Limited	13607199	5.72	-	13607199	5.72	-	-
	Total	125921566	51.70		125853726	51.68		(67840)

(C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding		Date of transaction	In crease / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		Number of shares at the beginning (01.04.2014) / end of the year 31.03.2015	% of total shares of the Company				No. of shares	% of total shares of the Company
1	DBH International Pvt. Ltd.	98537502	40.35	01.04.2014				
				30.05.2014	-67840	sold	98469662	40.32
				31.03.2015			98469662	40.32
		98469662	40.32					
2	Bharat Starch Products Ltd.	13775865	5.64	01.04.2014				
		13775865	5.64	31.03.2015		No change	13775865	5.64
3	Karun Carpets Pvt. Ltd.	13607199	5.57	01.04.2014				
		13607199	5.57	31.03.2015		No change	13607199	5.57
4	Karan Thapar	1000	0.00	01.04.2014				
		1000	0.00	31.03.2015		No change	1000	0.00
		125853726	51.54				125853726	51.54

(D) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Shareholder's Name	Shareholding		Date of transaction	In crease / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014) / end of the year 31.03.2015	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	13741705	5.63	01.04.2014				
			-0.14	16.05.2014	-350000	sold	13391705.0	5.48
			-0.16	06.06.2014	-400000	sold	12991705.0	5.32
			-0.07	29.08.2014	-166338	sold	12825367.0	5.25
			-0.12	31.10.2014	-300000	sold	12525367.0	5.13
			-0.31	28.11.2014	-750000	sold	11775367.0	4.82
			-0.20	09.01.2015	-499520	sold	11275847.0	4.62
			-0.20	27.02.2015	-500000	sold	10775847.0	4.41
			-0.32	06.03.2015	-775000	sold	10000847.0	4.10
		10000847	4.10	31.03.2015				
2	IDFC Premier Equity Fund	11200000	4.59	01.04.2014				
			0.02	31.12.2014	45000	bought	11245000	4.60
		11245000	4.60	31.03.2015				
3	Life Insurance Corporation of India	10074305	4.13	01.04.2014				
			-0.16	25.04.2014	-393001	sold	9681304	3.96
			-0.06	02.05.2014	-147977	sold	9533327	3.90
			-0.08	09.05.2014	-199844	sold	9333483	3.82
			-0.29	16.05.2014	-709741	sold	8623742	3.53
			-0.23	31.10.2014	-569575	sold	8054167	3.30
			-0.12	07.11.2014	-302631	sold	7751536	3.17
			-0.13	14.11.2014	-322354	sold	7429182	3.04
			-0.31	21.11.2014	-758442	sold	6670740	2.73
		6670740	2.73	31.03.2015				
4	The New India Assurance Company Limited	8027305	3.29	01.04.2014				
			-0.03	29.08.2014	-80000	sold	7947305	3.25
			-0.06	05.09.2014	-150000	sold	7797305	3.19
			-0.01	12.09.2014	-32763	sold	7764542	3.18
			-0.04	19.09.2014	-94285	sold	7670257	3.14
			-0.05	30.09.2014	-109959	sold	7560298	3.10
			-0.01	03.10.2014	-32993	sold	7527305	3.08

Sr. No.	Shareholder's Name	Shareholding		Date of transaction	In crease / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014) / end of the year 31.03.2015	% of total shares of the Company				No. of shares	% of total shares of the Company
			0.00	24.10.2014	-255	sold	7527050	3.08
			0.00	07.11.2014	-10000	sold	7517050	3.08
			0.00	14.11.2014	-10000	sold	7507050	3.07
			0.00	19.12.2014	-105	sold	7506945	3.07
			0.00	31.12.2014	-10000	sold	7496945	3.07
			0.00	02.01.2015	-10103	sold	7486842	3.07
			-0.03	09.01.2015	-83024	sold	7403818	3.03
			-0.03	16.01.2015	-68666	sold	7335152	3.00
			-0.02	23.01.2015	-41677	sold	7293475	2.99
			-0.05	30.01.2015	-124633	sold	7168842	2.94
			-0.05	06.02.2015	-120000	sold	7048842	2.89
			-0.01	13.02.2015	-14997	sold	7033845	2.88
			-0.01	20.02.2015	-25000	sold	7008845	2.87
			-0.02	27.02.2015	-42203	sold	6966642	2.85
			-0.07	06.03.2015	-165677	sold	6800965	2.78
		6800965	2.78	31.03.2015				
5	General Insurance Corporation of India	6300000	2.58	01.04.2014				
			-0.04	31.10.2014	-100000	sold	6200000	2.54
		6200000	2.54	31.03.2015				
6	Reliance Capital Trustee Co Ltd-Reliance Longterm Equity Fund	5235810	2.14	01.04.2014				
			-0.12	06.06.2014	-300000	sold	4935810	2.02
			0.02	15.08.2014	50000	bought	4985810	2.04
			-0.09	05.09.2014	-223500	sold	4762310	1.95
			-0.08	19.09.2014	-195380	sold	4566930	1.87
			-0.12	31.10.2014	-300000	sold	4266930	1.75
			0.02	27.03.2015	60000	bought	4326930	1.77
			0.00	31.03.2015	4250	bought	4331180	1.77
		4331180	1.77	31.03.2015				

Sr. No.	Shareholder's Name	Shareholding		Date of transaction	In crease / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014) / end of the year 31.03.2015	% of total shares of the Company				No. of shares	% of total shares of the Company
7	Franklin Templeton Mutual Fund A/C Franklin India Prima Fund	3408207	1.40	01.04.2014				
			0.00	30.05.2014	1024	bought	3409231	1.40
		3409231	1.40	31.03.2015				
8	The Oriental Insurance Company Limited	2904917	1.19	01.04.2014				
			0.00	04.04.2014	-5000	sold	2899917	1.19
			-0.01	11.04.2014	-33818	sold	2866099	1.17
			-0.01	18.04.2014	-16182	sold	2849917	1.17
			-0.01	06.06.2014	-13500	sold	2836417	1.16
			-0.01	30.06.2014	-30000	sold	2806417	1.15
			-0.02	04.07.2014	-45000	sold	2761417	1.13
			-0.01	11.07.2014	-16000	sold	2745417	1.12
			-0.01	29.08.2014	-20000	sold	2725417	1.12
			-0.02	05.09.2014	-50000	sold	2675417	1.10
			-0.01	12.09.2014	-17000	sold	2658417	1.09
			-0.01	19.09.2014	-23012	sold	2635405	1.08
			-0.02	30.09.2014	-54275	sold	2581130	1.06
			-0.01	03.10.2014	-15725	sold	2565405	1.05
			-0.01	10.10.2014	-34753	sold	2530652	1.04
			-0.01	17.10.2014	-30565	sold	2500087	1.02
			-0.01	24.10.2014	-22886	sold	2477201	1.01
			-0.01	31.10.2014	-12303	sold	2464898	1.01
			-0.01	07.11.2014	-20000	sold	2444898	1.00
			0.00	14.11.2014	-6840	sold	2438058	1.00
			-0.03	31.12.2014	-67916	sold	2370142	0.97
			-0.01	02.01.2015	-12419	sold	2357723	0.97
			-0.01	16.01.2015	-27356	sold	2330367	0.95
		2330367	0.95	31.03.2015				
9	Comgest Growth PLC A/C Comgest Growth India	2799727	1.15	01.04.2014				

Sr. No.	Shareholder's Name	Shareholding		Date of transaction	In crease / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning (01.04.2014) / end of the year 31.03.2015	% of total shares of the Company				No. of shares	% of total shares of the Company
			-0.11	23.05.2014	-263095	sold	2536632	1.04
			-0.14	30.05.2014	-336905	sold	2199727	0.90
			-0.20	29.08.2014	-500000	sold	1699727	0.70
		1699727	0.70	31.03.2015				
10	Franklin Templeton Mutual Fund A/C Franklin India Flexi Cap Fund	2500000	1.02	01.04.2014				
			0.00	30.05.2014	2049	bought	2502049	1.02
			-0.27	30.01.2015	-650000	sold	1852049	0.76
		1852049	0.76	31.03.2015				

(E) Shareholding of Directors and Key Managerial Personnel:

Sr No	for each of the Directors and KMP	Shareholding		Date of transaction	In crease / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2014)/ end of the year 31.03.2014	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Karan Thapar Non- Executive Promoter Chairman	1000	-	-	-	-	1000	-
		1000	-	-	-	-	1000	-
2	Mr. Vijay Rai Independent Director	18150	0.007	-	-	-	18150	0.007
		18150	0.007	-	-	-	18150	0.007
3	Mr. Vikram Tandon Independent Director	500	-	-	-	-	500	-
		500	-	-	-	-	500	-
4	Ms. Monica Chopra Executive Director – Legal & Company Secretary	500	-	-	-	-	500	-
		500	-	-	-	-	500	-
5	Mr. Narayan Barasia Chief Financial Officer	500	-	-	-	-	500	-
		500	-	-	-	-	500	-

None of the other Directors and Key Managerial Personnel hold any shares in the Company.

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ In lakh)

	Secured Loans excluding deposits	Unsecured Loans	Public Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-		
i) Principal Amount			1.75	1.75
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	1.75	1.75
Change in Indebtedness during the financial year				
• Addition	-	-	-	
• Reduction	-	-	(1.45)	(1.45)
Net Change	-	-	(1.45)	(1.45)
Indebtedness at the end of the financial year	-	-		
i) Principal Amount			0.30	0.30
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	0.30	0.30

VI. Remuneration of Directors and Key Managerial Personnel**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ In lakh)

Particulars of Remuneration	Name of MD/WT/Manager		Total Amount
	Mr.Sunil Pahilajani	Ms.Monica Chopra	
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	208.87	83.37	292.24
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.92	0.07	0.99
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
- as % of profit			
- others, specify			
Others, please specify	-	-	-
Total (A)	209.79	83.44	293.23
Ceiling as per the Act (being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			1408.00

B. Remuneration to other directors:

(₹ In lakh)

Particulars of Remuneration	Name of Directors						Total Amount
	Karan Thapar	Vijay Rai	Vikram Tandon	Clive Hickman	Navneet Singh	Arvind Kumar Singhal	
Independent Directors	-						
• Fee for attending board / committee meetings		2.70	1.80	3.20	3.50	2.60	13.80
• Commission		4.49	8.08	7.18	7.18	8.07	35.00
• Others, please specify		-	-	-	-	-	-
Total(1)		7.19	9.88	10.38	10.68	10.68	48.80
Non-Executive Directors / Pramoter		-	-	-	-	-	-
• Fee for attending board / committee meetings	2.87						2.87
• Commission	105.0						105.00
• Others, please specify	0						-
Total(2)	107.87						107.87
Total (B)=(1+2)		7.19	9.88	10.38	10.68	10.67	156.67
Total Managerial Remuneration (A) + (B)							449.90
Overall Ceiling as per the Act (being 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)							1549.00

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ In lakh)

Particulars of Remuneration	Key Managerial Personnel*	
	Mr. Narayan Barasia Chief Financial Officer	Total
Gross salary		
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	102.56	102.56
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.08	0.08
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
Stock Option	-	-
Sweat Equity	-	-
Commission	-	-
- as % of profit		
- others, specify		
Others, please specify	-	-
Total	102.64	102.64

* Remuneration of Managing Director and Company Secretary is disclosed under "A" above.

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties, punishment or compounding of offence for breach of any provisions of the Companies Act, 2013 by the Company during the year under review.

Annexure 4

Particulars of conservation of energy, technology absorption foreign exchange earnings and outgo, as prescribed in Rule 8(3) of the Companies (Accounts) Rules, 2014

A. Conservation of energy

a. Energy conservation measures taken:

1. Upgraded heating technology of furnaces to PID Thyristor Panel;
2. Moved to energy efficient compressors and motors along with optimisation of capacity;
3. Replacement of conventional lamps to LED for Street lights;
4. Reduction in air pressure by providing regulators in pneumatic line including lines modification for effective utilisation in Engine Testing area;
5. All machines provided with timers to reduce idling;
6. Provision of temperature indicating controller for crank shaft line cooling tower to avoid running of cooling fan continuously thereby saving of power consumption;
7. Press and inductotherm hydraulic motors switched off during non- operating time thereby saving power consumption;

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

Street Lights to change from Sodium Vapor Lamps to LED Lamps;

c. Impact of a and b above:

Reduction in power consumption and energy saving

B. Technology absorption

1. Research and Development (R & D)

a. Specific areas in which R&D is being carried out by the Company:

- Implemented machine cylinder head body leak checking equipment in-house to ensure leak free cylinder head;

- Overflow pipe length reduced on all engines;
- Feed pump vent hole position shifted to avoid dust entry;
- Implemented crank shaft sleeve end face grinding to improve squareness

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

- Implemented SIT spill cut off checking with digital dial guage to improve emission norms;
- Customer satisfaction, cost reduction and quality improvement;

c. Imported Technology:

Details of Imported Technology: Not applicable

The Year of Import: Not applicable

Whether the Technology is fully absorbed: Not applicable

d. Expenditure on R&D:

a.	Capital	:	₹ 1.47 crore
b	Revenue	:	₹ 26.44 crore
	Total	:	₹ 27.91 crore

Total R&D expenditure as a percentage of Revenue from Operations: 1.65% (2013-14: 3%)

C. Foreign Exchange Earnings and Outgo

Total Foreign Exchange earning and outgo:

Foreign Exchange	Financial Year 2014-15
Inflow	₹ 68.70 crore
Outflow	₹ 78.14 crore

For and on behalf of the Board

Mumbai
6th May, 2015

Karan Thapar
Chairman

Annexure 5

Annual Report on the CSR activities pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR Policy

The Company's philosophy towards Corporate Social Responsibility (CSR) is conducting business by integrating its economic, environmental and social objectives in such a way that it will contribute for the social good together with its operational growth. The Company believes that CSR is a process by which an organisation thinks about its relationship with its stakeholders for the common good and demonstrates its commitment to the same. The Company intends to undertake multiple initiatives like providing employment enhancing vocation / skill development training with focus on gender equality, differently abled and underprivileged youth, promoting livelihood enhancement projects and providing health care / health insurance to the socially and economically underprivileged.

The Company has adopted a CSR Policy in compliance with the provisions of the Companies Act, 2013 and can be accessed on the Company's website through the following link http://www.greaves cotton.com/Upload/Investor/CSR_Policy.pdf.

2. Composition of the Committee: The Company has constituted a Risk, CSR and Strategy Committee to fulfill, inter alia, its responsibility towards CSR. The composition of the Committee is as follows:

Name	Category
Mr. Karan Thapar, Chairman	Non-executive Director
Mr. Sunil Pahilajani	Managing Director & CEO
Dr. Clive Hickman	Independent Director
Mr. Navneet Singh	Independent Director
Mr. Arvind Singhal	Independent Director

3. Average net profit of the Company for last three financial years : ₹ 192 crore
4. Prescribed CSR Expenditure (2% of the amount as in Sr. No. 3 above) : ₹ 3.8 crore
5. Details of CSR spend for the financial year:
- (a) Total amount to be spent for the financial year : ₹ 3.8 crore
- (b) Amount unspent : ₹ 3.8 crore
- (c) Manner in which the amount spent during the financial year is detailed below.

1)	2)	3)	4)	5)	6)	7)	8)
S.No	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct Expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent; Direct or through implementing agency*

Please see response under Sr. No. 6 below

*Give details of implementing agency:

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

For the financial year 2014-15, one of the initiatives shortlisted by the Company was for providing employment enhancing vocational training in skills relevant to the automotive sector, in and around the Company's Automotive Engines plant in Aurangabad, Maharashtra. Towards this objective, the Company was exploring the option of partnering with the National Skill Development Corporation / Automotive Skill Development Corporation (ASDC) for formulating a long term project. Since the activity was work-in-progress as on 31st March, 2015, the CSR amount for the financial

year 2014-15 could not be spent. CSR is an on-going initiative and the Company is committed to fulfilling its responsibility and incur expenditure in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

7. The CSR Committee affirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sunil Pahilajani
Managing Director & CEO
Mumbai
6th May, 2015

Karan Thapar
Chairman

Annexure 6

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the Financial Year ended 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,
The Members, Greaves Cotton Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Greaves Cotton Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (v) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (vi) Employees State Insurance Act, 1948;
- (vii) Factories Act, 1948;
- (viii) Water (Prevention & Control of Pollution) Act, 1974;
- (ix) Air (Prevention & Control of Pollution) Act, 1981;
- (x) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
- (xi) Legal Metrology Act, 2009;
- (xii) Minimum Wages Act, 1948;
- (xiii) Payment of Bonus Act, 1965;
- (xiv) Payment of Gratuity Act, 1972;
- (xv) Payment of Wages Act, 1936;
- (xvi) Industrial Dispute Act, 1947;
- (xvii) The Contract Labour (Regulation and Abolition) Act, 1970.

Provisions of the following Act, Regulations and Guidelines were not attracted to the Company under the financial year under report:-

- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above, to the extent applicable.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is generally given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at leasts even days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity;
- (ii) Redemption / buy-back of securities;
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013;
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

**For Pradeep Purwar & Associates
Company Secretaries**

**Pradeep Kumar Purwar
Proprietor
C. P. No. 5918**

Place : Thane
Date : 6th May, 2015

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMY

Global economy struggled to gain satisfactory traction during calendar year 2014, registering a marginal increase in growth, to 2.6% from 2.5% in 2013.

Many high-income and even some middle-income countries continued to be plagued by the cascading effects of the global financial crisis, with marked growth divergences among major economies. In the United States and the United Kingdom, economic recovery was stronger than expected, while in the Euro Zone and in Japan, recovery was stalled owing to deeper structural bottlenecks. Among emerging economies, China faced economic slowdown and growth also remained tepid in other developing countries, inundated by weak external demand, domestic policy tightening and supply side constraints.

The sharp drop in oil prices since mid-2014 is expected to offset some of the impediments to growth in oil-importing countries, such as China and India. On the other hand, it may dampen growth prospects for oil-exporting countries. Stagnation and low inflation are also expected to continue to impact growth in the Euro region and in Japan. Overall, global growth is expected to rise moderately, to 3.0% in 2015, and average about 3.3% through 2017.

(Source: Global Economic Prospects January 2015, World Bank).

3.3% through 2017

Overall, global growth is expected to rise moderately

▲ 7.3% GDP growth

for the financial year 2014-15

IMF forecasts that India will emerge as

the fastest growing large economy
in the world



INDIAN ECONOMY

Despite a stable Government at the Centre, India failed to attract the investments envisaged amid a challenging macroeconomic environment. Growth thus showed gradual recovery rather than a sharp upturn.

Prospects, however, seem to be promising for the year ahead. The Central Government's pro-investment measures, including accelerating environment clearances for infrastructure projects, improvements in current account deficit, moderation of inflation, allowing auction of coal mines to the private sector and resolution of structural bottlenecks to facilitate investment are likely to improve business sentiment. Decline in oil prices is also expected to provide an impetus to growth.

Using the new GDP series, the International Monetary Fund (IMF) forecasts that India will emerge as the fastest growing large economy in the world at the end of the financial year 2015-16. The Government's 'Make in India' initiative is expected to give a major boost to the manufacturing sector, going forward.

The Company continues to strengthen and invest in R&D and new product capabilities. The main focus will remain on new customer, new business and new product development. 

COMPANY PERFORMANCE

Led by its manufacturing excellence, the Company sustained its overall performance and retained its market share in key segments. The focus was on improving profitability and the Company strategically exited non-core and loss making manufacturing operations in the Construction Equipment business. The Company strengthened its aftermarket spares and service network, and witnessed improved demand in the overseas market.

The Company maintained its performance during the year ended 31st March, 2015 and net sales stood at ₹ 1688.90 crores as against ₹ 1718.91 crores in the previous year, a decrease of 1.96 %. Net profit for the year was ₹ 81.53 crores as against ₹ 113.09 crores, a 27.9% decrease.

The total revenue excluding discontinued manufacturing operations of the Construction Equipment business, has grown by 1.8% on a year-on-year basis. The loss from discontinued operations stood at ₹ 55.54 crore resulting in a profit after tax of ₹ 81.53 crore for the year under review compared to ₹ 113.09 crore for the previous year. The Company has reported growth in profit before tax and exceptional items during the current year due to several measures taken for reduction in material and employee cost as well as other expenses and improving operating efficiencies in the business. The Company has shown significant improvement in working capital management as well.

The Company continues to strengthen and invest in R&D and new product capabilities. The main focus will remain on new customer, new business and new product development. The Company is strengthening its International Business, with its potential for higher revenue growth. Moving ahead, the Company expects the positive market sentiment to reflect in improved growth and demand.



State-of-the-art R&D

ENGINE SEGMENT

Automotive Engines Business

Industry Overview

After nearly two years of decline, demand slowly picked up in the passenger vehicles, two wheelers and few categories in the commercial vehicles segment. Overall, the Indian Automotive industry recorded a 7.22% growth in volumes for the year.

Sales in the passenger vehicle segment recorded a modest 3.90% growth. Two wheeler sales registered a growth of 8.09%.

Within the commercial vehicles segment, Medium and Heavy Commercial Vehicles (M&HCV) recorded volume growth of 16% on account of replacement demand of ageing fleet and expectations of a pick-up in demand from the infrastructure, mining and industrial sectors.

However, the Light Commercial Vehicles (LCV) did not see any improvement in sentiment, which remained challenged by problems of over capacity plus a stringent financing scenario due to increasing delinquencies. LCV sales declined by 11% for the year.

Overall, though the M&HCV volume improved, since the LCV sales did not pick up, the CV segment registered de-growth between 2% to 3%.

Three wheeler sales increased at the rate between 10% to 11%. Automobile exports grew by approximately 15% during the year, led by increased sales in the two wheeler, three wheeler and commercial segments.

▲ 7.22%

The Indian Automotive industry recorded a 7.22% growth in volumes for the year



Greaves 1510 engine

Recent policy initiatives by the Government are expected to improve the consumption and investment cycle in the future. An expected fundamental improvement in the economy, moderation of interest rate, fall in ownership cost and improvement in customer sentiment are expected to have a positive impact on the demand trends in the future. Export market will continue to remain attractive, especially emerging markets, and this would help offset the muted demand in the domestic market.

[Source: Society of Indian Automobile Manufacturers (SIAM), Indian Automobile Industry Report, January 2015, ICRA, Economic Times, December, 2015- Grip of the wheel: 2015 promises a good year for automobile industry amid falling fuel prices, interest rates, Business Standard, April 5, 2015 - Auto sector has turned the corner]

Business Overview

The Company's wide range of fuel efficient, lightweight single cylinder diesel engines service the three wheeler and Small Commercial Vehicles (SCV) segments.

In line with the improvement in market sentiment, signs of recovery were visible in the Automotive Engine business after a long downturn spell.

Demand for engines for three wheelers improved and with the Company leveraged its manufacturing strength to address the same with quality products.

Volumes in the SCV segment, where the Company has a dominant market share, continued to sharply decline, mirroring the de-growth recorded in the industry.

The Company remains focused on acquiring new accounts and expanding its customer base to strengthen its market share and expanding its overseas presence.

Risks & Concerns

- ⦿ **Slow Pick-up of Domestic Demand:** Improvement in economic scenario will play a key role in determining the demand and fortunes of the industry, which is moving out of the long spell of de-growth. The pace of the actual roll-out of infrastructure, mining projects and industrial projects will have a trickle down impact on demand for CVs, especially LCVs.
- ⦿ **Fuel Price Fluctuations:** Any sudden and sharp sustained increase in global fuel prices can impact demand in the industry as it results in higher operating costs and increases cost ownership of vehicles.
- ⦿ **Commodity Prices:** Operating costs can be impacted by the adverse fluctuations in commodity Prices.
- ⦿ **Emission Compliance:** For the SCVs and four wheeler segment, it is a big challenge to develop and deliver new engine meeting BS-IV emission compliance within the stipulated time. To mitigate this risk, the Company is preparing well in advance and has devised strategies to pursue engine development work on fast track.
- ⦿ **Adverse External Environment:** Any adverse global economic challenges or geo-political disturbances can impact the external environment and impact export market demand, thus leading to loss of revenues.

Outlook

Overall, the industry is expected to follow a slow and steady path of recovery. With the Government's intent to introduce Goods and Service Tax next year, increased focus on infrastructure, mining sectors and expected reduction in interest rates on finance, the automotive sector is likely to be the direct beneficiary. The Company will continue on its well defined strategy to maintain its leadership in the segments of presence and focus on acquiring new customers while strengthening its domestic market position. The export market potential, which appears to be promising, will continue to be a focus area.

Ongoing R&D efforts of innovation through frugal engineering and technology will continue to nurture the fundamental business model and enable continued leadership in the segments of operation.

Auxiliary Power Business

The year saw the implementation of the Central Pollution Control Board's new environmental norms (CPCB II) for cleaner emission standards from July 2014. The amended rules mandate all manufacturers, importers or assemblers of diesel generator sets in India to comply with the cleaner emission standards for products up to 800 kilowatt. Industry saw demand improve significantly in the first quarter, as pre-buy effect, based on anticipation of end customers that price would increase significantly post the implementation of CPCB II norms.

Overall, the long spell of slowdown, challenging business environment and weak consumer sentiment, impacted business growth and sales remained flat. In gensets segment, where the Company has operations (up to 500 kVA), the market continued to decline barring the limited demand witnessed pre CPCB II.

In the small genset segment (2.5 to 7.5 kVA), entry of more organized players has made the market environment highly competitive.



Greaves 15 kVA Genset

Business Overview

The Company had been engaged in preparatory work to upgrade and develop new products to comply with the new regulations and norms since past three years. The Company expanded its manufacturing capacity and inaugurated a new manufacturing plant in Pune to capture the CPCB II opportunity. These initiatives enabled the early launch of several upgraded compliant products and capture demand for quality, indigenously manufactured goods.

As a value-added feature, the Company also introduced CPCB II Gensets with controllers having remote interfacing and monitoring capability. Further, the environment platform change was used to its advantage as the Company introduced almost all engines on mechanical platform. This was a major paradigm shift for the industry which was looking for electronic engines as a solution.

The Company improved its market share in the 10 to 30 kVA segment which it had forayed into last year.

The Company concentrated on revitalizing and deepening its dealer network and enhance reach and touch points with end customers. Thrust was also placed on strengthening the institutional sales channels.

Overall, with the slow pace of economic recovery, growth was limited to 10% in the domestic market. In contrast, the Company improved its market presence significantly in the SAARC region followed by SEA markets.

Risks & Concerns

- ⦿ **High Interest Rates:** A sluggish economy and high interest rates have an adverse impact on demand.
- ⦿ **Competition:** Competition is strong and almost 85% market share is with a few top players and is difficult to dent into their mature distribution model.
- ⦿ **Price Sensitive:** Gensets are an essential conventional energy back-up source. The gradual improvement in power availability is leading to gensets undergoing a transition from prime power to stand-by duty. This is likely to reduce the customer's dependence on gensets. In such a scenario, market tends to become price sensitive and averse to price hikes. The Company is focused on retaining its cost competitiveness as well as continuously improving the efficiency and reliability of its products and expand the range of its offerings.

- ⦿ **Sustainability:** In the long term, a stronger demand for renewable and environment friendly and green power options may surface as the Government is expected to focus even more sharply on renewable energy options. The Company continues to focus on developing a differentiated portfolio in future, in line with the anticipated market trends.

Outlook

The Company believes that the new environment friendly norms will prove to be an important inflexion point for the industry, and it will continue to focus on expanding its wide spectrum of products that match differentiated demand. Also keeping in line with market trends, the Company is working on introducing renewable portfolio and solar products.

Farm Equipment Business

Industry Overview

The sector continued to face challenges due to the slow implementation and release of subsidies, which plays an important role in converting potential customers of mechanized farming equipment to buyers. Farmers were challenged due to increasing input cost, which directly determines their purchasing power. Further, minimum support price of various farm outputs remained under pressure. Additionally, at a product group level, growth in oil pump sets witnessed a slow down as a result of increasing rural electrification.

Light agri-equipment was the only segment that recorded marginal growth.

Business Overview

From the initial offering of only pumpsets, the Company has in the past two years, strengthened its manufacturing capabilities to introduce various mechanized farming equipments and the product range covers more than 25 to 30 kinds of mechanized equipments. New products or solutions continue to be introduced at regular intervals to suit various crop cycles and meet the requirement of different crops and different markets, depending on soil condition, etc.

The Company continued its R&D efforts to indigenously expand its product portfolio in line with the strategy to discontinue the import of equipment.

*Greaves 12 dlx power tiller*

The performance of the Farm Equipment business which has impacted by the industry situation is expected to improve in the coming year. The increasing thrust on farm mechanization on account of rising cost of farm labour is expected to improve the prospects of Light Agri equipment including power tillers. Overall, the Company is investing in development of various Light Agri equipment, which are expected to drive future growth of the business.

Risks & Concerns

- ⦿ **Agro Dependency:** Irregular rainfall / dramatic change in climatic conditions continues and this impacts the cropping / harvesting pattern, leading to further adverse impact on the agro sector and the growth in this business segment.
- ⦿ **Subsidies:** Government subsidises several inputs and equipment purchases to support the agricultural sector. Any change in the policies in this regard and the subsidies regimen could impact demand.
- ⦿ **Policy Level:** Absence of uniform policy in respect of farm mechanization implementation at various State Government level poses a challenge since it is State subject. Slow implementation and non availability of on-time support by way subsidy provides no solace to the farmers to reduce their input cost, and thereby does not encourage the small and marginal farmers who have been neglected in the mechanization process. These challenges impact the growth momentum.
- ⦿ **Release of Subsidies:** Release of subsidies directly to the farmer's bank account poses a structural problem for many State Governments, since many of the farmers are not well versed with the procedure. However, this is a temporary challenge and in the long run this method is expected to significantly benefit the farmers.
- ⦿ **Competition:** Increase in competition and their expanding reach can impact growth potential.

Outlook

The Company remains cautiously optimistic about the growth envisaged in the budget. Light agri equipment and the electrical segment is expected see demand improve as new product launches are planned.

The distribution channel expansion programme, which was initiated two years ago, is now yielding results in the new and unrepresented states. If market conditions improve, growth is envisaged through new product launches and channel expansion programmes.

Industrial Engines Business

Industry Overview

Industrial engines find application across diverse areas as these engines are used in different stationary and mobile equipments. They are valuable components in mining equipment, agriculture equipment, marine equipment, fire fighting pumps and other pumps, compressors, railway applications, defence and power-generation equipment, construction equipment for concreting, earthmoving and road making.

With project clearances still not gaining sufficient momentum and investors across various industries still adopting a wait-and-watch approach before deploying capital, demand for industrial engines did not pick up sufficiently. This impacted the growth of this business segment. However, with expectations of a benign

*Greaves 12 cylinder*

economic climate and revival of investor confidence, economic activity is forecast to increase in the financial year 2015-16, fuelling demand for industrial engines.

Business Overview

The Company manufactures customised industrial engines, making them perfect for numerous machine and equipment applications in a variety of industries. The Company's products serve the critical needs of a vast spectrum of industries, including construction, mining, agriculture, marine, rail cars, fire control and material handling. The challenging business environment affected the demand for the Company's products, and segment performance remained moderate during the course of the year.

Risks & Concerns

- **Economic Environment:** Slowdown in economic activity, low capital expenditure and curtailed budgets across various industries for new product development impacts the demand for the Company's industrial engine products.
- **Competition:** The entry of new players into the business segment may exert a downward pressure on revenues, dampening growth prospects.

Outlook

With prospects of economic growth looking favourable, high demand potential exists for industrial engines. Leveraging its R&D expertise and through focused marketing initiatives, the Company is optimistic about expanding its market share in the industrial engine segment.

INFRASTRUCTURE EQUIPMENT SEGMENT

Construction Equipment Business

The Company's focus is on improving profitability by exiting non-core and loss-making businesses and tightening financial management. The Company closed manufacturing operations of its Construction Equipment business due to non-viability of operations on account of its continuing losses. Though the Company has exited this business in terms of its own manufacturing facilities, it is considering the option of going the trading and contract manufacturing way, leveraging the technology and expertise, which it still owns.

AFTERMARKET BUSINESS

Working closely with customer requirements, the Company continued to reinforce its distribution network for deeper penetration across the country. Ongoing ground level initiatives, which include skill up-gradation, technology update, IT enabled aftermarket support system like IVR for breakdown call monitoring, online warranty system, customer support portal and quality module enabled the Company to forge a stronger bond with customers and dealers and improved operational efficiency. Moreover, the Company continued to work towards protecting the safety and interest of the customers by keeping a vigil on dealers and manufacturers of counterfeit spares and taking recourse to legal actions, where necessary. Going forward, the Company is optimistic that its commitment to customers to provide a superior value proposition will enable it to draw even greater returns from the Aftermarket Business in both the domestic and international market.

INTERNATIONAL BUSINESS

The Company continued with its strategic approach of establishing a diversified geographic presence. International business continued to grow in selected markets of Middle East, SAARC and South East Asia. The Company consolidated its position in SAARC by retaining its position as a supplier of quality products in Farm Equipment and Auxiliary Power businesses. To build a sustainable market for the light diesel engines, the Company strengthened its relationship with Original Equipment Manufacturers (OEM's) in Europe, Middle East and South East Asia.



In spite of manufacturing in the Construction Equipment business being phased off, the Company focused on entering into marketing alliances with Indian majors to exclusively represent their product in the overseas market. This decision was well-received by the end customers leading to no gap in the market and enabling the Company to extract a profitable business. Engineering items in the trading business were reviewed and new products were introduced to gain a deeper penetration into the market.

Thrust was also placed on strengthening the distribution and aftermarket network to service international customers better and expand presence.

Given the focused strategic initiatives undertaken and the improving opportunity landscape, the Company remains confident of increasing its revenue from international business.

INTERNAL CONTROLS FRAMEWORK

The Company has in place a well-established framework of internal controls, supported by standardised operating procedures, policies and guidelines, including regular monitoring procedures and self-assessment exercises. This is to establish high values of integrity and ethical behaviour, and ensuring compliance with Company policies, laws and regulations.

The core feature of the internal controls systems is the existence of both external and internal audits. At the internal level, the Internal Auditors regularly review the efficacy and adequacy of the financial and operating controls of the Company at various locations. Significant findings, if any, are reported to the Audit Committee, which takes recommendatory or corrective action, as required. Compliance with laws and statutory requirements is also monitored.

The Code of Conduct established by the Company lays down the fundamental standards to be followed by employees in their day-to-day functioning. As per the Code and associated standards, employees are expected to become familiar with the legal requirements, policies and procedures applicable to their area of operation. Any actions or activities which they suspect are not in accordance with the Company's rules and regulations, or are unethical, must be reported by them to the relevant authority. They are further required to ensure that all possible measures are undertaken to avoid conflict of interest.

The Company is committed to enforcing the highest standards of integrity and transparency across the business fabric, the Company also follows strong oversight and self-monitoring mechanism. Employees are required to certify, on an annual basis, whether there have been any transactions which are fraudulent, illegal or in violation of the Code of Conduct.

HUMAN RESOURCES

The Company firmly believes that "People make Organisations grow" and thus, having the right people at the right place and at the right time is important for organisational success. It is also cognizant of the fact that hiring and nurturing talent is of no use unless the same is retained. The Company, thus, has talent management high on its HR agenda.



The thrust on talent management is through several HR initiatives, encompassing performance management system, career and succession planning, individual development plans, skill development and employee engagement activities.

The Company continued with its efforts to create an organisational climate conducive to human and business growth. Timely resolution of employee related issues, promoting a healthy and safe work environment, building an effective communication system in the organisation and motivating employees through rewards and recognition are among the ongoing initiatives to improve workforce excellence. The Company's HR efforts have received validation from the highest quarters with the Company

being awarded 'The Best Overall Recruiting and Staffing Organization of the Year' by World NHRD Congress and 'The Excellence in Talent Acquisition Strategy' by Conference Asia for financial year 2014-15. Other achievements include an upward trend in the score of 'Great Place to Work' at plant locations, improvement in employee productivity leading to reduction in manpower, and significant increase in employee perception about the Company.

INFORMATION TECHNOLOGY

With its focus on quality and delivery of high-end products, the Company is engaged in continuous improvement of its the Information Technology (IT) processes. The Company endeavours to implement the contemporary technology with an aim to facilitate seamless data integration, superior business management and real-time decision making. During the past year, the Company initiated several new measures to further

streamline systems and processes. Several IT enabled solutions and systematic automation procedures were implemented at various stages of business functioning to promote business excellence. Technology-related initiatives which revolve around improving customer services, such as engine tracking, warranty claims portal, creation of call centre to enable easy access to final customers, were further improved upon.

Appreciating that technology will further lead to a more efficient and leaner business model, dealer and vendor portals have been further simplified, easing functional connect with business partners. Also, value additions were made to the intranet platform to achieve higher engagement among employees, which in turn lead to sharing of knowledge and best practices.

Going forward, the Company is committed to providing cutting-edge technology in all its business processes and services to fuel the engines of growth and profitability across businesses in India and overseas.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance has been an integral part of the manner in which we have been conducting our business since inception. The Board of Directors and senior management are directly involved in setting the tone and mode of this philosophy through "Pancha Tatva – 5 values 1 way of life." We believe that good governance emerges from the application of the values of Respect, Responsibility, Passion for Excellence, Integrity and Transparency i.e. Panch Tatva, the foundation on which Greaves' future is recognized.

2. BOARD OF DIRECTORS (BOARD)

2.1 Composition of Board:

The Board is represented by senior and eminent professionals from diverse backgrounds. The Board consists of eight Directors, of whom two are Executive, including a woman Director and five of the six Non-Executive Directors are Independent Directors. The Chairman of the Board is a Non-executive Promoter Director. Thus, the composition of the Board is in compliance with the statutory requirements in this regard. The Chairman and the Executive Director are liable to retire by rotation. Day-to-day management of the Company, under the superintendence and control of the Board, is vested with the Managing Director & CEO, who is supported by a competent Management Team. Thus, the Company is committed to good corporate governance, based on an effective independent Board, the separation of supervisory role from executive management and the constitution of committees to oversee critical areas.

There is no relationship between the Directors inter se.

The composition of the Board as on date, the changes during the year under review and Directorship / Committee positions of the Directors in other companies, are as follows:

Name	Position / Category	Other		
		Directorships ¹	Committee Memberships ²	
			Member	Chairman
Mr. Karan Thapar	Chairman / Non-Executive Promoter Director	3	1	0
Mr. Sunil Pahilajani	Managing Director & CEO / Executive Director	1	0	0
Mr. Vijay Rai	Independent Director	5	2	0
Mr. Vikram Tandon	Independent Director	1	1	1
Dr. Clive Hickman	Independent Director	0	0	0
Mr. Navneet Singh	Independent Director	0	0	0
Mr. Arvind Kumar Singhal	Independent Director	3	0	0
Ms. Monica Chopra ³	Executive Director	1	0	0

1. Excludes directorships in private companies, foreign companies and alternate directorships.

2. Includes only Audit Committee and Stakeholders' Relationship Committee of other Indian public limited companies.

3. Appointed as a Director with effect from 1st August, 2014.

2.2 Attendance of each director at the Board Meetings and the Annual General Meeting

During the financial year 2014-15, the Board met five times i.e. on 30th April, 2014, 31st July, 2014, 4th November, 2014, 5th February, 2015 and 4th March, 2015. The gap between two meetings did not exceed 120 days. The details of the attendance of the Directors at these meetings are as follows:

Board Meetings

Name	Number of Board Meetings of the Company attended by the Directors
Mr. Karan Thapar	5 of 5
Mr. Sunil Pahilajani	5 of 5
Mr. Vijay Rai	5 of 5
Mr. Vikram Tandon	4 of 5
Dr. Clive Hickman	5 of 5
Mr. Navneet Singh	5 of 5
Mr. Arvind Kumar Singhal	5 of 5
Ms. Monica Chopra	*3 of 3

*appointed as a Director with effect from 1st August, 2014.

Annual General Meeting:

The Annual General Meeting for the year ended 31st March, 2014 was held on 31st July, 2014. All the Directors, except Mr. Vikram Tandon, attended the meeting.

2.3 Conduct of Board Meetings

The Board meets at least once in a calendar quarter to, inter alia, review the quarterly financial results, the strategic business plan and the annual budget. The annual calendar of meetings is tentatively agreed upon at the beginning of each year. Additionally, meetings are convened to transact special business, as and when necessary.

Agenda papers, containing all relevant information, including information as specified in Annexure X to Clause 49 of the Listing Agreement, are made available to the Board well in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Presentations are also made to the Board by Business and Function Heads on operations and various issues concerning the Company. The Directors also have independent access to the Senior Management at all times.

3. COMMITTEES

As mandated by Clause 49 of the Listing Agreement, the Company has constituted an Audit Committee, a Nomination and Remuneration Committee, a Stakeholders' Relationship and Share Transfer Committee and a Risk, CSR and Strategy Committee. The functioning of each of these Committees is regulated by the specific terms of reference, roles and responsibilities and powers detailed in their respective Charters.

The Company Secretary of the Company acts as the Secretary to these Committees.

The Minutes of the meetings of all these Committees are placed before the Board for discussions / noting. None of the Directors is a member of more than ten committees or Chairman of more than five committees across all companies in which they are Directors. Declarations regarding committee memberships / chairmanships, in other public companies, as on 31st March, 2015 have been received from the Directors.

3.1 Audit Committee:

The Audit Committee (the Committee) monitors and provides effective supervision of the Management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

3.1.1 Terms of reference in brief

The primary role of the Committee is that of:

- (i) oversight of the financial reporting process and disclosure of financial information;
- (ii) recommending the appointment, remuneration and terms of appointment of the auditors of the Company;
- (iii) reviewing with Management the quarterly financial statement and the annual financial statement and auditor's report thereon;
- (iv) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (iv) approving the transactions with related parties or any subsequent modification thereof ;
- (vii) evaluating internal financial controls and risk management systems;
- (viii) reviewing the findings of any internal investigations by the internal auditors;
- (ix) reviewing the functioning of the Whistle Blower mechanism;
- (x) approving the appointment of Chief Financial Officer;

The Committee reviews the following information:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant and related party transactions;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- Appointment, removal and terms of remuneration of the Chief Internal Auditor;

The Committee also acts as a link between the auditors and the Board.

3.1.2 Composition

The Committee comprises three qualified and independent Directors. The composition of the Committee is in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, as given below:

Name	Designation	Category
Mr. Navneet Singh	Chairman	Independent Director
Mr. Vijay Rai	Member	Independent Director
Dr. Clive Hickman	Member	Independent Director

3.1.3 Meetings and attendance

During the financial year 2014-15, the Committee met four times i.e. on 29th April, 2014, 30th July, 2014, 4th November, 2014 and 4th February, 2015. The gap between any two meetings did not exceed 120 days.

All the members attended all the meetings of the Committee other than Mr. Vijay Rai, who attended three meetings.

The Chairman of the Committee was present at the Annual General Meeting held on 31st July, 2014.

The Managing Director & CEO, the Chief Financial Officer of the Company, the Statutory Auditors and the Internal Auditors are permanent invitees at Audit Committee Meetings. All of them attended all the Audit Committee meetings held during the year.

3.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee ensures that the Company's remuneration and incentive policies, practices and performance indicators are aligned with the Board's vision, values and overall business objectives and are appropriately designed to motivate the Executive Directors, Key Management Personnel and the Senior Management to pursue the long term growth and success of the Company.

3.2.1 Terms of reference in brief

1. To formulate the criteria for determining the qualifications, positive attributes and independence of Directors and recommend to the Board their appointment;
2. To review and approve the Executive Directors' remuneration on behalf of the Board, subject to the approval of the Shareholders, as follows:
 - (a) Elements of the remuneration package that is salary, perquisites, retirement benefits, separation compensation and the structure of the remuneration package viz. the proportion of fixed and variable component;
 - (b) Remuneration amount, annual / mid-term increments, merit rewards, special payments, etc.;
 - (c) Changes in the remuneration package, terms of appointment, notice period, severance fees, recruitment, retention and termination policies and procedures;
 - (d) Details of stock options and period over which the options are exercisable;
 - (e) Key performance indicators, the actual performance vis-à-vis the key performance indicators and amount of the annual performance linked incentive;
3. To recommend to the Board a policy, relating to the remuneration of the Executive Directors, Key Managerial personnel and other employees;
4. To devise a policy on Board diversity;
5. To formulate the criteria for evaluation of Independent Directors and the Board.

3.2.2 Composition

The Nomination and Remuneration Committee consists of two Independent Directors and one Non-executive Director as follows:

Name	Designation	Category
Mr. Vikram Tandon	Chairman	Independent Director
Mr. Vijay Rai	Member	Independent Director
Mr. Karan Thapar	Member	Non-executive Director

3.2.3 Meetings and attendance

During the financial year 2014-15, the Nomination and Remuneration Committee met three times i.e. on 29th April, 2014, 31st October, 2014 and 5th February, 2015, where all the members were present.

3.2.4 Remuneration policy

The Remuneration Policy of the Company is performance driven and is structured to attract and retain talent, motivate employees, recognize their merits and achievements and promote excellence in their performance.

1. For Whole-time Directors

The remuneration of the Whole-time / Executive Directors is determined by the Nomination and Remuneration Committee, subject to the approval of the Shareholders and if required, of the Central Government. The Nomination and Remuneration Committee takes into account the qualification, experience and prevailing industry practices while deciding the remuneration.

The remuneration paid to the Executive Directors comprises of salary and allowances, perquisites, retirement benefits and performance linked incentive. Details of remuneration paid to Mr. Sunil Pahilajani, Managing Director & CEO and Ms. Monica Chopra, Executive Director - Legal & Company Secretary, for the financial year 2014-15 are as follows:

(₹ in lakh)

Name	Fixed Component			Variable Component	Total
	Salary & Allowances	Perquisites	Retirement Benefits	Performance Linked Incentive	
Mr. Sunil Pahilajani	185.64	0.92	11.23	12.00	209.79
Ms. Monica Chopra	71.43	0.07	3.40	8.54	83.44

No severance fee is payable to these Directors on termination of employment. The Company does not have a scheme for stock options either for the Directors or the employees.

2. For Non-executive Directors

The Non-executive Directors are uniformly paid by way of fixed remuneration in the form of sitting fees and commission on the profits, if any, made by the Company.

a. Sitting Fees

The Non-executive Directors are entitled to sitting fees for attending the Board and Committee meetings, as per the details given below:

Type of Meetings	Fees for each Meeting (₹)
Board of Directors	20,000
Audit Committee	20,000
Nomination and Remuneration Committee	20,000
Risk, CSR and Strategy Committee	20,000
Independent Directors	20,000
Stakeholders' Relationship and Share Transfer Committee	5,000
Managing Committee	5,000

The aforesaid sitting fees are within the limits prescribed under the Companies Act, 2013.

b. Commission

In terms of the Members' approval given at the Annual General Meeting held on 30th July, 2012, commission is payable at a rate not exceeding 1% per annum of the Net Profits of the Company. The actual amount of commission payable to each Non-executive Director is decided by the Board on the following criteria:

- Number of meetings attended
- Role and contribution as Chairman / Member of the Board
- Role and contribution as Chairman / Member of the Committee
- Overall contribution and time devoted outside the meetings

Remuneration paid / payable to the Non-executive Directors for the financial year 2014-15 is as follows:

(₹ in lakh)

Name	Sitting fees	Commission*	Total
Mr. Karan Thapar	2.87	105	107.85
Mr. Vijay Rai	2.7	4.49	7.19
Mr. Vikram Tandon	1.8	8.08	9.88
Dr. Clive Hickman	3.2	7.18	10.38
Mr. Navneet Singh	3.5	7.18	10.68
Mr. Arvind Kumar Singhal	2.6	8.07	10.67

*Subject to approval of the audited financial statement for the financial year 2014-15 by the Shareholders at the forthcoming Annual General Meeting.

Please refer to the disclosure on Related Party transactions in Notes to the standalone financial statement for details of transactions in which Mr. Karan Thapar is concerned or interested.

None of the other Non-executive Directors has any other pecuniary interest in the Company.

c. Shareholding of the Non-executive Directors in the Company

Name	Number of Shares of ₹ 2 each held	% of Total Paid-up Equity Capital
Mr. Karan Thapar	1,000	0.0004
Mr. Vijay Rai	18,150	0.0074
Mr. Vikram Tandon	500	0.0002
Dr. Clive Hickman	-	-
Mr. Navneet Singh	-	-
Mr. Arvind Kumar Singhal	-	-

3.3 Stakeholders' Relationship and Share Transfer Committee

The Stakeholders' Relationship and Share Transfer Committee periodically reviews investors' grievance redressal process and evaluates the performance and service standards of the Registrar and Share Transfer Agent of the Company to ensure that the Shareholders' grievances are timely and satisfactorily resolved.

3.3.1 Terms of reference in brief

- To receive the report of the Registrar and Share Transfer Agent about investors' complaints and grievances and follow up for necessary action taken for redressal thereof;
- To review the existing "Investor Redressal System" and suggest measures for improvement in investor relations;
- To note the transfer/transmission/transposition/rematerialisation/dematerialization of shares and consolidation/splitting of folios as approved by the person duly authorized by the Board in this regard and the issue of share certificates in exchange for sub-divided, consolidated, defaced, torn, etc.;
- To appoint and remove the Registrar and Share Transfer Agent, decide the terms and conditions, remuneration, service charge / fees and review their performance;
- To decide the frequency of audit of the Registrar and Share Transfer Agent and to consider the Auditor's Report thereon.

3.3.2 Composition

The members of the Stakeholders' Relationship and Share Transfer Committee are Mr. Vijay Rai, a Non-executive Director as Chairman, Mr. Sunil Pahilajani and Mr. Navneet Singh.

3.3.3 Meetings and attendance

During the year under review, the Stakeholders' Relationship and Share Transfer Committee met twice i.e. on 30th July, 2014 and 5th February, 2015, where all the members were present.

3.3.4 Name and designation of Compliance Officer

Ms. Monica Chopra, Executive Director - Legal & Company Secretary is the Compliance Officer of the Company as required under Clause 47 of the Listing Agreement.

3.3.5 Investor complaints

The Company received two complaints during the year under review which were satisfactorily addressed. There are no pending complaints.

In keeping with the Company's focus on promptly resolving investors' complaints, the Registrar and Share Transfer Agent, strives to attend to all investor complaints with 48 hours of receipt.

The Company has a dedicated email ID investorservices@greavescotton.com to which investors can send their grievances. Mr. Bhavesh Shah, GM Legal & Secretarial, is designated as the Investor Relations Officer who may be contacted at the Registered Office of the Company or on Telephone : +91 22 33551700.

As an investor relations initiative, the Company maintains a web-based service [Investor Assist](#) to enable shareholders to view the information relating to their shareholding, dividend entitlement, current status of their requests made for transfer / transmission of shares, change of address, complaints, if any, etc. Members can access this service free of cost. Complete details of the past unpaid / unclaimed dividends and fixed deposits lying with the Company have been uploaded on the Company's [website www.greavescotton.com](http://www.greavescotton.com) under the head "Investor Relations". Shareholders are urged to visit the website and claim their unpaid / unclaimed dividend and fixed deposits before the amount gets transferred to the Investor Education and Protection Fund of the Government.

Pursuant to Clause 49 of the Listing Agreement, the details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting are provided in the Notice convening the Annual General Meeting.

4. GENERAL BODY MEETINGS

4.1 Location and time of the last three Annual General Meetings (AGM) of the Company

Date of AGM	Time	Venue	Special Resolution passed, if any
31 st July, 2014	3.00 p.m.	Hall of Culture Nehru Centre, Worli Mumbai 400 018	None
30 th July, 2013	4.30 p.m.	Hall of Culture Nehru Centre, Worli Mumbai 400 018	None
30 th July, 2012	3.30 p.m.	Hall of Culture Nehru Centre, Worli Mumbai 400 018	1. Payment of Commission to the Non-executive Directors 2. Alteration of Articles of Association of the Company

4.2 Special Resolutions passed through Postal Ballot

During the year under review, no special resolution was passed through postal ballot.

5. DISCLOSURES

5.1 Related Party Transactions

5.1.1 Basis

During the year under review, no new transactions were entered into with Related Parties. Details of the transactions under the existing contracts with Related Parties were placed before the Audit Committee. These transactions were in the ordinary course of business and at an arm's length. There were no materially significant Related Party transactions that may have a potential conflict with the interests of the Company at large. Details of transactions with Related Parties are disclosed in Notes to the standalone financial statement, forming a part of this Annual Report.

5.1.2 Policy on dealing with Related Party Transactions

The Company has formulated a policy on materiality of related party transactions and also dealing with Related Party transactions and disclosed the same on the website of the Company www.greavescotton.com and can be accessed through the following link http://www.greavescotton.com/Upload/Investor/Related_Party_Transactions.pdf.

5.2 Accounting treatment

The Company has, in preparation of the financial statement, followed the applicable Accounting Standards.

5.3 Management

The Management Discussion and Analysis, as required under Clause 49 of the Listing Agreement, is annexed to the Directors' Report which forms a part of this Annual Report.

5.4 Compliance by the Company

There was no instance of non-compliance with any requirement of the Stock Exchanges, Securities Exchange Board of India (SEBI) and other statutory authorities on any matter relating to capital market during the last three years.

5.5 CEO/CFO Certification

The Managing Director & CEO and the Chief Financial Officer of the Company have certified to the Board with regard to the financial statements and other matters as required by Clause 49 of the Listing Agreement. The Certificate forms a part of this Annual Report.

5.6 Certificate on Corporate Governance

The Auditors' Certificate on compliance with the conditions of corporate governance, as stipulated in Clause 49 of the Listing Agreement, is annexed herewith.

5.7 Subsidiary Companies

The Company does not have a material non-listed Indian subsidiary as defined under Clause 49 of the Listing Agreement. However, the Company has unlisted subsidiary companies in India and abroad. The Minutes of the Board Meetings of the subsidiary companies are placed at the Board Meetings of the Company. Details of significant transactions and arrangements entered into by the subsidiary companies are noted by the Board. The Audit Committee of the Company reviews the financial statement of the subsidiary companies including investments made.

The Company has adopted a policy for determining material subsidiaries. The said policy has been placed on the website of the Company www.greavescotton.com and can be accessed through the following link http://www.greavescotton.com/Upload/Investor/policy_on_material_subsidiaries.pdf.

5.8 Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading as well as a Code of Corporate Disclosure Practices (Code), as prescribed by the SEBI Regulations in this regard. The Compliance Officer is responsible for monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, pre-clearance of trades, monitoring of trades and implementation of the Code for trading in Company's securities, under the overall supervision of the Board. All Directors and employees in the grade of Vice President and above and other Designated Employees, who could be privy to the Unpublished Price Sensitive Information of the Company, are governed by this Code.

Ms. Monica Chopra, Executive Director – Legal & Company Secretary, has been appointed as the Compliance Officer for the purpose of this Code.

5.9 Code of Conduct

The Board is responsible for ensuring that rules are in place to avoid conflicts of interest by members of the Board. The Company has adopted a Code of Conduct for members of the Board and senior management personnel as required under Clause 49 of the Listing agreement. The Code is posted on the Company's website www.greavescotton.com. All the members of the Board and Senior Management personnel have affirmed their compliance with the Code. A declaration to this effect,

signed by the Managing Director & CEO, forms a part of this Annual Report. Disclosures have also been received from the Senior Management personnel relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, no transactions have been reported that could have a potential conflict with the interests of the Company at large.

5.11 Whistle Blower Policy

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. Accordingly, a Whistle Blower Policy has been formulated where employees can voice their genuine concerns about any unethical or unacceptable business practice or any event of misconduct. It provides a mechanism for the employees of the Company to approach the Compliance Officer or the Chairman of the Audit Committee. The Company ensures that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment or victimisation.

The Policy is posted on the website of the Company www.greavescotton.com.

No personnel has been denied access to the Audit Committee.

6. MEANS OF COMMUNICATION

- Newspapers: The Company publishes the statement of financial results (quarterly / half yearly / annual) in prominent English & Marathi newspapers likes Business Standard and Navshakti.
- Press Releases: The Company issues press releases highlighting significant performance and operational milestones. The press releases are sent to, and are displayed by, the Stock Exchanges, where the shares of the Company are listed.
- Analysts and Investors' Meet / Call: The Company regularly conducts meetings / calls with analysts and investors to brief them of the financial and operational performance.
- Website: The financial results are also simultaneously posted on the Company's website www.greavescotton.com.

7. GENERAL SHAREHOLDER INFORMATION

7.1 Annual General Meeting Information

Day and Date	Thursday, 6 th August, 2015
Time	3.00 p.m.
Venue	Hall of Culture, Ground floor, Nehru Centre, Worli, Mumbai - 400 018
Book Closure	Saturday, 1 st August, 2015 to Thursday, 6 th August, 2015 (both days inclusive)
Dividend and Payment date	Final dividend of ₹ 1.10 per share; that is 55%, payable at par on or after 2 nd September, 2015 (if approved)

7.2 Financial year of the Company: 1st April to 31st March each year

7.3 Financial Calendar (tentative)

The Company expects to announce the financial results for the year 2015-16, as per the following schedule:

1 st quarter ending 30 th June, 2015	:	on or before 14 th August, 2015
2 nd quarter ending 30 th September, 2015	:	on or before 14 th November, 2015
3 rd quarter ending 31 st December, 2015	:	on or before 14 th February, 2016
4 th quarter and financial year ending 31 st March, 2016	:	on or before 30 th May, 2016
97 th Annual General Meeting	:	on or before 30 th September, 2016

7.4 Stock Exchange Information

The Company's shares are listed on the following Stock Exchanges, having nation-wide trading terminals:

- BSE Limited (BSE) under Stock Code 501455
- National Stock Exchange of India (NSE) under Stock Code GREAVESCOT

The Company's Shares form part of Group "B" / S&P BSE 500 Index of BSE Limited.

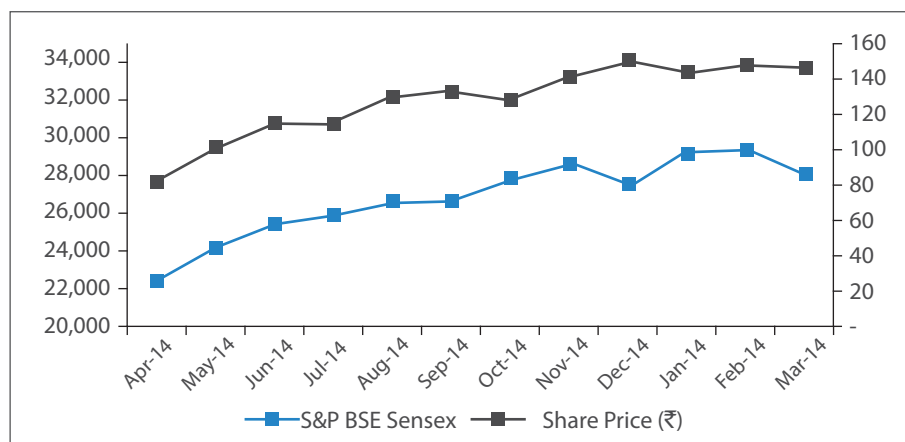
The Listing Fee for the financial year 2015-16 has been paid to both the above Stock Exchanges.

7.5 Market Price Data (high, low during each month in the financial year 2014-15)

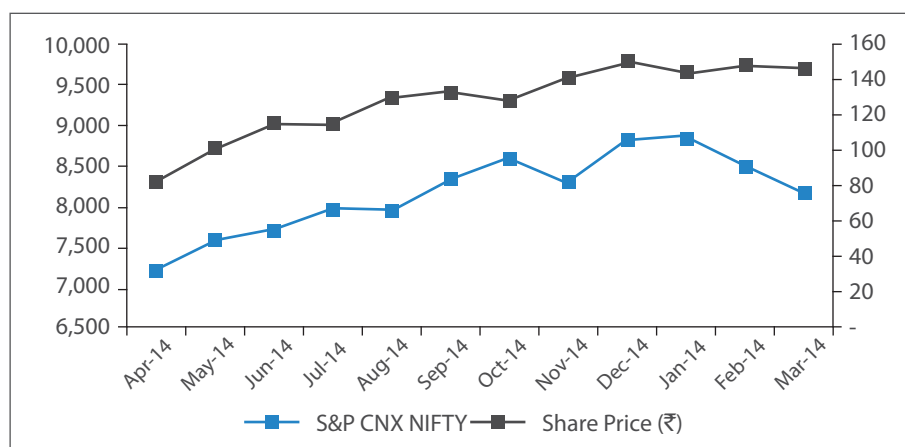
Month	BSE				NSE			
	Prices in ₹		S&P BSE 500 Sensex		Prices in ₹		S&P CNX Nifty	
	High	Low	High	Low	High	Low	High	Low
April, 2014	90.50	75.30	22,939.31	22,197.51	90.70	75.15	6,869.85	6,650.40
May, 2014	106.00	79.60	25,375.63	22,277.04	106.75	79.20	7,563.50	6,638.55
June, 2014	118.00	95.90	25,725.12	24,270.20	117.90	95.70	7,700.05	7,239.50
July, 2014	129.65	106.70	26,300.17	24,892.00	129.80	107.00	7,840.95	7,422.15
August, 2014	135.60	103.35	26,674.38	25,232.82	135.50	103.60	7,968.25	7,540.10
September, 2014	145.00	123.35	27,354.99	26,220.49	144.90	123.35	8,180.20	7,841.80
October, 2014	136.85	125.35	27,894.32	25,910.77	136.90	125.10	8,330.75	7,723.85
November, 2014	155.80	129.45	28,822.37	27,739.56	155.90	129.10	8,617.00	8,290.25
December, 2014	153.00	128.00	28,809.64	26,469.42	153.00	128.00	8,626.95	7,961.35
January, 2015	159.35	138.10	29,844.16	26,776.12	159.40	138.00	8,996.60	8,111.35
February, 2015	157.80	136.00	29,560.32	28,044.49	159.00	131.00	8,941.10	8,470.50
March, 2015	148.50	130.00	30,024.74	27,248.45	149.40	130.40	9,119.20	8,269.15

7.6 Performance of share price in comparison with the BSE and NSE indices

(a) Performance of the Company's share price in comparison with the S & P BSE Sensex



(b) Performance of the Company's share price in comparison with the CNX NIFTY



7.7 Share Transfer Information

Registrar and Share Transfer Agent:
Sharepro Services (India) Private Limited
13 AB Samhita Warehousing Complex
2nd floor, Off. Andheri Kurla Road
Sakinaka Telephone Exchange Lane Sakinaka, Andheri (East)
Mumbai - 400 072

Telephone Numbers:
+91 22- 6772 0344 / 0300/ 0400

Fax Number:
+91 22 2859 1568

Email:
gcl@shareproservices.com

Website:
www.shareproservices.com

7.8 Share Transfer System

The Board has delegated the authority for approving transfer, transmission etc. of the Company's shares, excluding issuance of duplicate share certificate, jointly to the Company Secretary and the Deputy Company Secretary of the Company. Share transfer requests accompanied by complete documents are usually approved within 15 days from the date of receipt. Requests received for dematerialization of shares are normally confirmed by the Registrar and Share Transfer Agent within 15 days to the Depositories. A summary of the transfer, transmission etc., as approved, is placed before the Stakeholders' Relationship and Share Transfer Committee. The Company obtains a half yearly compliance certificate as required under Clause 47 (c) of the Listing Agreement from a Company Secretary in whole time practice and files the same with the Stock Exchanges.

7.9 Shareholding Pattern as on 31st March, 2015

Category	Number of Shares held	Percentage of Shareholding
Promoters	12,58,53,726	51.54
Mutual Funds and UTI	5,53,50,729	22.67
Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	2,28,27,008	9.35
Corporate Bodies	63,34,168	2.59
NRIs/ OCBs/ FIIs	1,33,15,506	5.45
Resident Individuals	2,05,25,658	8.40
Total	24,42,06,795	100.00

7.10 Distribution of Shareholding as on 31st March, 2015

Number of shares	Number of Shareholders	Percentage	Number of Shares	Percentage
Up to 5000	38,206	97.89	1,27,63,702	5.23
5001 to 10,000	486	1.25	34,46,104	1.41
10001 to 20,000	139	0.36	19,69,241	0.81
20,001 to 30,000	51	0.13	12,39,285	0.51
30,001 to 40,000	25	0.06	8,73,703	0.35
40,001 to 50,000	14	0.04	6,58,015	0.27
50,001 to 1,00,000	26	0.07	18,05,290	0.74
1,00,001 and above	77	0.20	22,14,51,455	90.68
Total	39,024	100.00	24,42,06,795	100.00

7.11 Dematerialization of Shares and Liquidity

The Company's shares can be traded on the Stock Exchanges only in dematerialized form. As on 31st March, 2015, 98.44% of the total Equity Share Capital was held in dematerialized form.

The ISIN number allotted to the Company's shares is INE 224A01026.

The details of shares held in dematerialised and physical form as on 31st March, 2015 are as follows:

Particulars of Equity Shares	Equity Shares of ₹ 2 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialized form				
NSDL	22,61,31,909	92.60	18,955	48.57
CDSL	1,42,72,801	5.84	6,191	15.86
Sub- total	24,04,04,710	98.44	25,146	64.44
Physical form	38,02,085	1.56	13,878	35.56
Total	24,42,06,795	100.00	39,024	100.00

Promoters entire holding is in dematerialized form.

The shares of the Company are regularly traded on the Stock Exchanges ensuring liquidity;

7.12 Outstanding GDRS / ADRS / Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity Capital of the Company

The Company has not issued any GDRs / ADRs / Warrants.

7.13 Shares in the Suspense Account

At the time of the split in the face value of the shares from ₹ 10 each to ₹ 2 each in 2010, there were instances where the new shares issued remained undelivered due to various reasons like incorrect / incomplete address, change in address not communicated, address not traceable, etc.

As required by Clause 5A of the Listing Agreement, a demat account for holding these unclaimed shares was opened with Axis Bank Limited in the name and style of "Greaves Cotton Limited - Unclaimed Shares Demat Suspense Account".

The details of the shares held in the aforesaid demat account are as follows:

Types of Security	As on 1 st April, 2014		Shares transferred in favour of the concerned Shareholders during the year		As on 31 st March, 2015	
	Number of		Number of		Number of	
	Cases	Shares	Cases	Shares	Cases	Shares
Equity Shares	5,094	6,47,280	29	8,475	5,065	6,38,805

Dividends due on these shares are transferred to separate bank account. The voting rights on these shares shall remain frozen till the rightful owners of such shares claim them.

7.14 Unit Locations

Unit	Address	Unit	Address
Light Engines Unit –I	J-2, MIDC Industrial Area Chikalthana, Aurangabad - 431 210	Diesel Engine Unit I	Bombay Poona Road Chinchwad Pune - 411 019
Light Engines Unit –II	Plot No.72, Sipcot Industrial Complex Ranipet - 632 403	Genset Unit	Gut No. 123/2 Murhe Vasti Chimbali Phata Kuruli Chakan Tal Khed Pune - 410 501
Light Engines Unit –IV	J-2A, MIDC Industrial Area Chikalthana, Aurangabad - 431 210	Aftermarket Division	Plot No. PAP-K5 and K6 Phase II, Chakan Industrial Area, Chakan, Pune - 410 501
Light Engine Unit –V	A-1/3, Shendra Five Star Industrial Area, Shendra Aurangabad - 431 001	Petrol Engines Unit	F62 and 63, Sipcot Industrial Complex, Puppankuppam Village Gummidipoondi, Chennai - 601 201

7.15 Address For Correspondence

Greaves Cotton Limited
3rd Floor, Motilal Oswal Tower
Junction of Gokhale and Sayani Road
Prabhadevi
Mumbai – 400 025

Telephone number: +91-22-3355 1700
Fax number : +91-22-3381 2799
E-mail: investorservices@greavescotton.com
Website: www.greavescotton.com

8. DETAILS OF COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

All the mandatory requirements of Clause 49 of the Listing Agreement have been complied with. Following is the status of compliance with non-mandatory requirements :

8.1 The Board

The Non-executive Chairman has been provided a Chairman's office.

8.2 Shareholder Rights

Though the half yearly results are not sent to the Shareholders individually, all the results are promptly uploaded on the Company's website www.greavescotton.com.

8.3 Audit qualifications

The audit report is unqualified.

8.4 Separate posts of Chairman and CEO

The Chairman is a Non-executive Director and his position is separate from that of the Managing Director.

8.5 Reporting of Internal Auditor

The Chief Internal Auditor reports to the Executive Director – Legal & Company Secretary and has independent direct access to the Audit Committee. In addition to attending meetings of the Audit Committee for presenting the internal audit observations, the Internal Auditor has separate meetings with the Audit Committee Members.

DECLARATION

(As required under Clause 49 II (E) (2) of the Listing Agreement)

As required under Clause 49 II (E) (2) of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2015.

For Greaves Cotton Limited

SUNIL PAHILAJANI

Managing Director & CEO

Place: Mumbai

Date: 4th May, 2015

CERTIFICATION

(As required under Clause 49 IX of the Listing Agreement)

We, Sunil Pahilajani, Managing Director & CEO, and Narayan Barasia, Chief Financial Officer of the Company, hereby certify to the Board of Directors that:

1. We have reviewed financial statements and the cash flow statement for the year ended as on 31st March, 2015 and that to the best of our knowledge and belief :
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or in violation of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting; and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee that :
 - (a) there are no significant changes in internal control over financial reporting during the year;
 - (b) there are no significant changes in accounting policies carried out during the year; and
 - (c) there were no instances of significant fraud of which we have become aware and there are no instances of involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting

For Greaves Cotton Limited

SUNIL PAHILAJANI

Managing Director & CEO

NARAYAN BARASIA

Chief Financial Officer

Place: Mumbai

Date: 4th May, 2015

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of Greaves Cotton Limited

We have examined the compliance with the conditions of Corporate Governance by Greaves Cotton Limited (the 'Company') for the year ended 31 March 2015, as stipulated in Clause 49 of the Listing Agreements entered into by the Company with stock exchanges in India.

The compliance with the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Khushroo B. Panthaky
Partner
Membership No.: F-42423

Mumbai
6th May, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of Greaves Cotton Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Greaves Cotton Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branches at Manchester, United Kingdom and Tanzania.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safe guarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books; and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c. the report on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and

- have been properly dealt with by us in preparing this report;
- d. the standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - e. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - f. on the basis of the written representations received from the directors as at 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. as detailed in Note 21 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 06 May 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF GREAVES COTTON LIMITED, ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.
- (b) The procedures of physical verification of inventory followed by the management are 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 and material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, 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, in this regard.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they become payable are as follows:

Name of the statute	Nature of the dues	Amount (₹ crore)	Period to which the amount relates	Due Date	Date of Payment
Mumbai Gram Panchayat Act, 1958	Municipal Tax	0.33	FY 2010-11 to FY 2014-15	12 June 2014	Not yet paid

- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ crore)	Amount Paid Under Protest (₹ crore)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Central Sales Tax Act, 1956 and Local Sales Tax Acts	Non Submission of forms, interest and other matters	0.62	-	2007-08 2008-09 2009-10 2010-11 2011-12	Supreme Court
		0.30	-	2001-02	High Court
		0.10	-	1998-99 2007-08	Revision Board
		1.46	0.45	1995-96 1998-99 1999-00 2000-01 2001-02 2002-03 2003-04 2004-05 2005-06 2006-07	Appellate Tribunal
		8.56	3.20	1999-00 2000-01 2003-04 2006-07 2007-08 2008-09 2009-10 2010-11 2012-13	Assistant / Joint / Additional / Deputy Commissioner of Sales Tax
Octroi Rules, 2001	Demand based on rate difference	0.73	0.61	1999-00 2005-06	Civil Judge -Senior Division - Pune (District Court)
Central Excise Act, 1944	Disallowance of input credit and consequent penalty	1.07	0.02	2006-07 2007-08 2008-09 2009-10 2010-11 2011-12	Appellate Tribunal
		1.14	0.02	1990-91 1998-99 2010-11 2011-12 2012-13 2013-14	Commissioner (Appeals)

Name of the statute	Nature of dues	Amount (₹ crore)	Amount Paid Under Protest (₹ crore)	Period to which the amount relates (Financial year)	Forum where dispute is pending
		0.93	-	1996-97 2013-14	Commissioner
		0.72	-	2009-10 2010-11 2011-12 2014-15	Additional Commissioner
		0.08	-	2012-13	Deputy Commissioner
Income Tax Act, 1961	Minimum Alternate Tax	3.18	3.18	2003-04 2004-05 2005-06	Income Tax Appellate Tribunal
	Income Tax	7.80	7.80	2006-07 2007-08 2008-09 2009-10	Income Tax Appellate Tribunal

- (c) The Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Co LLP**

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Khushroo B. Panthaky**

Partner

Membership No.: 42423

Place: Mumbai

Date: 06 May 2015

BALANCE SHEET

		₹ Crore	
	Note No.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES:			
1. SHAREHOLDERS' FUNDS:			
(a) Share Capital	3	48.84	48.84
(b) Reserves and Surplus	4	770.96	769.13
		819.80	817.97
2. NON CURRENT LIABILITIES:			
(a) Deferred Tax Liabilities (Net)	5	12.58	33.36
(b) Other Long-Term Liabilities	6	4.01	3.95
(c) Long-Term Provisions	7	9.91	12.60
		26.50	49.91
3. CURRENT LIABILITIES:			
(a) Trade Payables	8	144.69	186.44
(b) Other Current Liabilities	9	75.38	66.07
(c) Short-Term Provisions	10	89.65	79.68
		309.72	332.19
TOTAL		1,156.02	1,200.07
II. ASSETS:			
1. NON-CURRENT ASSETS:			
(a) Fixed Assets:	11		
(i) Tangible Assets		310.42	349.42
(ii) Intangible Assets		14.76	18.68
(iii) Capital Work-in-progress		8.39	5.10
(iv) Intangible assets under development		-	0.23
		333.57	373.43
(b) Non-Current Investments	12	0.31	23.72
(c) Long-Term Loans and Advances	13	23.55	26.70
(d) Other Non-Current Assets	14	1.84	1.68
		359.27	425.53
2. CURRENT ASSETS :			
(a) Current Investments	15	309.06	154.34
(b) Inventories	16	104.81	158.10
(c) Trade Receivables	17	237.48	333.03
(d) Cash and Cash Equivalents	18	34.42	33.99
(e) Short -Term Loans and Advances	19	87.85	93.08
(f) Other Current Assets	20	23.13	2.00
		796.75	774.54
TOTAL		1,156.02	1,200.07
The Notes are an integral part of these financial statements		1 to 51	

As per our report of even date attached
For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Narayan Barasia
Chief Financial Officer

Monica Chopra
Executive Director-Legal &
Company Secretary

Mumbai
6th May 2015

For and on behalf of the Board
Navneet Singh
Director

Sunil Pahilajani
Managing Director & CEO

Mumbai
6th May 2015

STATEMENT OF PROFIT AND LOSS

			₹ Crore
	Note No.	Year Ended 31.03.2015	Year Ended 31.03.2014
INCOME			
Revenue from Operations (Gross)	24	1,856.01	1,914.88
Less: Excise duty		167.31	195.97
Revenue from Operations (Net)		1,688.70	1,718.91
Other Income	25	24.33	26.81
TOTAL REVENUE		1,713.03	1,745.72
EXPENDITURE			
Cost of Materials Consumed	26	1,064.53	1,109.15
Purchase of Stock-in-Trade	27	61.09	74.39
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	28	21.06	(2.50)
Employee Benefits Expense	29	160.74	161.92
Finance Costs	30	2.37	4.64
Depreciation and Amortisation Expense	31	47.14	43.54
Less: Transferred from Revaluation Reserve		0.04	0.07
Other Expenses	32	47.10	43.47
		181.48	182.39
		1,538.37	1,573.46
Profit Before Exceptional Items and Tax		174.66	172.26
Less / (Add): Exceptional Items	33	65.92	7.99
Profit Before Tax		108.74	164.27
Tax Expense:			
Current Tax		44.10	47.00
Tax Adjustment in respect of earlier years		-	5.54
Deferred Tax		(16.89)	(1.36)
		27.21	51.18
Profit for the year		81.53	113.09
Profit/ (Loss) from continuing operations before tax		189.17	190.17
Tax Charge / (Credit)		52.10	60.00
Profit/ (Loss) from continuing operations after tax		137.07	130.17
Profit/ (Loss) from discontinuing operations before tax	34	(80.43)	(25.90)
Tax Charge / (Credit)	34	(24.89)	(8.82)
Profit/ (Loss) from discontinuing operations after tax	34	(55.54)	(17.08)
Earnings per share from Continuing Operation (Face Value of ₹ 2/- per share)	48		
(i) Basic		5.61	5.33
(ii) Diluted		5.61	5.33
Earnings per share derived from total profit for the year (Face Value of ₹ 2/- per share)	48		
(i) Basic		3.34	4.63
(ii) Diluted		3.34	4.63
The Notes are an integral part of these financial statements	1 to 51		

As per our report of even date attached

For **Walker Chandiok & Co LLP**
 (Formerly Walker, Chandiok & Co)
 Chartered Accountants

Khushroo B. Panthaky
 Partner

Narayan Barasia
 Chief Financial Officer

Monica Chopra
 Executive Director-Legal &
 Company Secretary

Mumbai
 6th May 2015

For and on behalf of the Board

Navneet Singh
 Director

Sunil Pahilajani
 Managing Director & CEO

Mumbai
 6th May 2015

CASH FLOW STATEMENT

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	108.74	164.27
Adjustment for:		
Provision / write off of Advances/ Receivables	11.20	-
Depreciation / Amortisation	47.10	43.47
Impairment of Assets	8.08	2.60
(Profit) / Loss on sale of land and building	-	(36.33)
(Profit) / Loss on sale of investments	(0.66)	(2.64)
Provision for diminution in value of investment	-	39.00
Loss on Capital Reduction of Subsidiary	2.88	-
Interest income	(1.41)	(1.33)
Finance costs	2.37	4.64
(Profit) / Loss on sale of fixed assets (net)	1.97	(3.40)
Dividend from non-current investments	(1.60)	(0.30)
Dividend from current investments	(14.24)	(5.05)
Unrealised (gain)/ loss on exchange fluctuation	0.01	0.26
Operating profit before working capital changes	164.44	205.19
Adjustment for:		
(Increase) / decrease in inventories	53.29	2.89
(Increase) / decrease in trade receivables	90.96	41.22
(Increase) / decrease in other receivables	(1.55)	7.08
Increase / (decrease) in trade payables / provisions	(39.78)	(42.23)
Cash from operating activities	267.36	214.15
Direct taxes refunded / (paid) (net)	(44.01)	(57.50)
Net cash from operating activities	223.35	156.65
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(55.29)	(52.78)
Sale of fixed assets	10.56	43.17
Investment in subsidiaries	-	(37.38)
(Purchase) / sale / (reinvestment) of current investments (net)	(154.06)	(83.16)
Redemption of Investments in Subsidiaries	20.53	-
Dividend from non-current investments	0.30	0.75
Dividend from current investments	14.24	5.05
Interest received	0.22	1.48
Net cash used in investing activities	(163.50)	(122.87)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(0.06)	(0.13)
Increase / (decrease) in short term borrowings (net)	-	(2.20)
Finance Costs	(2.37)	(4.65)
Dividend (including dividend tax) paid	(56.99)	(34.16)
Net cash used in financing activities	(59.42)	(41.14)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	0.43	(7.36)
Cash and cash equivalents as at the beginning of the year	33.99	41.35
Cash and cash equivalents as at the end of the year	34.42	33.99

CASH FLOW STATEMENT

Notes on cash flow statement:

- 1 Cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3: Cash Flow Statements.
- 2 Purchase of fixed assets includes movement of capital work-in-progress during the year.
- 3 Cash and cash equivalents represent cash and cash equivalents as per Note 18.
- 4 Figures for the previous year have been regrouped / reclassified, wherever necessary.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Narayan Barasia
Chief Financial Officer

Monica Chopra
Executive Director-Legal &
Company Secretary

Mumbai
6th May 2015

For and on behalf of the Board

Navneet Singh
Director

Sunil Pahilajani
Managing Director & CEO

Mumbai
6th May 2015

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

1 General Information

Greaves Cotton Limited (the 'Company') is engaged in manufacturing of engines and engine applications and trading of power tillers, spares related to engines and construction equipment etc. The Company has manufacturing facilities in the states of Maharashtra and Tamil Nadu. The products are mainly sold in India with some export to Middle East, Africa & South East Asia Region. The Company has one direct and two indirect subsidiaries having operations in India and Sharjah.

During the year, the Company discontinued its manufacturing operations of Construction Equipment due to non-viability.

2 Summary of Significant Accounting Policies:

2.1 Basis of accounting and preparation of financial statements

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of Companies Act, 2013. These Financial Statements have been prepared under the historical cost convention on accrual basis of accounting. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. However, certain escalation and other claims, which are not ascertainable /acknowledged by customers, are accounted on receipt basis.

The preparation of financial statements in conformity with GAAP requires that the management of the Company make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, provision for inventory obsolescence, impairment of investments, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of products / services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2 Inventories

Inventories are valued, after providing for obsolescence, as under:

- a) Raw materials, stores, spares, packing materials, loose tools and traded goods at weighted average cost or net realisable value, whichever is lower.
- b) Work-in-progress at lower of weighted average cost including conversion cost or net realisable value.
- c) Finished goods at lower of weighted average cost including conversion cost and excise duty paid / payable on such goods or net realisable value.

2.3 Depreciation and Amortisation

- a) Tangible assets:
 - i) Depreciation on revalued fixed assets is provided on the re-valued amount derived based on valuation carried out by independent valuers. The depreciation on re-valued portion of the fixed assets is transferred from revaluation reserve to the statement of profit and loss.
 - ii) Depreciation on fixed assets is provided under the straight line method over the useful life of the assets as specified under Part C of Schedule II of Companies Act, 2013 with residual value of 5%. Depreciation is calculated pro-rata from / to the date of addition / deletion.
 - iii) Extra shift depreciation is provided on location basis.
 - iv) Leasehold land is amortised over the primary period of the lease.
 - v) Leasehold building improvements are written off over the period of lease or their estimated useful life, whichever is lower, on a straight line basis.
- b) Intangible assets:
 - i) Technical know-how acquired during and after the year 2001 is amortised over a period of five years.
 - ii) Computer software is amortised over a period of four years.

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

2.4 Research and Development

Revenue expenditure on research and development is charged under respective heads of expenditure in the statement of profit and loss. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

2.5 Revenue Recognition

- a) i) Revenue from sale of products is recognised when all the significant risks and rewards of ownership of the products are passed on to the customers, which is generally on despatch of goods.
- ii) Revenue in respect of services is recognised when services are performed in accordance with the terms of contract with customers.
- b) Sales include excise duty but exclude Value Added Tax (VAT) and Service Tax.
- c) Revenue from royalty is accrued and recognised, when the specified goods of the supplier are sold by the Company's dealers in accordance with the terms of agreement.
- d) Export incentives are recognised when the right to receive the benefit is established.

2.6 Fixed assets (including capital work in progress)

- a) Tangible assets:
Tangible fixed assets are stated at original cost net of Cenvat availed less accumulated depreciation except in case of certain freehold land and buildings which are stated at re-valued amounts as at 31st May 1987, based on valuation carried out by independent valuers, less accumulated depreciation. Own manufactured assets are capitalised at factory cost. Cost includes inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use. Certain project related direct expenses, incurred at site for the period upto the date of commencement of commercial production are capitalised. (Also refer to accounting policy on borrowing costs referred in para 2.10).
- b) Intangible assets:
Intangible assets are stated at cost of acquisition less amortisation.
- c) Capital work in progress:
Capital work in progress includes cost of equipments and other expenses incidental to its acquisition which are not yet ready for use.

2.7 Foreign currency transactions

- a) The reporting currency of the Company is Indian Rupee.
- b) Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rates prevailing at the date of the transaction.
- c) Monetary assets and Monetary liabilities denominated in foreign currencies (other than those relating to foreign branch) are converted at rate of exchange prevailing on the date of the balance sheet.
- d) Exchange differences on settlement / conversion are included in the statement of profit and loss in the period in which they arise.
- e) Foreign exchange differences arising on marking forward contracts to market rates are recognised in the statement of profit and loss in the period in which they arise and the premium paid / received is accounted as expense / income over the period of the contract.
- f) Translations relating to foreign branch are recorded as under:
 - i) Monetary assets and Monetary liabilities are converted at period-end rates as applicable.
 - ii) Revenue items are translated at the average rate for the period.
 - iii) All differences arising on translation of foreign currency balances are included in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

2.8 Investments

Long term investments are carried at cost after providing for any diminution in value, if such diminution is of a permanent nature. Current Investments are carried at lower of cost or market value.

2.9 Employee benefits

a) Short Term Employee Benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, expected cost of bonus etc. are recognised on undiscounted basis in the period in which the employee renders the related service.

b) Post-employment benefits:

i) Defined contribution plans: The Company's contribution to the state-administered provident fund and employees' pension scheme and the employees' superannuation scheme are defined contribution plans. The contribution paid / payable under the schemes based on a fixed percentage of the eligible employees' salary is recognised during the period in which the employee renders the related service. The Company has no further obligation beyond these contributions.

ii) Defined benefit plans: The employees' gratuity fund schemes managed by Trusts are the Company's defined benefit plans. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method 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. Actuarial gains and losses are recognised immediately in the statement of profit and loss. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation, to recognise the obligation on a net basis.

Liability for ex-gratia payments, in respect of employees not eligible under Payment of Gratuity Act 1972, is determined based on actuarial valuation in the same manner as mentioned above.

iii) Long-term employee benefits: The obligation for long term compensated absences is recognised in the same manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

2.10 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets 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 to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.11 Segment accounting and reporting

a) Segment accounting and reporting which is done in accordance with the accounting policies of the Company and the guidelines prescribed by Accounting Standard 17, Segment Reporting, is as follows:

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

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

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

iv) Segment assets and liabilities include those directly identifiable with 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.

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

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.

2.12 Leases

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on a straight line basis.

2.13 Taxes on income

Tax on income for the current period is determined on the basis of 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. The provision for tax is adjusted for Minimum Alternate Tax (MAT) paid in earlier years.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted on the balance sheet date. Deferred tax assets which arise on account of unabsorbed business losses and unabsorbed depreciation are recognised and carried forward only to the extent that management is virtually certain that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each balance sheet date to reassess realisation.

2.14 Impairment of assets

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use determined based on the present value of estimated future cash flows. All impairment losses are recognised in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.15 Provisions, contingent liabilities and contingent assets

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

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
3. Share Capital:		
a) Authorised Share Capital:		
25,00,00,000 Equity Shares of ₹ 2/- each (Previous Year 25,00,00,000 Equity Shares of ₹ 2/- each)	50.00	50.00
25,00,000 Redeemable Preference Shares of ₹ 100/- each (Previous Year 25,00,000 of ₹ 100/- each)	25.00	25.00
	75.00	75.00
b) Issued, Subscribed and Paid up:		
24,42,06,795 Equity Shares of ₹ 2/- each (Previous Year 24,42,06,795 Equity Shares of ₹ 2/- each) fully paid	48.84	48.84
	48.84	48.84

Reconciliation of the share capital (Equity)	As at 31.03.2015		As at 31.03.2014	
	Number of shares	₹ Crore	Number of shares	₹ Crore
Balance at the beginning of the year	24,42,06,795	48.84	24,42,06,795	48.84
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	24,42,06,795	48.84	24,42,06,795	48.84

c) Shares in the Company held by each shareholder holding more than 5% shares

	₹ Crore			
Name of the shareholder	As at 31.03.2015		As at 31.03.2014	
	Number of shares held in the Company	Percentage of shares held (%)	Number of shares held in the Company	Percentage of shares held (%)
DBH International Private Limited	9,84,69,662	40.32	9,85,37,502	40.35
Reliance Capital Trustee Company Limited	1,43,32,027	5.87	1,37,41,705	5.63
Bharat Starch Products Limited	1,37,75,865	5.64	1,37,75,865	5.64
Karun Carpets Private Limited	1,36,07,199	5.57	1,36,07,199	5.57

d) Terms / Rights attached to equity shares

- The Company has only one class of equity shares having a face value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. Any fresh issue of equity shares shall rank pari-passu with the existing shares.
- In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
4. Reserves & Surplus:		
Capital Reserve:		
As per last Balance Sheet	1.34	1.34
Securities Premium Account:		
As per last Balance Sheet	34.59	34.59
Revaluation Reserve:		
As per last Balance Sheet	3.95	4.02
Less: Transferred to Statement of Profit and Loss	0.04	0.07
	3.91	3.95
General Reserve:		
As per last Balance Sheet	318.03	293.03
Add: Transferred from Surplus in Statement of Profit and Loss	8.15	25.00
	326.18	318.03
Surplus in Statement of Profit and Loss:		
As per last Balance Sheet	411.22	360.22
Less: Transitional adjustment on account of Schedule II to Companies Act, 2013*	7.51	-
Profit for the period	81.53	113.09
Less: Appropriations		
Interim Dividend	34.19	17.09
Proposed Final Dividend	26.86	14.65
Tax on Dividend	11.10	5.35
Transfer to General Reserve	8.15	25.00
	404.94	411.22
	770.96	769.13

*Represents the written down value of fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013 as at 1 April 2014. These balances (net of deferred tax benefit of ₹ 3.89 crores) have been adjusted against the opening balance of Retained Earnings.

5. Deferred Tax Liabilities (Net):		
Deferred Tax Liabilities:		
Depreciation / Amortisation*	33.64	41.91
Deferred Tax Assets:		
Provision for Doubtful Debts/ Advances	10.72	4.34
Provision for Compensated Absence	2.07	3.22
Others	8.27	0.99
	21.06	8.55
	12.58	33.36

* Net of deferred tax benefit of ₹ 3.89 crores on write off of written down value of fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013 as at 1 April 2014.

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
6. Other Long-Term Liabilities:		
Deposits received from Dealers	4.01	3.95
	4.01	3.95
7. Long-Term Provisions:		
Compensated Absence	5.13	8.04
Gratuity	4.47	4.56
Ex-Gratia	0.31	-
	9.91	12.60
8. Trade Payables:		
Sundry Creditors (Refer Note No. 46)	144.69	186.44
	144.69	186.44
9. Other Current Liabilities:		
Current Maturities of Long Term Borrowings	-	0.04
Unpaid Dividends *	1.69	1.59
Unclaimed Matured Fixed Deposits *	-	0.02
Advance from Customers	8.01	9.51
Employee Benefits Payable	6.53	6.21
Statutory Dues Including Provident Fund and Tax Deducted at Source	7.56	6.39
Capital Creditors	5.18	3.26
Provision for Expenses	46.41	39.05
	75.38	66.07

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31 March, 2015 as per the Companies Act, 2013.

10. Short-Term Provisions:		
Provision for Employee Benefits:		
Compensated Absence	0.84	1.43
Others - Provision for Bonus, Commission etc.	5.46	5.68
Other Provisions :		
Warranty	7.10	8.48
Provision for Tax (Current Year)	44.10	47.00
Proposed Dividend	26.86	14.65
Provision for Tax on Dividend	5.29	2.44
	89.65	79.68

Disclosure as required by Accounting Standard (AS)-29 'Provisions, Contingent Liabilities and Contingent Assets'

Movement of Provision: Warranty		
Balance as at the beginning of the year	8.48	9.34
Additional provision made during the year	8.16	9.05
Amount used during the year	9.54	9.91
Balance as at the end of the year	7.10	8.48

The Company gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made at the year end represents the amount of expected cost of meeting such obligations of rectification / replacement. The timing of the outflows is expected to be within a period of eighteen months.

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

11. Fixed Assets:

	GROSS BLOCK				DEPRECIATION				NET BLOCK		₹ Crore	
	1st April 2014	Additions	Disposals / Adjustments	Assets Held for Sale*	31st March 2015	1st April 2014	For the Year	Adjustments **	Disposals	Assets Held for Sale*		31st March 2015
TANGIBLE ASSETS												
Freehold Land	3.44	-	-	-	3.44	-	-	-	-	-	3.44	3.44
Leasehold Land	21.78	-	-	1.39	20.39	1.17	0.22	-	-	0.15	19.15	20.61
Freehold Building	127.44	4.28	0.11	29.01	102.60	24.76	3.86	1.78	0.05	6.93	79.18	102.68
Leasehold Building	0.25	-	-	-	0.25	0.24	-	-	-	-	0.01	0.01
Plant and Equipment	404.52	42.26	20.72	6.01	420.05	193.58	35.50	9.27	10.12	2.74	225.49	210.94
Office Equipment	5.59	0.81	0.19	0.35	5.86	2.95	0.84	0.05	0.18	0.18	2.38	2.64
Furniture and Fixture	21.11	1.49	0.73	0.18	21.69	12.23	1.19	0.30	0.57	0.13	8.67	8.88
Vehicles	0.88	0.18	0.35	-	0.71	0.66	0.05	-	0.32	-	0.32	0.22
Leasehold Improvement	-	3.07	-	-	3.07	-	0.36	-	-	-	2.71	-
Total (A)	585.01	52.09	22.10	36.94	578.06	235.59	42.02	11.40	11.24	10.13	267.64	310.42
31st March 2014	564.83	35.54	7.18	8.18	585.01	204.54	38.71	-	6.34	1.32	235.59	349.42
Capital work-in-progress											8.39	5.10
INTANGIBLE ASSETS												
Technical Know-how	19.73	0.74	2.03	2.65	15.79	6.52	2.79	-	0.65	2.65	6.01	13.21
Computer software	20.52	1.86	0.02	0.67	21.69	15.05	2.33	-	0.01	0.66	16.71	5.47
Total (B)	40.25	2.60	2.05	3.32	37.48	21.57	5.12	-	0.66	3.31	22.72	-
31st March 2014	24.62	15.76	0.13	-	40.25	16.87	4.83	-	0.13	-	21.57	18.68
Intangible Assets Under Development											-	0.23
TOTAL Including Capital work-in-progress & Intangible Assets Under Development (C)												
625.26	54.69	24.15	40.26	615.54	257.16	47.14	11.40	11.90	13.44	290.36	333.57	-
589.45	51.30	7.31	8.18	625.26	221.41	43.54	-	6.47	1.32	257.16	-	373.43

NOTES : (i) Net block of Freehold Land and Building includes ₹ 3.91 crore (Previous Period ₹ 3.95 crore) added on revaluation as on 31 May, 1987.

(ii) Freehold Building includes ₹ 5.94 crore (Previous Period ₹ 6.05 crore) towards cost of ownership flats in Co-operative Housing Societies / Condominium and cost of 5 shares (Previous Period 10 shares) of ₹ 50/- each.

(iii) *Represents the assets of dis-continued manufacturing operations of Construction Equipment (Infrastructure) Business referred to in note no. 34, which are identified by management as Assets held for sale.

(iv) **Represents the written down value of fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013 as at 1 April 2014. These balances (net of deferred tax benefit of ₹ 3.89 crores) have been adjusted against the opening balance of Retained Earnings.

(v) For disposal of Technical Know-how, refer Note 33(d).

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
12. Non-Current Investments: (Long Term)		
Trade Investments (unquoted): (at Cost)		
Fully Paid Equity Shares in Subsidiaries		
250,000 Shares (Previous Year 2,07,81,069) of ₹ 10/- each of Greaves Leasing Finance Limited	0.29	23.70
{Also refer Note No. 33(h)}		
Nil Shares (Previous Year 50,000) of ₹ 10/- each of Greaves Auto Limited	-	0.05
Less: Provision for diminution in value of investment	-	(0.05)
	-	-
Nil Shares (Previous Year 93,73,000) of Euro 1/- each of Greaves Cotton Netherland BV	-	67.32
Less: Provision for diminution in value of investment / Written off on liquidation of Company	-	(67.32)
	-	-
10 Shares (Previous Year 10) of AED 1,500/- each of Greaves Cotton Middle East FZC (Formerly known as Ascot International FZC)	0.02	0.02
	0.31	23.72
Aggregate amount of unquoted investments	0.31	23.72
Aggregate provision for diminution in value / Write off of unquoted investments	-	67.37
13. Long-Term Loans and Advances:		
Unsecured, considered good (unless otherwise stated):		
Capital Advances	3.07	9.69
Security Deposits	5.88	8.50
Advance Income Tax {Net of Provisions of ₹ 349.22 crore (Previous Year ₹ 302.22 crore)}	12.61	6.53
Advances recoverable in cash or in kind or for value to be received		
Considered good	1.99	1.98
Considered doubtful	4.00	3.50
Less: Provision for doubtful advances	4.00	(3.50)
	-	-
	23.55	26.70
14. Other Non-Current Assets:		
Margin Money Deposits with banks	1.84	1.68
	1.84	1.68

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
15. Current Investments:		
a) Mutual Funds (unquoted): At cost or market value, whichever is less		
50,087 Units (Previous Year 20,170) of ₹ 1,000/- each, Axis Banking Debt Fund - Direct Plan - Daily Dividend	5.03	2.03
Nil Units (Previous Year 20,00,000) of ₹ 10/- each, Axis Fixed Term Plan - Direct Plan - Dividend Payout	-	2.00
85,548 Units (Previous Year 53,861) of ₹ 1,000/- each, Axis Liquid Fund - Direct Plan - Daily Dividend	8.56	5.39
52,705 Units (Previous Year 30,114) of ₹ 1,000/- each, Baroda Pioneer Treasury Advantage Fund - Plan B - Daily Dividend	5.31	3.03
11,81,215 Units (Previous Year 15,49,277) of ₹ 100/- each, Birla Sun Life Cash Plus - Daily Dividend -Direct Plan	11.84	15.52
55,27,102 Units (Previous Year 52,24,969) of ₹ 10/- each, Birla Sun Life Dynamic Bond Fund-Retail Plan-Monthly Dividend-Regular Plan	5.86	5.36
Nil Units (Previous Year 2,00,283) of ₹ 100/- each, Birla Sun Life Floating Rate Fund - Short Term Plan - Daily Dividend Reinvestment	-	2.00
11,30,866 Units (Previous Year Nil) of ₹ 100/- each, Birla Sun Life Saving Fund - Daily Dividend - Direct Plan	11.34	-
61,33,663 Units (Previous Year Nil) of ₹ 10/- each, DWS Ultra Short Term Fund- Direct Plan - Daily Dividend	6.14	-
1,74,010 Units (Previous Year Nil) of ₹ 1,000/- each, Franklin Templeton India Treasury Management Account - Super Institutional Plan- Direct - Daily Dividend Reinvestment	17.43	-
1,25,67,662 Units (Previous Year 58,72,944) of ₹ 10/- each, Franklin Templeton India Low Duration Fund- Direct-Monthly Dividend Reinvestment	13.25	6.15
1,04,07,323 Units (Previous Year 20,23,701) of ₹ 10/- each, Franklin Templeton India Ultra Short Bond Fund - Super Institutional Plan - Direct-Daily Dividend Reinvestment	10.44	2.03
30,00,000 Units (Previous Year Nil) of ₹ 10/- each, HDFC FMP 91D February 2015 (1) - Direct Growth Series-33	3.00	-
Nil Units (Previous Year 54,15,627) of ₹ 10/- each, HDFC Cash Management Fund-Saving Plan -Direct Plan-Daily Dividend Reinvestment	-	5.76
87,12,315 Units (Previous Year Nil) of ₹ 10/- each, HDFC Cash Management Fund - Saving Plan -Direct Plan - Daily Dividend Reinvestment	9.27	-
Nil Units (Previous Year 9,20,642) of ₹ 20/- each, HDFC Floating Rate Income Fund - Short Term Plan -Direct Plan-Wholesale Option-Growth Option	-	2.00
Nil Units (Previous Year 10,00,000) of ₹ 10/- each, HDFC FMP 90D January 2014 Series 29 - Direct Normal Dividend -Payout	-	1.00
31,87,659 Units (Previous Year 29,72,755) of ₹ 10/- each, ICICI Prudential Banking And PSU Debt Fund-Direct Plan - Daily Dividend	3.27	3.06

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
4,34,594 Units (Previous Year Nil) of ₹ 100/- each, ICICI Prudential Flexible Income- Direct Plan - Daily Dividend	4.60	-
Nil Units (Previous Year 9,07,144) of ₹ 10/- each, ICICI Prudential Interval II - Quarterly Interval Plan B - Direct Plan - Growth	-	1.00
20,21,168 Units (Previous Year Nil) of ₹ 15/- each, ICICI Prudential Interval III - Quarterly Interval Plan - Direct Plan - Growth	3.00	-
26,05,252 Units (Previous Year 28,52,145) of ₹ 10/- each, ICICI Prudential Interval Fund II Quarterly Interval Plan A - Direct Plan - Growth	3.00	3.00
Nil Units (Previous Year 14,60,163) of ₹ 10/- each, ICICI Prudential Interval Fund Quarterly Interval Plan 1 - Direct Plan - Growth	-	2.00
11,10,978 Units (Previous Year 10,75,458) of ₹ 100/- each, ICICI Prudential Liquid Direct Plan - Daily Dividend	11.10	10.76
5,50,073 Units (Previous Year Nil) of ₹ 100/- each, ICICI Prudential Money Market Fund -- Direct Plan - Daily Dividend Reinvestment	5.53	-
Nil Units (Previous Year 39,93,969) of ₹ 10/- each, ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend Reinvestment	-	4.04
Nil Units (Previous Year 20,00,000) of ₹ 10/- each, IDFC Fixed Term Plan Series 82 Direct Plan - Growth	-	2.00
1,00,58,974 Units (Previous Year 1,31,24,786) of ₹ 10/- each, JP Morgan India Liquid Fund -Direct Plan - Daily Dividend Reinvestment Option	10.07	13.14
Nil Units (Previous Year 60,10,497) of ₹ 10/- each, Kotak Banking & PSU Debt Fund - Direct Daily Dividend Reinvestment	-	6.05
55,164 Units (Previous Year 60,983) of ₹ 1,000/- each, Kotak Floater Short Term - Direct Plan - Daily Dividend	5.58	6.17
1,01,45,013 Units (Previous Year Nil) of ₹ 10/- each, Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend	10.22	-
49,155 Units (Previous Year Nil) of ₹ 1,000/- each, L&T Cash Fund Direct Plan - Daily Dividend	5.03	-
Nil Units (Previous Year 10,000) of ₹ 1,000/- each, Pramerica Fixed Duration Fund - Series 17 -Direct Plan -Dividend - Payout	-	1.00
Nil Units (Previous Year 20,00,000) of ₹ 10/- each, Reliance Fixed Horizon Fund - XXVI - Series 3 - Direct Plan Dividend Plan - Payout	-	2.00
19,631 Units (Previous Year 91,687) of ₹ 1,500/- each, Reliance Liquid Fund - Treasury Plan - Direct Daily Dividend Option	3.00	14.02
21,13,897 Units (Previous Year 17,36,002) of ₹ 20/- each, Reliance Quarterly Interval Fund - Series II - Direct Growth Plan Growth Option	4.00	3.00
1,55,912 Units (Previous Year Nil) of ₹ 1,000/- each, Reliance Liquid Fund - Cash Plan - Direct Plan Daily Dividend Option	17.37	-
89,43,273 Units (Previous Year Nil) of ₹ 15/- each, Reliance Medium Term Fund - Daily Direct Dividend Plan	15.29	-
49,974 Units (Previous Year Nil) of ₹ 1,000/- each, Reliance Money Manager Fund - Daily Direct Dividend Plan	5.01	-
1,21,190 Units (Previous Year 32,530) of ₹ 1,000/- each, Religare Invesco Credit Opportunities Fund - Direct Plan Daily Dividend	12.12	3.25

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
Nil Units (Previous Year 79,921) of ₹ 1,000/- each, Religare Invesco Short Term Fund- Direct Plan Daily Dividend Reinvestment	-	8.02
10,034 Units (Previous Year 30,297) of ₹ 1,000/- each, Religare Invesco Ultra Short Term Fund - Direct Plan Daily Dividend	1.02	3.05
1,38,463 Units (Previous Year Nil) of ₹ 1,000/- each, Religare Invesco Liquid Fund- Direct Plan - Daily Dividend	13.86	-
27,442 Units (Previous Year 47,634) of ₹ 1,500/- each, SBI Magnum Insta Cash Fund - Direct Plan - Daily Dividend	4.60	7.97
49,790 Units (Previous Year Nil) of ₹ 1,000/- each, SBI Magnum Insta Cash Fund- Liquid Floater- Direct Plan Daily Dividend	5.03	-
19,468 Units (Previous Year Nil) of ₹ 1,500/- each, SBI Treasury Advantage Fund - Direct Plan - Growth	3.00	-
45,32,345 Units (Previous Year Nil) of ₹ 10/- each, Sundaram Income Plus Direct Plan - Dividend	5.01	-
1,97,240 Units (Previous Year 65,069) of ₹ 1,000/- each, Tata Money Market Fund - Direct Plan -Daily Dividend	19.75	6.52
Nil Units (Previous Year 20,172) of ₹ 1,000/- each, Union KBC Ultra Short Term Debt Fund –Direct Plan-Daily Dividend Reinvestment	-	2.02
40,756 Units (Previous Year Nil) of ₹ 1,000/- each, UTI Money Market fund - Institutional Plan - Direct Plan- Daily Dividend	4.09	-
20,451 Units (Previous Year Nil) of ₹ 1,000/- each, UTI Treasury Advantage Fund - Institutional Plan - Direct Plan- Daily Dividend	2.04	-
b) Fixed Deposit with Financial Institutions	25.00	-
	309.06	154.34
Aggregate amount of unquoted investments	309.06	154.34
16. Inventories:		
Stores and Spares	2.64	3.85
Loose Tools	4.11	4.24
Raw & Packing Materials {Including In-Transit ₹ 3.96 crore, (Previous Year ₹ 0.70 crore)}	47.27	78.16
Work-in-progress	5.92	14.82
Finished Goods	35.70	45.86
Stock- in-Trade {Including In-Transit ₹ 0.01 crore, (Previous Year ₹ 2.64 crore) }	9.17	11.17
	104.81	158.10
Details of Inventory:		
a) Work-In-progress:		
Engines and Gensets, Spares	5.79	5.06
Vibratory Compactors, Rollers, High Pressure Pumps, Transit Mixers and Spares	-	9.61
Power Tillers	0.13	0.15
	5.92	14.82

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
b) Finished Goods: *		
Engines and Gensets, Spares	26.97	31.51
Vibratory Compactors, Rollers, High Pressure Pumps, Transit Mixers and Spares	3.48	6.35
Power Tillers	0.48	1.29
Others	4.77	6.71
	35.70	45.86
c) Stock-in-Trade: *		
Power Tillers	1.33	1.53
Motor Graders, Milling Machines and Pavers	0.04	2.54
Lubricant Oil	0.06	0.05
Others	7.74	7.05
	9.17	11.17
* Traded Spares and goods have been identified to the extent information was available with the Company.		
17. Trade Receivables: (unsecured)		
Outstanding for a period exceeding six months from the date they became due	9.78	30.38
Considered good		
Considered doubtful	26.92	9.27
Less: Provision for Doubtful Debts	(26.92)	(9.27)
	-	-
Others	227.70	302.65
	237.48	333.03
18. Cash and Cash Equivalents:		
Cash on hand	0.02	0.03
Cheques on hand	8.52	10.06
Bank balance :		
In Current Accounts	4.19	17.31
In Fixed Deposits	20.00	5.00
In Unpaid Dividend Accounts	1.69	1.59
	34.42	33.99
19. Short Term Loans and Advances: (Unsecured, Considered good)		
Other Loans and Advances		
Advance Income Tax (Current Year)	43.36	52.43
Prepaid Expenses	1.46	1.50
Others	18.71	18.27
Balances with Customs, Port Trust, Central Excise etc.	24.32	20.88
	87.85	93.08

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
20. Other Current Assets:		
Unsecured, Considered Good:		
Interest Accrued on Deposits	1.19	-
Unamortised Expense:		
Unamortised Premium on Forward Contract	0.19	0.04
Assets held for Sale	26.82	4.26
Less: Impairment Loss	(6.67)	(2.60)
	20.15	1.66
Dividend receivable from Subsidiary	1.60	0.30
	23.13	2.00
21. Contingent Liabilities:		
a) Sales Tax liability that may arise in respect of matters in appeal	11.04	5.40
b) Sales Tax Liability that may arise on account of uncollected 'C' Forms	4.90	5.50
c) Excise Duty liability that may arise in respect of matters in appeal	3.94	3.39
d) Claims made against the Company, not acknowledged as debts	45.55	35.90
e) Bonds executed in favour of Collector of Customs/Central Excise	11.79	11.44
f) Guarantees given on behalf of another company	0.20	0.25
g) Wage demand not acknowledged by the Company in respect of matter in appeal	1.43	0.76
22. Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	30.78	19.77
23. Proposed Dividend:		
The Proposed Final Dividend for the year is 55% (Previous Year 30%) on Equity Shares of ₹ 2 each		
Amount of Dividend Proposed	26.86	14.65
Dividend Per Equity Share	₹ 1.10	₹ 0.60

Notes:

- The Company does not expect any reimbursement in respect of the above contingent liabilities.
- It is not practical to estimate the timing of cash outflows, if any, in respect of matters (a) to (d) and (g) above, pending resolution of the appellate proceedings.

Note: The total dividend for the year ended 31 March 2015 amounts to ₹ 2.50 per share, including one interim dividend of ₹ 1.40 per share (Previous Year total dividend ₹ 1.30 per share)

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
24. Revenue from Operations:		
Sale of Products		
Finished Goods	1,749.23	1,786.69
Service Income	1.58	1.80
Stock-in-Trade	101.22	116.94
Other Operating Income		
Royalty	2.23	3.03
Duty Drawback	1.75	1.11
Others	-	5.31
	1,856.01	1,914.88
Details of Sales: (Finished Goods)		
Engines, Gensets, Agro Products and Spares	1,702.67	1,663.66
Vibratory Compactors, Rollers, High Pressure Pumps, Transit Mixers and Spares	46.56	123.03
	1,749.23	1,786.69
Details of Sales: (Stock-in-Trade)*		
Power Tillers	36.68	41.00
Motor Graders, Milling Machines and Pavers	2.98	9.92
Lubricant Oil	7.64	8.44
Others	53.92	57.58
	101.22	116.94
* Traded Spares and goods have been identified to the extent information was available with the Company.		
25. Other Income:		
Dividend - Non-Current Investments - Subsidiary Company	1.60	0.30
Dividend - Current Investments	14.24	5.05
Interest - Others	1.41	1.33
Profit on Sale of Fixed Assets (net)	-	3.40
Profit on Sale of Current Investments	0.66	2.64
Scrap Sales	3.50	2.57
Miscellaneous Income	2.92	11.52
	24.33	26.81
26. Cost of Materials Consumed:		
Raw & Packing Materials and Components Consumed: (Refer Note No. 40)		
Opening Inventory	78.16	83.77
Add : Purchases	1,033.64	1,103.54
	1,111.80	1,187.31
Less : Closing Inventory	47.27	78.16
	1,064.53	1,109.15

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
27. Purchase of Stock-in-Trade:		
Power Tillers	24.53	29.35
Motor Graders, Milling Machines & Pavers	-	7.56
Lubricant Oil	4.31	4.47
Others	32.25	33.01
	61.09	74.39
28. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade:		
(Increase) / Decrease in Inventory		
Closing Inventory		
Work-In-progress	5.92	14.82
Finished Goods	35.70	45.86
Stock-in-Trade	9.17	11.17
	50.79	71.85
Opening Inventory		
Work-In-progress	14.82	12.97
Finished Goods	45.86	44.18
Stock-in-Trade	11.17	12.20
	71.85	69.35
	21.06	(2.50)
29. Employee Benefits Expense:		
Salaries, Wages and Bonus	132.06	133.97
Contribution to Provident, Gratuity, Superannuation and other Funds	16.54	15.92
Staff Welfare	12.14	12.03
	160.74	161.92

Disclosure as required by Accounting Standard (AS)-15 (Revised) 'Employee Benefits':

1. Defined Contribution Plans:

The amount recognised as an expense during the year ended 31 March 2015 towards Provident Fund (including admin charges), ESIC contribution and Superannuation (including pension fund) is ₹ 7.06 crore (Previous Year ₹ 7.34 crore), ₹ 0.31 crore (Previous Year ₹ 0.45 crore) and ₹ 3.65 crore (Previous Year ₹ 3.62 crore) respectively.

2. Defined Benefit Plans:

A) Gratuity :

The Company has a defined benefit plan (the 'Gratuity Plan'), managed by trusts. The Gratuity Plan provides for a lump sum payment to vested employees at retirement or termination of employment, whichever is earlier, based on the respective employee's last drawn salary and years of employment with the Company. The benefit vests after five years of continued service.

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

₹ Crore

	Year Ended 31.03.2015 Wholly Funded	Year Ended 31.03.2014 Wholly Funded
a) Amounts recognised in Balance Sheet:		
i) Present Value of Defined Benefits obligations	34.29	31.44
Less: Fair value of Plan Assets	29.82	26.88
Amount to be recognised as Liability / (Assets)	4.47	4.56
ii) Amounts reflected in the Balance Sheet		
Liabilities	4.47	4.56
Net Liabilities / (Assets)	4.47	4.56
b) Amounts recognised in Statement of Profit and Loss		
i) Current Service Cost	1.79	1.66
ii) Settlement Cost	0.12	-
iii) Interest Cost	2.66	2.19
iv) Expected (Return) on Plan Assets	(2.26)	(2.09)
v) Actuarial losses/(gains)	2.16	2.70
Total Expense	4.47	4.46
c) Actual Return on Plan Assets	3.37	1.12
d) The changes in the present value of Defined Benefits Obligations representing reconciliation of opening and closing balances thereof are as follows:		
i) Opening balance of the present value of Defined Benefits Obligations	31.44	29.79
ii) Add: Current Service Cost	1.79	1.66
iii) Add: Settlement Cost	0.12	-
iv) Add: Interest Cost	2.66	2.19
v) Add: Actuarial (Gain)/Losses	3.26	1.95
vi) (Less): Benefits paid during the year	(4.98)	(4.15)
vii) Closing balance of the present value of Defined Benefits Obligations	34.29	31.44
e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:		
i) Opening balance of the fair value of Plan Assets	26.88	23.69
ii) Add: Expected Return on Plan Assets	2.26	2.09
iii) Add: Actuarial Gain/(Losses)	1.10	(0.75)
iv) Add: Contribution by the employer	4.56	6.00
v) (Less): Benefits paid during the year	(4.98)	(4.15)
vi) Closing balance of Plan Assets	29.82	26.88

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	31.03.2011	31.03.2012	31.03.2013	31.03.2014	₹ Crore 31.03.2015
f) Experience History					
i) Defined Benefit Obligation at end of the period	(24.14)	(27.81)	(29.79)	(31.44)	(34.29)
ii) Plan Assets at end of the period	20.21	23.48	23.69	26.88	29.82
iii) Funded Status	(3.94)	(4.33)	(6.10)	(4.56)	(4.47)
iv) Experience Gain/(Loss) adjustments on plan liabilities	(3.19)	(2.07)	(2.16)	(2.35)	(1.16)
v) Experience Gain/(Loss) adjustments on plan assets	(0.22)	0.30	0.70	(0.75)	1.10
vi) Actuarial Gain/(Loss) due to change on assumptions	(0.26)	0.45	(3.08)	0.40	(2.10)

	Year Ended 31.03.2015	Year Ended 31.03.2014 Wholly Funded
g) The major categories of plan assets as a percentage of total plan assets are as follows:		
i) Bank Deposits	0.34%	0.82%
ii) Government Securities	0.64%	0.72%
iii) Group Gratuity Scheme of Insurance Companies	98.99%	98.42%
iv) Others	0.03%	0.04%
h) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):		
i) Discount rate per annum	7.80%	9.20%
ii) Expected rate of Return on Plan Assets	8.50%	8.50%
iii) Expected salary increase per annum	6% to 8%	6% to 8%
iv) Average past service of employees	12 Years	13 Years
v) Attrition rate	Age Rate	Age Rate
	Up to 30 25%	Up to 30 25%
	30-34 15%	30-34 15%
	35-44 10%	35-44 10%
	45 and above 5%	45 and above 5%
vi) Mortality rate	Indian Assured Lives Mortality (2006-08) ULT	Indian Assured Lives Mortality (2006-08) ULT

B) Compensated Absence:

The obligation for compensated absences is recognised in the same manner as gratuity and net charge to the Statement of Profit and Loss for the year is ₹ 2.65 crore (Previous Year ₹ 3.15 crore).

C) Retirement Pension Scheme:

For UK branch employees, based on the estimation given by the actuary, the Company has recognised a charge of ₹ 0.58 crore, equivalent to GBP 62,300 (Previous year ₹ Nil) towards present value of post retirement pension. The year end balance amounts to ₹ 3.25 crore, equivalent to GBP 352,000 (Previous year ₹ 3.35 crore, equivalent to GBP 335,800).

Note:

The estimates of future increase in salary, considered in the actuarial valuation, have been derived based on expected inflation, seniority changes, promotion and other relevant factors such as demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
30. Finance Costs:		
Interest	2.19	4.33
Other Borrowing Cost	0.18	0.31
	2.37	4.64
31. Depreciation and Amortisation Expense:		
Depreciation on Tangible Assets	42.02	38.71
Amortisation on Intangible Assets	5.12	4.83
	47.14	43.54
32. Other Expenses:		
Stores and Spares Consumed	8.46	10.55
Power, Fuel and Electricity	16.04	18.01
Repairs and Maintenance		
Building	1.28	1.28
Plant & Equipment	4.43	5.27
Others	2.25	2.19
Brokerage and Commission	5.36	5.52
Rent	13.29	10.39
Insurance	1.75	1.88
Bad Debts	2.49	3.07
Provision for Doubtful Debts/Advances	15.21	4.76
Rates and Taxes	3.68	2.21
Advertising and Sales Promotion	4.09	6.12
Travelling	15.40	15.12
Loss on Sale of Fixed Assets	1.97	-
Carriage and Freight	22.59	23.28
Directors' Sitting Fees	0.17	0.12
Printing and Stationery	1.13	1.39
Postage, Telephone and Fax	2.86	3.29
Legal, Professional and Consultancy Charges	9.82	11.43
Miscellaneous Expenses	49.21	56.51
	181.48	182.39

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
33. Exceptional Items:		
a) Provision for diminution in value of investment/ Write off on Liquidation of Companies	-	39.00
b) Employee Separation Cost (Refer Note 1 below)	6.41	2.72
c) Profit on sale of properties	-	(36.33)
d) Impairment of Assets (Refer Note 2 below)	8.08	2.60
e) Provision / write off of Advances/ Receivables (Refer Note 3 below)	11.20	-
f) One time settlement with supplier (Refer Note 3 below)	2.73	-
g) Provision / write off of Inventories (Refer Note 4 below)	34.62	-
h) Loss on Capital Reduction in Subsidiary (Refer Note 5 below)	2.88	-
	65.92	7.99

Notes:

- 1) Employee Separation Cost: During the year, the management of the Company carried out an exercise of rationalisation of manpower at few locations. It offered separation scheme to the employees and paid compensation for the same. It also includes compensation paid to the employees engaged in manufacturing operations of Construction Equipment on it's discontinuation with effect from 18th September 2014.
 - 2) Impairment of Assets: On discontinuation of manufacturing operations of Construction Equipment, the carrying amount of the fixed assets was impaired to bring it to its expected realisable value.
 - 3) Provision / write off of advances / receivables & One time settlement with supplier: On discontinuation of manufacturing operations of Construction Equipment, the Company made provision / wrote off the advance given to a supplier for the technology transfer and provided for unrecovered amount of receivables.
 - 4) Provision / write off of Inventory:
 - i) On discontinuation of manufacturing operations of Construction Equipment, the unusable inventory was scrapped and necessary loss was provided.
 - ii) During the year, due to change in pollution control norms, the material which was usable exclusively for CPCB I compliant engines became obsolete / slow-moving. Considering the expected consumption, necessary provision was made on the balance inventory.
 - 5) Loss on capital reduction in subsidiary: During the year, Company's wholly owned subsidiary, Greaves Leasing Finance Limited reduced it's share capital by 2,05,31,069 shares with a face value of ₹ 10 per share. The Company had acquired these shares at premium. The unrealised premium amount was written off.
- 34.** On 18th September, 2014, the Company discontinued manufacturing operations of Construction Equipment (Infrastructure) due to non-viability and accordingly the related assets are being disposed off.

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
The following statement shows the revenue and expenses of discontinued operations:		
Revenue	39.03	100.86
Expenses	119.46	126.76
Profit / (loss) before tax	(80.43)	(25.90)
Tax Charge / (Credit)	(24.89)	(8.82)
Profit / (loss) after tax	(55.54)	(17.08)

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
The carrying amounts of total assets and liabilities of discontinued operations are as follows:		
Total Assets	38.87	147.83
Total Liabilities	(10.96)	(34.99)
The net cash flows attributable to the discontinued operations are stated below:		
Operating Activities	(9.64)	(34.72)
Investing Activities	5.97	(8.77)
Financing Activities	4.44	42.89
Net cash inflows / (outflows)	0.77	(0.60)
35. Auditors' Remuneration (excluding service tax):		
a) Payment to Auditors:		
i) Statutory audit	0.25	0.23
ii) Tax audit	-	0.08
iii) Certification work	0.08	0.05
iv) Other services	0.15	0.13
v) Reimbursement of out-of-pocket expenses	0.01	0.05
b) Foreign branch audit fees	0.04	0.04
c) Payments to Cost auditor:		
(i) Cost audit	-	0.08
(ii) Reimbursement of out-of-pocket expenses	0.01	0.03
36. Expenditure in Foreign Currency:		
Foreign Branch Expenses	2.57	2.71
Legal and Professional Expenses	1.51	1.94
Representative Office Expenses (China)	0.88	0.77
Travelling Expenses	1.53	1.61
Other matters	1.93	2.56
37. Value of Imports (on C.I.F. basis):		
Raw Materials	19.45	54.25
Components and Spare Parts	40.53	41.15
Capital Goods	9.74	3.28
38. Earnings in Foreign Currency:		
Export of goods on F.O.B. basis (including foreign branch)	68.70	69.85

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
39. Expenditure on Research and Development:		
a) Revenue expenditure charged to Statement of Profit and Loss (Under Note Nos. 26, 29 & 32)	26.44	28.15
b) Capital Expenditure	1.47	24.12
40. Details of Raw and Packing Materials and Components Consumed:		
Steel Forgings, Steel Castings, Castings, Shafts and Forgings	24.64	26.45
Alloy Steel / Aluminium bronze bars	0.32	0.54
Steel, Structural Steel and Steel Plates	4.42	12.42
Engines	3.43	10.37
Bearings	1.62	2.31
Seamless Tubes	0.09	0.96
Electric Motors and Starters	42.40	38.26
Cylinder Heads, Cam Shafts, Crank Shafts and Connecting rods	146.05	123.47
Pistons, Flywheels, Fuel Pumps, Injectors, CSR pumps, gensets and marine gear boxes	116.53	122.34
Crank Cases	125.12	82.73
Motors	1.69	7.07
Panels	4.14	1.99
Fuel Tanks	0.71	0.77
Hydraulic Pumps	1.77	6.44
Others	591.60	673.03
Total	1,064.53	1,109.15

	% to Total Consumption	31.03.2015 ₹ Crore	% to Total Consumption	31.03.2014 ₹ Crore
Imported	2.5%	26.64	4.2%	46.64
Indigenous	97.5%	1,037.89	95.8%	1,062.51
	100.0%	1,064.53	100.0%	1,109.15

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

41. Details of Related party transactions:

Disclosures as required by Accounting Standard (AS)-18 'Related Party Disclosures'

I Relationships with Related Party:

A) List of related parties :

Name of the Related Party	Relationship	Transactions during the year
Over which control exists		
Dee Greaves Limited	Wholly Owned Subsidiary of Greaves Leasing Finance Limited	Yes
Greaves Auto Limited (Upto 10-04-2014)	Wholly Owned Subsidiary	Yes
Greaves Cotton Middle East FZC (Formerly Ascot International FZC)	Subsidiary of Greaves Leasing Finance Limited	Yes
Greaves Cotton Netherlands B.V. (Upto 19-12-2013)	Wholly Owned Subsidiary	No
Greaves Farymann Diesel GmbH (Upto 10-10-2013)	Wholly Owned Subsidiary of Greaves Cotton Netherlands B.V	No
Greaves Leasing Finance Limited	Wholly Owned Subsidiary	Yes
Others		
Bharat Starch Products Limited	Associate Company	No
DBH Consulting Limited	Associate Company	No
DBH Global Holdings Limited	Associate Company	No
DBH International Private Limited	Associate Company	No
DBH Investments Private Limited	Associate Company	No
DBH Stephan Limited	Associate Company	No
English Indian Clays Limited	Associate Company	No
Karun Carpets Private Limited	Associate Company	No
Pembril Industrial & Engineering Company Private Limited	Associate Company	No
Premium Stephan BV., Netherlands	Associate Company	No
Premium Transmission Cooperatie UA	Associate Company	No
Premium Transmission Limited	Associate Company	Yes

B) Key Management Personnel :

Mr. Sunil Pahilajani - Managing Director & CEO

Mr. Narayan Barasia - Chief Financial Officer

Ms. Monica Chopra - Executive Director - Legal & Company Secretary

C) Mr. Karan Thapar, Chairman

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

II. Disclosure of related party transactions

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

					₹ Crore		
Sr No.	Transactions	2014-15			2013-14		
		Subsidiaries	Other Related Parties	Total	Subsidiaries	Other Related Parties	Total
1	Purchase of goods						
	Greaves Farymann Diesel GmbH	-	-	-	0.16	-	0.16
	Premium Transmission Limited	-	-	-	-	0.06	0.06
2	Sale of goods and contract revenue						
	Greaves Cotton Middle East FZC (Formerly Ascot International FZC)	9.06	-	9.06	9.85	-	9.85
	Greaves Farymann Diesel GmbH	-	-	-	0.24	-	0.24
	Premium Transmission Limited	-	0.03	0.03	-	-	-
3	Rendering of Services / Reimbursement of expenses						
	Greaves Auto Limited	-	-	-	0.04	-	0.04
	Greaves Farymann Diesel GmbH	-	-	-	0.01	-	0.01
	Greaves Leasing Finance Limited	0.02	-	0.02	-	-	-
	Premium Transmission Limited	-	0.25	0.25	-	0.96	0.96
4	Receipt of Services						
	Greaves Cotton Middle East FZC (Formerly Ascot International FZC)	0.23	-	0.23	0.38	-	0.38
5	Commission and Sitting Fees						
	Mr. Karan Thapar	-	1.30	1.30	-	1.27	1.27
6	Lease Rent expense						
	Greaves Leasing Finance Limited	0.85	-	0.85	2.35	-	2.35
7	Dividend received / accrued						
	Greaves Leasing Finance Limited	1.60	-	1.60	0.30	-	0.30
8	Purchase of Investments (Net)						
	Greaves Cotton Netherlands B.V.	-	-	-	37.38	-	37.38
9	Redemption of Investment						
	Greaves Leasing Finance Limited	20.53	-	20.53	-	-	-

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

₹ Crore

Sr No.	Transactions	2014-15			2013-14		
		Subsidiaries	Other Related Parties	Total	Subsidiaries	Other Related Parties	Total
10	Loan Given Greaves Cotton Netherlands B.V.	-	-	-	4.80	-	4.80
11	Loan / Deposit Returned Greaves Cotton Netherlands B.V.	-	-	-	6.59	-	6.59
	Premium Transmission Limited	-	-	-	-	20.00	20.00

III Amount Due to / from related parties

₹ Crore

Sr No.	Transactions	2014-15			2013-14		
		Subsidiaries	Other Related Parties	Total	Subsidiaries	Other Related Parties	Total
1	Other Current Assets Greaves Leasing Finance Limited	1.60	-	1.60	-	-	-
2	Trade Receivables Greaves Cotton Middle East FZC (Formerly Ascot International FZC)	8.42	-	8.42	11.25	-	11.25
	Premium Transmission Limited	-	0.04	0.04	-	0.38	0.38
3	Trade Payables Greaves Cotton Middle East FZC (Formerly Ascot International FZC)	0.08	-	0.08	0.01	-	0.01
	Premium Transmission Limited	-	0.12	0.12	-	0.12	0.12

No amounts are written off / written back during the year (Previous Year Nil except for Investment in Greaves Cotton Netherlands B.V. of ₹ 67.32 crore). During the year, provision has been created on amount due from Greaves Cotton Middle East FZC of ₹ 3.7 crore. (Previous year ₹ Nil).

Transactions when rounded off are lower than ₹ 1 lac, are not disclosed in the above details.

IV Key Management Personnel (KMP):

₹ Crore

Transactions	2014-15	2013-14
Remuneration to Managing Director & CEO	2.09	2.22
Remuneration to Chief Financial Officer	1.03	0.72
Remuneration to Executive Director - Legal & Company Secretary	0.83	0.77

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

42. Segment Reporting

Disclosure as required by Accounting Standard (AS)-17 'Segment Reporting'

PRIMARY SEGMENTS (Business segments):

₹ Crore

Particulars	Engines		Infrastructure Equipment*		Others		Total	
	Year Ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2015	Year Ended 31.03.2014
Segment revenue (excluding excise duty)	1,617.12	1,577.95	47.83	124.27	23.75	16.97	1,688.70	1,719.19
Inter-segment revenue	-	0.28	-	-	-	-	-	0.28
Total revenue	1,617.12	1,577.67	47.83	124.27	23.75	16.97	1,688.70	1,718.91
Result:								
Segment Result	255.40	255.46	(35.36)	(27.15)	(0.90)	1.47	219.14	229.78
Add / Less : Unallocable Income /(Expenditure) (Net)							(42.11)	(52.88)
Operating Profit							177.03	176.90
Less: Interest expense							(2.37)	(4.64)
Profit before exceptional items							174.66	172.26
Exceptional items :								
Provision / write off of Inventories							(34.62)	-
Provision / write off of Advances/ Receivables							(11.20)	-
Profit on Sale of Properties							-	36.33
One time settlement with supplier							(2.73)	-
Employee Separation Cost							(6.41)	(2.72)
Impairment of Assets							(8.08)	(2.60)
Loss on Capital Reduction in Subsidiary							(2.88)	-
Provision for diminution in value of investment							-	(39.00)
Profit before Tax							108.74	164.27
Less: Provision for tax (Net of adjustment in respect of earlier years)							(44.10)	(52.54)
Add: Deferred tax (charge) / credit							16.89	1.36
Profit after tax							81.53	113.09
Other Information:								
Segment assets	647.71	710.31	48.17	160.45	4.03	9.16	699.91	879.92
Unallocable corporate assets							456.11	320.15
Total assets							1,156.02	1,200.07
Segment liabilities	201.36	222.17	13.54	26.19	1.53	3.02	216.43	251.38
Unallocable corporate liabilities							119.79	130.72
Total liabilities							336.22	382.10
Capital expenditure	51.03	40.55	0.28	3.46	-	-		
Depreciation and amortisation	40.85	35.75	4.32	2.91	-	-		
Non-cash expenses other than depreciation and amortisation	31.45	11.47	39.09	1.14	1.75	-		

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

SECONDARY SEGMENTS (Geographical segments)

Particulars	₹ Crore					
	Domestic		Overseas		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
External revenue by location of customers	1,617.72	1,642.49	70.98	76.42	1,688.70	1,718.91
Carrying amount of segment assets by location of assets	681.89	842.07	18.02	37.85	699.91	879.92
Cost incurred on acquisition of tangible and intangible fixed assets	51.31	44.01	-	-	51.31	44.01

Segment Identification, Reportable Segments and Segment Composition:

Segment Identification:

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

Reportable Segments:

Reportable segments have been identified as per the quantitative criteria specified in Accounting Standard (AS)-17: 'Segment Reporting'

Segment Composition:

- Engines include Agro products and Gensets.
- Infrastructure Equipment comprises of equipment used in road construction, bridges, dams, mining, etc.
- Others includes products traded by International and After Market Business.

Primary / secondary Segment:

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

The expenses and income which are not directly attributable to the business segments are shown as unallocable income/ expenditure. Unallocable assets mainly comprise of investments, cash and bank balances, advance tax and unallocable liabilities mainly include loan funds, tax provisions and provisions for employee retirement benefits.

* Infrastructure Segment includes Discontinued Operations and After market business relating to Infrastructure business. For details on discontinued operations refer note 34.

43. Details of Lease Transactions:

- Certain properties & vehicles are taken on non-cancellable operating lease.

The future minimum lease payments in respect of the above are as follows:

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
Payable not later than one year	4.43	3.49
Payable later than one year and not later than five years	4.59	6.83

- Rent expense in respect of operating lease, for year ended, 31st March 2015, was ₹ 13.29 crore (Previous Year ₹ 10.39 crore).
- The lease agreements provide an option to the Company to renew the lease at the end of the non-cancellable period. There are no exceptional / restrictive covenants in the lease agreements.

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

44. Details of Derivative Instruments & Unhedged Foreign Currency Exposures:

a) The year end foreign currency exposures that were not hedged by a derivative instrument or otherwise are given below:

i) Amount receivable in foreign currency on account of the following:

	Year Ended 31.03.2015		Year Ended 31.03.2014	
	Fx	₹ Crore	Fx	₹ Crore
Export of goods and services	\$9,38,432	5.87	\$39,95,383	24.01
	€ 41,802	0.28	€ 949	0.01

ii) Amounts payable in foreign currency on account of the following:

	Year Ended 31.03.2015		Year Ended 31.03.2014	
	Fx	₹ Crore	Fx	₹ Crore
Import of goods and services	\$47,477	0.30	\$19,22,238	11.55
	€ 39,231	0.26	€ 47,689	0.39
	-	-	£32,363	0.32

b) Derivative Instruments:

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy, approved by the Board of Directors, which provides principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Outstanding Forward Exchange Contracts entered into by the Company as at year end.

Year Ended 31.03.2015			Year Ended 31.03.2014		
No. of Contracts	Fx	₹ Crore Equivalent	No. of Contracts	Fx	₹ Crore Equivalent
3	\$15,00,000	9.43	16	\$15,62,314	9.57
1	€ 16,47,032	11.41	5	€ 2,30,997	1.99
-	-	-	3	¥ 6,27,28,988	3.88

45. Exchange difference arising on Foreign currency transactions have been accounted under respective accounts:

			₹ Crore
		Year Ended 31.03.2015	Year Ended 31.03.2014
Revenue (Note No 24)	{{Gain}/ Loss}	(0.76)	(2.78)
Other Income (Note No. 25)	{{Gain}/ Loss}	-	(1.27)
Consumption (Note No 26 & 27)	{{Gain}/ Loss}	0.19	3.75
Other Expenses (Note No. 32)	{{Gain}/ Loss}	3.03	-

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

46. Dues to Micro and Small Enterprises:

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
a) Principal amount and Interest Due		
Principal amount	36.39	32.22
Interest Due	0.01	0.43
b) Interest paid by Buyer in terms of Section 16 of MSMED Act	-	-
c) Amount paid beyond the appointed day	20.91	34.39
d) Interest due and payable to supplier, for payment already made under MSMED Act	3.12	1.44
e) Amount of Interest accrued and remaining unpaid at the end of accounting year	3.13	1.87
f) Amount of further interest remaining due and payable even in succeeding years	-	-

47. Details on Borrowing costs:

Disclosure as required by Accounting Standard (AS)-16 'Borrowing Costs'

No borrowing costs have been capitalised during the year

48. Disclosure as required by Accounting Standard (AS) - 20 ' Earnings per share' (EPS)

		Year Ended 31.03.2015	Year Ended 31.03.2014
a) From continuing operations			
Basic EPS			
Weighted average number of shares issued of ₹ 2/- each	(A)	24,42,06,795	24,42,06,795
Profit for the year after tax from continuing operations (₹ crore)	(B)	137.07	130.17
Basic EPS (₹)	(B / A)	5.61	5.33
Diluted EPS			
Weighted average number of shares issued of ₹ 2/- each	(C)	24,42,06,795	24,42,06,795
Diluted EPS (₹)	(B / C)	5.61	5.33
b) From total profit			
Basic EPS			
Weighted average number of shares issued of ₹ 2/- each	(A)	24,42,06,795	24,42,06,795
Profit for the year after tax (₹ crore)	(B)	81.53	113.09
Basic EPS (₹)	(B / A)	3.34	4.63
Diluted EPS			
Weighted average number of shares issued of ₹ 2/- each	(C)	24,42,06,795	24,42,06,795
Diluted EPS (₹)	(B / C)	3.34	4.63

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 2015

- 49.** Management has evaluated the need for impairment of assets as required by Accounting Standard (AS)-28 'Impairment of Assets' and on the basis of such evaluation, management has provided for necessary impairment as at 31 March 2015.
- 50.** Short Term Finance facilities from Banks and Cash Credit facilities (Nil balance as at Balance Sheet date) are secured by hypothecation of all inventory, spares, tools and book debts, present and future, of the Company. The charges on these assets also extend to letters of credit and bank guarantees upto ₹ 4.59 crore (Previous Year ₹ 25.36 crore) and ₹ 4.05 crore (Previous Year ₹ 5.52 crore) respectively.
- 51.** Figures for the previous year have been regrouped / reclassified, wherever necessary.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Mumbai
6th May 2015

Narayan Barasia
Chief Financial Officer

Monica Chopra
Executive Director-Legal &
Company Secretary

For and on behalf of the Board
Navneet Singh
Director

Sunil Pahilajani
Managing Director & CEO

Mumbai
6th May 2015

INFORMATION ON SUBSIDIARY COMPANIES

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A" : Subsidiaries

	₹ Crore		
	Greaves Leasing Finanace Ltd.	Dee Greaves Ltd.	Greaves Cotton Middle East FZC (Formerly Ascot International FZC)
Financial Year ended 31st March 2015			

A) Capital	0.25	0.13	0.19
B) Reserves/ Surplus in profit & loss	7.57	0.09	(3.65)
C) Total Assets	1.39	0.02	5.92
D) Total Liabilities	2.09	0.00	9.38
E) Investments (as per details attached)	8.53	0.20	-
F) Turnover (including other income)	2.53	0.01	18.08
G) Profit/ (Loss) before taxation	2.05	₹ 16,518/-	(1.66)
H) Provision for taxation	0.10	-	-
I) Profit/ (Loss) after taxation	1.95	₹ 16,518/-	(1.66)
J) Proposed Dividend	1.60	-	-

Notes:

- Exchange Rate: *** Balance Sheet at Closing rate @ 1 AED = ₹ 16.9976
*** Statement of profit and loss at average rate @ 1 AED = ₹ 16.6192

Part "B" : Associates and Joint Ventrues

Not Applicable

For and on behalf of the Board

Navneet Singh
Director

Narayan Barasia
Chief Financial Officer

Monica Chopra
Executive Director-Legal &
Company Secretary

Sunil Pahilajani
Managing Director & CEO

Mumbai
6th May 2015

INFORMATION ON SUBSIDIARY COMPANIES

Details of Investment of Subsidiaries as at 31st March 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
Non-Current Investments:(at cost)		
Greaves Leasing Finance Limited		
Trade Investments: (Unquoted):		
Fully paid equity shares		
1,33,851 Shares (Previous Year 1,33,851) of Dee Greaves Limited of ₹ 10/- each	0.01	0.01
90 Shares (Previous Year 90) of Greaves Cotton Middle East (FZC) of AED 1,500/- each	0.24	0.24
	0	0
Others: (Quoted)		
Fully paid equity shares		
1 Share (Previous Year 1) of ₹ 2/- of ABB India Limited	0.00	0.00
1 Share (Previous Year 1) of ₹ 2/- of Alfa Laval India Limited	0.00	0.00
20 Shares (Previous Year 20) of ₹ 1/- of Ashok Leyland Limited	0.00	0.00
20 Shares (Previous Year 20) of ₹ 10/- of Bajaj Auto Limited	0.00	0.00
10 Shares (Previous Year 10) of ₹ 10/- of Bajaj Finance Services Limited	0.00	0.00
10 Shares (Previous Year 10) of ₹ 10/- of Bajaj Holdings and Investment Limited	0.00	0.00
5 Shares (Previous Year 5) of ₹ 2/- of Bharat Heavy Electricals Limited	0.00	0.00
120 Shares (Previous Year 120) of ₹ 1/- of Birla Power Solutions Limited	0.00	0.00
1 Share (Previous Year 1) of ₹ 10/- of Bosch Limited	0.00	0.00
14 Shares (Previous Year 14) of ₹ 2/- of Cummins India Limited	0.00	0.00
150 Shares (Previous Year 150) of ₹ 2/- of Elecon Engineering Limited	0.00	0.00
10 Shares (Previous Year 10) of ₹ 10/- of Force Motors Limited	0.00	0.00
1 Share (Previous Year 1) of ₹ 1/- of Hindustan Unilever Limited	0.00	0.00
10 Shares (Previous Year 10) of ₹ 10/- of Honda Suel Power Products Limited	0.00	0.00
10 Shares (Previous Year 10) of ₹ 10/- of Ingersoll Rand (India) Limited	0.00	0.00
10 Shares (Previous Year 10) of ₹ 10/- of Kennametal Widia Limited	0.00	0.00
5 Shares (Previous Year 5) of ₹ 10/- of Kirloskar Industries Limited	0.00	0.00
75 Shares (Previous Year 75) of ₹ 2/- of Kirloskar Oil Engines Limited	0.00	0.00
30 Shares (Previous Year 30) of ₹ 2/- of Larsen & Toubro Limited	0.00	0.00
66 Shares (Previous Year 66) of ₹ 5/- of Mahindra & Mahindra Limited	0.00	0.00
1 Share (Previous Year 1) of ₹ 5/- of Maruti Suzuki India Limited	0.00	0.00
200 Shares (Previous Year 200) of ₹ 1/- of Shanthi Gears Limited	0.00	0.00
1 Share (Previous Year 1) of ₹ 2/- of Siemens Limited	0.00	0.00
1 Share (Previous Year 1) of ₹ 10/- of Steel Authority of India Limited	0.00	0.00
30 Shares (Previous Year 30) of ₹ 10/- of Swaraj Engines Limited	0.00	0.00
25 Shares (Previous Year 25) of ₹ 2/- of Tata Motors Limited	0.00	0.00
4 Shares (Previous Year 4) of ₹ 10/- of UltraTech Cement Limited	0.00	0.00
10 Shares (Previous Year 10) of ₹ 10/- of Vesuvias Limited	0.00	0.00
15 Shares (Previous Year 15) of ₹ 10/- of VST Tillers Tractors Limited	0.00	0.00
10 Shares (Previous Year 10) of ₹ 10/- of Wartsila India Limited	0.00	0.00
100 Shares (Previous Year 100) of ₹ 10/- of Wellwind Industry Limited	0.00	0.00
	0	0
	0	0

INFORMATION ON SUBSIDIARY COMPANIES

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
Quoted investments		
- Book value	0.01	0.01
- Market value	0.04	0.03
Unquoted investments		
- Book value	0.25	0.25
Greaves Leasing Finance Limited		
Mutual Funds (Unquoted):		
Nil Units (Previous Year 20,29,272) of ₹ 10/- of Kotak Banking and PSU Debt Fund - Daily Dividend	-	2.04
10,774 Units (Previous Year 1,006 of ₹ 10/-) of ₹ 1,000/- of Peerless Liquid fund- Daily Dividend	-	-
Nil Units (Previous Year 25,302) of ₹ 1,000/- of L086DD SBI Magnum Insta Cash Fund - Daily Dividend	-	4.24
Nil Units (Previous Year 16,376) of ₹ 1,000/- of L072DD SBI Magnum Insta Cash Fund - Daily Dividend	-	1.64
Nil Units (Previous Year 50,00,000) of ₹ 10/- of SBI Debt Fund Series	-	5.00
Nil Units (Previous Year 29,99,910) of ₹ 10/- of ICICI Prudential Mutual Fund	-	3.00
Nil Units (Previous Year 30,00,000) of ₹ 10/- of Reliance Fixed Horizon Fund	-	3.00
Nil Units (Previous Year 22,50,000) of ₹ 10/- of Axis Fixed Term Plan	-	2.25
Nil Units (Previous Year 50,00,000) of ₹ 10/- of IDFC Fixed Term Plan	-	5.00
22,901 Units (Previous Year Nil) of ₹ 1,000/- of SBI Magnum Insta Cash Fund Liquid Floater- Regular Plan	2.31	-
47,569 Units (Previous Year Nil) of ₹ 1,000/- Religare Invesco Credit Opportunity Fund - Daily Dividend	4.76	-
3,76,563 Units (Previous Year Nil) of ₹ 10/- Franklin India Low Duration -Growth	0.58	-
1,75,812 Units (Previous Year Nil) of ₹ 10/- L & T Short Term Opportunity Fund- Growth	0.24	-
2,619 Units (Previous Year Nil) of ₹ 1,500/- Reliance Liquid Fund Treasury Plan - Daily Dividend Option	0.39	-
	8.27	26.17
Dee Greaves Limited		
20,183.506 Units {(Previous Year 19,956.732 (Units))} of ICICI Prudential Money Market Fund - Regular Plan - Daily Dividend	0.20	0.20
	8.47	26.37
Current Investments		
- Book value	8.47	26.37

INDEPENDENT AUDITOR'S REPORT

To the Members of Greaves Cotton Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Greaves Cotton Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2015, 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.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") 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, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors of the subsidiaries included in the Group, are responsible for 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. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiaries which are incorporated in India, are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. 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 judgment, 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 internal financial controls relevant to the Holding Company's preparation 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 whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9(a) of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. In our opinion and to the best of our 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 of the subsidiary as noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

9. (a) We did not audit the financial statements of one subsidiary, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 5.32 crore as at 31 March 2015, total revenues (after eliminating intra-group transactions) of ₹ 17.85 crore and net cash flows amounting to ₹ 1.08 crore for the year ended on that date. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on the comments in the auditor's reports of the subsidiary companies, incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, as applicable to such companies.
11. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - The reports on the accounts of the branch offices of the Holding Company audited under Section 143 (8) of the Act by branch auditors have been sent to us, and have been properly dealt with in preparing this report;
 - The consolidated financial statements dealt with by

this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);
- On the basis of the written representations received from the directors of the Holding Company as at 31 March 2015 taken on record by the Board of Directors of the Holding Company and the reports on the subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as at 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - as detailed in Note 22, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Khushroo B. Panthaky
Partner
Membership No.: 42423
Place: Mumbai
Date: 06 May 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

of even date to the members of Greaves Cotton Limited, on the consolidated financial statements for the year ended 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the consolidated financial statements of the Holding Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and based on the comments in the auditor's reports of the subsidiary companies incorporated in India, we report that:

- (i) (a) The Holding Company and its subsidiaries incorporated in India are maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the respective Managements of the Holding Company and its subsidiaries incorporated in India according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the aforesaid Holding Company and its subsidiaries incorporated in India and the nature of their assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the respective Managements of the aforesaid Holding Company and its subsidiaries incorporated in India, during the year and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory, where applicable, excluding stocks of the Holding Company lying with third parties and goods in transit of the Holding Company, has been physically verified by the respective Managements of the Holding Company and its subsidiaries incorporated in India during the year. In respect of stocks of the aforesaid Holding Company lying with third parties at the year-end, written confirmations have been obtained from such third parties.
- (b) In our opinion, the procedures of physical verification of inventory, where applicable, followed by the respective Managements of the Holding Company and its subsidiaries incorporated in India are reasonable and adequate in relation to the size of the aforesaid Holding Company and its subsidiaries and the nature of their respective businesses.
- (c) The Holding Company and its subsidiaries incorporated in India are maintaining proper records of inventory, where applicable and material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- iii. The Holding Company and its subsidiaries incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- iv. In our opinion, there is an adequate internal control system commensurate with the size of the Holding Company and its subsidiaries incorporated in India and the nature of their businesses for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- v. In our opinion, the Holding Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, 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, in this regard. The subsidiaries incorporated in India have not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to these subsidiaries.
- vi. We have broadly reviewed the books of account maintained by the Holding Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Holding Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of products/ services of subsidiaries incorporated in India. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to these subsidiary companies.
- vii. (a) The Holding Company and its subsidiaries incorporated in India are regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable in respect of the Holding Company are as follows:

Name of the statute	Nature of dues	Amount (₹ crore)	Period to which the amount relates	Due date	Date of Payment
Mumbai Gram Panchayat Act, 1958	Municipal Tax	0.33	FY 2010-11 to FY 2014-15	12 June 2014	Not yet paid

- (b) There are no dues of subsidiaries incorporated in India, in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute. The dues of the Holding Company outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ crore)	Amount Paid Under Protest (₹ crore)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Central Sales Tax Act, 1956 and Local Sales Tax Acts	Non submission of forms, interest and other matters	0.62	-	2007-08 2008-09 2009-10 2010-11 2011-12	Supreme Court
		0.30	-	2001-02	High Court
		0.10	-	1998-99 2007-08	Revision Board
		1.46	0.45	1995-96 1998-99 1999-00 2000-01 2001-02 2002-03 2003-04 2004-05 2005-06 2006-07	Appellate Tribunal
		8.56	3.20	1999-00 2000-01 2003-04 2006-07 2007-08 2008-09 2009-10 2010-11 2012-13	Assistant/ Joint / Additional / Deputy Commissioner of Sales Tax
Octroi Rules, 2001	Demand based on rate difference	0.73	0.61	1999-00 2005-06	Civil Judge -Senior Division - Pune (District Court)
Central Excise Act, 1944	Disallowance of input credit and consequent penalty	1.07	0.02	2006-07 2007-08 2008-09 2009-10 2010-11 2011-12	Appellate Tribunal
		1.14	0.02	1990-91 1998-99 2010-11 2011-12 2012-13 2013-14	Commissioner (Appeals)

Name of the statute	Nature of dues	Amount (₹ crore)	Amount Paid Under Protest (₹ crore)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
		0.93	-	1996-97 2013-14	Commissioner
		0.72	-	2009-10 2010-11 2011-12 2014-15	Additional Commissioner
		0.08	-	2012-13	Deputy Commissioner
Income Tax Act, 1961	Minimum Alternate Tax	3.18	3.18	2003-04	Income Tax
				2004-05	Appellate Tribunal
				2005-06	
	Income Tax	7.80	7.80	2006-07	Income Tax
				2007-08	Appellate Tribunal
				2008-09 2009-10	

- (c) The amount required to be transferred to Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India have been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. In our opinion, the Holding Company and its subsidiaries incorporated in India have no accumulated losses at the end of the financial year and they have not incurred cash losses in the current and the immediately preceding financial year.
- ix. The Holding Company and its subsidiaries incorporated in India have not defaulted in repayment of dues to any bank or financial institution during the year. The Holding Company and its subsidiaries incorporated in India did not have any outstanding debentures during the year.
- x. The Holding Company and its subsidiaries incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the aforesaid Holding Company and its subsidiaries.
- xi. The Holding Company and its subsidiaries incorporated in India have applied the term loans, where applicable for the purpose for which these loans were obtained.
- xii. No fraud on or by the Holding Company and its subsidiaries incorporated in India have been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Co LLP**

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Khushroo B. Panthaky**

Partner

Membership No.: 42423

Place: Mumbai

Date: 06 May 2015

CONSOLIDATED BALANCE SHEET

		₹ Crore	
	Note No.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES:			
1. SHAREHOLDERS' FUNDS:			
(a) Share Capital	3	48.84	48.84
(b) Reserves and Surplus	4	774.23	770.74
		823.07	819.58
2. NON CURRENT LIABILITIES:			
(a) Long-Term Borrowings	5	-	0.02
(b) Deferred Tax Liabilities (Net)	6	12.58	33.36
(c) Other Long-Term Liabilities	7	4.01	3.95
(d) Long-Term Provisions	8	10.38	12.95
		26.97	50.28
3. CURRENT LIABILITIES:			
(a) Trade Payables	9	145.10	186.45
(b) Other Current Liabilities	10	75.41	66.59
(c) Short-Term Provisions	11	90.12	80.24
		310.63	333.28
TOTAL		1,160.67	1,203.14
II. ASSETS:			
1. NON-CURRENT ASSETS:			
(a) Fixed Assets:	12		
(i) Tangible Assets		311.35	351.53
(ii) Intangible Assets		14.97	18.92
(iii) Capital Work-in-progress		8.39	5.10
(iv) Intangible assets under development		-	0.23
		334.71	375.78
(b) Non-Current Investments	13	0.01	0.01
(c) Long-Term Loans and Advances	14	23.82	26.99
(d) Other Non-Current Assets	15	1.84	1.68
		360.38	404.46
2. CURRENT ASSETS :			
(a) Current Investments	16	317.51	180.71
(b) Inventories	17	106.44	162.91
(c) Trade Receivables	18	231.41	325.57
(d) Cash and Cash Equivalents	19	35.76	34.20
(e) Short -Term Loans and Advances	20	87.64	93.59
(f) Other Current Assets	21	21.53	1.70
		800.29	798.68
TOTAL		1,160.67	1,203.14
The Notes are an integral part of these financial statements		1 to 43	

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Narayan Barasia
Chief Financial Officer

Monica Chopra
Executive Director - Legal &
Company Secretary

Mumbai
6th May 2015

For and on behalf of the Board

Navneet Singh
Director

Sunil Pahilajani
Managing Director & CEO

Mumbai
6th May 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

			₹ Crore
	Note No.	Year Ended 31.03.2015	Year Ended 31.03.2014
INCOME			
Revenue from Operations (Gross)	24	1,865.02	1,931.91
Less: Excise duty		167.31	195.97
Revenue from Operations (Net)		1,697.71	1,735.94
Other Income	25	24.92	28.99
TOTAL REVENUE		1,722.63	1,764.93
EXPENDITURE			
Cost of Materials Consumed	26	1,064.53	1,117.32
Purchase of Stock-in-Trade	27	62.07	65.78
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	28	24.24	8.41
Employee Benefits Expense	29	163.66	172.11
Finance Costs	30	2.37	4.93
Depreciation and Amortisation Expense	31	47.69	44.71
Less: Transferred from Revaluation Reserve		0.04	0.07
Other Expenses	32	184.12	184.60
		1,548.64	1,597.79
Profit Before Exceptional Items and Tax		173.99	167.14
Less / (Add): Exceptional Items	33	63.04	(7.95)
Profit Before Tax		110.95	175.09
Tax Expense:			
Current Tax		44.23	47.51
Tax Adjustment in respect of earlier years		(0.02)	5.54
Deferred Tax		(16.89)	(1.36)
		27.32	51.69
Profit for the year		83.63	123.40
Profit/ (Loss) from continuing operations before tax		191.38	200.99
Tax Charge / (Credit)		52.21	60.51
Profit/ (Loss) from continuing operations after tax		139.17	140.48
Profit/ (Loss) from discontinuing operations before tax	34	(80.43)	(25.90)
Tax Charge / (Credit)	34	(24.89)	(8.82)
Profit/ (Loss) from discontinuing operations after tax	34	(55.54)	(17.08)
Earnings per share from Continuing Operation (Face Value of ₹ 2/- per share)	40		
(i) Basic		7.84	8.23
(ii) Diluted		7.84	8.23
Earnings per share derived from total profit for the year (Face Value of ₹ 2/- per share)	40		
(i) Basic		3.42	5.05
(ii) Diluted		3.42	5.05
The Notes are an integral part of these financial statements	1 to 43		

As per our report of even date attached

For **Walker Chandiok & Co LLP**
 (Formerly Walker, Chandiok & Co)
 Chartered Accountants

Khushroo B. Panthaky
 Partner

Narayan Barasia
 Chief Financial Officer

Monica Chopra
 Executive Director - Legal &
 Company Secretary

Mumbai
 6th May 2015

For and on behalf of the Board

Navneet Singh
 Director

Sunil Pahilajani
 Managing Director & CEO

Mumbai
 6th May 2015

CONSOLIDATED CASH FLOW STATEMENT

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	110.95	175.09
Adjustment for:		
Provision / write off of Advances/ Receivables	11.20	-
Depreciation / Amortisation	47.65	44.64
Impairment of Assets	8.08	2.60
Foreign currency translation difference	(0.11)	0.09
(Profit)/ loss on sale of land and building	-	(36.33)
Loss on divestment in subsidiary	-	23.06
(Profit)/ loss on sale of investments	(0.66)	(2.64)
Interest income	(1.44)	(1.34)
Finance costs	2.37	4.93
(Profit) / Loss on sale of fixed assets (net)	1.97	(3.50)
Dividend from investments	(15.96)	(7.33)
Unrealised (gain)/ loss on exchange fluctuation	0.01	0.26
Operating profit before working capital changes	164.06	199.53
Adjustment for:		
(Increase) / decrease in inventories	56.47	17.31
(Increase) / decrease in trade receivables	89.57	39.27
(Increase) / decrease in other receivables	(1.20)	4.71
Increase / (decrease) in trade payables / provisions	(39.70)	(47.18)
Cash from operating activities	269.20	213.64
Direct taxes refunded / (paid) (net)	(44.10)	(58.17)
Net cash from operating activities	225.10	155.47
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(55.29)	(52.87)
Sale of fixed assets	11.19	45.01
Loss on divestment in subsidiary	-	(23.06)
(Purchase) / sale / (reinvestment) of current investments (net)	(136.14)	(106.98)
Redemption of Investments	-	20.75
Dividend received from investment	15.96	7.33
Interest received	0.25	1.49
Net cash used in investing activities	(164.03)	(108.33)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(0.10)	(0.13)
Increase / (decrease) in short term borrowings (net)	-	(15.81)
Finance Costs	(2.37)	(4.94)
Dividend (including dividend tax) paid	(57.04)	(34.30)
Net cash used in financing activities	(59.51)	(55.18)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1.56	(8.04)
Cash and cash equivalents as at the beginning of the year	34.20	42.24
Cash and cash equivalents as at the end of the year	35.76	34.20

CONSOLIDATED CASH FLOW STATEMENT

Notes on cash flow statement:

- 1 Cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3: Cash Flow Statements
- 2 Purchase of fixed assets includes movement of capital work-in-progress during the year.
- 3 Cash and cash equivalents represent cash and cash equivalents as per Note 19.
- 4 Previous Year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Narayan Barasia
Chief Financial Officer

Monica Chopra
Executive Director - Legal &
Company Secretary

For and on behalf of the Board

Navneet Singh
Director

Sunil Pahilajani
Managing Director & CEO

Mumbai
6th May 2015

Mumbai
6th May 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

1 General Information:

Greaves Cotton Limited (the 'Company') is engaged in manufacturing of engines and engine applications and trading of power tillers, spares related to engines and construction equipment etc. The Company has manufacturing facilities in the state of Maharashtra and Tamil Nadu. The products are mainly sold in India with some export to Middle East, Africa & South East Asia Region. The Company has one direct and two indirect subsidiaries having operations in India, and Sharjah.

During the year, the Company discontinued its manufacturing operations of Construction Equipment due to non-viability.

2 Summary of Significant Accounting Policies:

2.1 Basis of accounting and preparation of financial statements

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of Companies Act, 2013. These Financial Statements have been prepared under the historical cost convention on accrual basis of accounting. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. However, certain escalation and other claims, which are not ascertainable /acknowledged by customers, are accounted on receipt basis.

The preparation of financial statements in conformity with GAAP requires that the management of the Company make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, provision for inventory obsolescence, impairment of investments, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of products / services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The accounts of the subsidiaries have been prepared in compliance with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard (AS)-21 Consolidated Financial Statements. The CFS comprises the financial statements of Greaves Cotton Limited and its subsidiaries. (Refer Note No. 35 & 36)

2.2 Principles of consolidation

The financial statements have been consolidated on a line-by-line basis by adding together the book value of all like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealised gains/losses on intra-group transactions.

2.3 Inventories

Inventories are valued, after providing for obsolescence, as under:

- Raw materials, stores, spares, packing materials, loose tools and traded goods at weighted average cost or net realisable value, whichever is lower.
- Work-in-progress at lower of weighted average cost including conversion cost or net realisable value.
- Finished goods at lower of weighted average cost including conversion cost and excise duty paid / payable on such goods or net realisable value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

2.4 Depreciation and Amortisation

- a) Tangible assets:
 - i) Depreciation on revalued fixed assets is provided on the re-valued amount derived based on valuation carried out by independent valuers. The depreciation on re-valued portion of the fixed assets is transferred from revaluation reserve to the statement of profit and loss.
 - ii) Depreciation on fixed assets is provided under the straight line method over the useful life of the assets as specified under Part C of Schedule II of Companies Act, 2013 with residual value of 5%. Depreciation is calculated pro-rata from / to the date of addition / deletion.
 - iii) Extra shift depreciation is provided on location basis.
 - iv) Leasehold land is amortised over the primary period of the lease.
 - v) Leasehold building improvements are written off over the period of lease or their estimated useful life, whichever is lower, on a straight line basis.
- b) Intangible assets:
 - i) Technical know-how acquired during and after the year 2001 is amortised over a period of five years.
 - ii) Computer software is amortised over a period of four years.
 - iii) Goodwill acquired/arising on consolidation is amortised over a period of seven / ten years respectively.

2.5 Research and Development

Revenue expenditure on research and development is charged under respective heads of expenditure in the statement of profit and loss. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

2.6 Revenue Recognition

- a)
 - i) Revenue from sale of products is recognised when all the significant risks and rewards of ownership of the products are passed on to the customers, which is generally on despatch of goods.
 - ii) Revenue in respect of services is recognised when services are performed in accordance with the terms of contract with customers.
- b) Sales include excise duty but exclude Value Added Tax (VAT) and Service Tax.
- c) Revenue from royalty is accrued and recognised, when the specified goods of the supplier are sold by the Company's dealers in accordance with the terms of agreement.
- d) Export incentives are recognised when the right to receive the benefit is established.

2.7 Fixed assets (including capital work in progress)

- a) Tangible assets:

Tangible fixed assets are stated at original cost net of Cenvat availed less accumulated depreciation except in case of certain freehold land and buildings which are stated at revalued amounts as at 31st May, 1987, based on valuation carried out by independent valuers, less accumulated depreciation. Own manufactured assets are capitalised at factory cost. Cost includes inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use. Certain project related direct expenses, incurred at site for the period upto the date of commencement of commercial production are capitalised. (Also refer to accounting policy on borrowing costs referred in note 2.11).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

b) Intangible assets:

Intangible assets are stated at cost of acquisition less amortisation.

c) Capital Work in progress:

Capital work in progress includes cost of equipments and other expenses incidental to its acquisition but which are not yet ready for use.

2.8 Foreign currency transactions

a) The reporting currency of the Company is Indian Rupee.

b) Foreign currency transactions are recorded on initial recognition in the reporting currency of the Company and its subsidiaries using the exchange rates prevailing at the date of the transaction.

c) Monetary assets and Monetary liabilities denominated in foreign currencies (other than those relating to foreign branch) are converted at rate of exchange prevailing on the date of the balance sheet.

d) Exchange differences on settlement / conversion are included in the Statement of profit and loss in the period in which they arise.

e) Foreign exchange differences arising on marking forward contracts to market rates are recognised in the Statement of profit and loss in the period in which they arise and the premium paid / received is accounted as expense / income over the period of the contract.

f) Translations relating to foreign branch are recorded as under:

i) Monetary assets and monetary liabilities are converted at period-end rates as applicable.

ii) Revenue items are translated at the average rate for the period.

iii) All differences arising on translation of foreign currency balances are included in the statement of profit and loss.

g) In respect of subsidiaries, which are consolidated as integral operations, monetary assets and liabilities are converted at the rate of exchange prevailing on the date of the balance sheet. Revenue items are converted at the average of the exchange rates prevailing during the period. Fixed Assets and Investments are converted at the exchange rate on the date of the transaction. The exchange differences arising on consolidation of integral operations is recognised in the statement of profit and loss.

h) In respect of subsidiaries, which are consolidated as non integral operations, assets and liabilities, both monetary and non monetary are converted at the rate of exchange prevailing on the date of the balance sheet. Revenue items are converted at the average of the exchange rates prevailing during the period. The exchange differences arising on consolidation of non integral operations is accumulated in a foreign currency translation reserve until disposal of the net investment.

2.9 Investments

Long term investments are carried at cost after providing for any diminution in value, if such diminution is of a permanent nature.

Current Investments are carried at lower of cost or market value.

2.10 Employee benefits

a) Short Term Employee Benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia etc. are recognised on undiscounted basis in the period in which the employee renders the related service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

b) Post-employment benefits:

- i) Defined contribution plans: The Company's contribution to the state-administered provident fund and employees' pension scheme and the employees' superannuation scheme are defined contribution plans. The contribution paid / payable under the schemes based on a fixed percentage of the eligible employees' salary is recognised during the period in which the employee renders the related service. The Company has no further obligation beyond these contributions.
- ii) Defined benefit plans: The employees' gratuity fund schemes managed by Trusts are the Company's defined benefit plans. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method 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. Actuarial gains and losses are recognised immediately in the Statement of profit and loss. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation, to recognise the obligation on a net basis.

Liability for ex-gratia payments, in respect of employees not eligible under Payment of Gratuity Act 1972, is determined based on actuarial valuation in the same manner as mentioned above.

- iii) Long-term employee benefits: The obligation for long term compensated absences is recognised in the same manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

2.11 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets 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 to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.12 Segment accounting and reporting

- a) Segment accounting and reporting which is done in accordance with the accounting policies of the Company and the guidelines prescribed by Accounting Standard (AS) 17, Segment Reporting, is reported as follows:
 - i) Segment revenue includes sales and other income directly identifiable with/ allocable to the segment including inter-segment revenue.
 - ii) Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result. The expenses, which relate to the Company as a whole and not allocable to segments, are included under "unallocable expenditure".
 - iii) Income which relates to the Company as a whole and not allocable to segments is included in "unallocable income".
 - iv) Segment assets and liabilities include those directly identifiable with 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

2.13 Leases

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of profit and loss on a straight line basis.

2.14 Taxes on income

Tax on income for the current period in respect of the Company is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 of India and based on the expected outcome of assessments / appeals. The provision for tax is adjusted for Minimum Alternate Tax (MAT) paid in earlier years. Tax on income in respect of subsidiaries is determined on the basis of provisions of tax regulations applicable in the respective jurisdictions.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted on the balance sheet date. Deferred tax assets which arise on account of unabsorbed business losses and unabsorbed depreciation are recognised and carried forward only to the extent that management is virtually certain that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each balance sheet date to reassess realisation.

2.15 Impairment of assets

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use determined based on the present value of estimated future cash flows. All impairment losses are recognised in the Statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.16 Provisions, contingent liabilities and contingent assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
3. Share Capital:		
a) Authorised Share Capital:		
25,00,00,000 Equity Shares of ₹ 2/- each (Previous Year 25,00,00,000 Equity Shares of ₹ 2/- each)	50.00	50.00
25,00,000 Redeemable Preference Shares of ₹ 100/- each (Previous Year 25,00,000 of ₹ 100/- each)	25.00	25.00
	75.00	75.00
b) Issued, Subscribed and Paid up:		
24,42,06,795 Equity Shares of ₹ 2/- each (Previous Year 24,42,06,795 Equity Shares of ₹ 2/- each) fully paid	48.84	48.84
	48.84	48.84

Reconciliation of the Share Capital (Equity)	As at 31.03.2015		As at 31.03.2014	
	Number of shares	₹ Crore	Number of shares	₹ Crore
Balance at the beginning of the year	24,42,06,795	48.84	24,42,06,795	48.84
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	24,42,06,795	48.84	24,42,06,795	48.84

c) Shares in the Company held by each shareholder holding more than 5% shares

Name of the shareholder	As at 31.03.2015		As at 31.03.2014	
	Number of shares held in the Company	Percentage of shares held (%)	Number of shares held in the Company	Percentage of shares held (%)
DBH International Private Limited	9,84,69,662	40.32	9,85,37,502	40.35
Reliance Capital Trustee Company Limited	1,43,32,027	5.87	1,37,41,705	5.63
Bharat Starch Products Limited	1,37,75,865	5.64	1,37,75,865	5.64
Karun Carpets Private Limited	1,36,07,199	5.57	1,36,07,199	5.57

d) Terms / Rights attached to equity shares

- The Company has only one class of equity shares having a face value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. Any fresh issue of equity shares shall rank pari-passu with the existing shares.
- In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
4. Reserves & Surplus:		
Capital Reserve:		
As per last Balance Sheet	1.34	1.34
Securities Premium Account:		
As per last Balance Sheet	34.59	34.59
Capital Reserve on consolidation:		
As per last Balance Sheet	0.14	0.14
Revaluation Reserve:		
As per last Balance Sheet	3.95	4.02
Less: Transferred to Statement of Profit and Loss	0.04	0.07
	3.91	3.95
Statutory Reserve:		
As per last Balance Sheet	5.10	4.49
Add: Transferred from Surplus in Statement of Profit and Loss	0.39	0.61
	5.49	5.10
General Reserve:		
As per last Balance Sheet	317.01	292.01
Add: Transferred from Surplus in Statement of Profit and Loss	8.15	25.00
	325.16	317.01
Foreign Currency Translation Reserve:		
As per last Balance Sheet	(0.19)	(0.28)
Add: Addition / (Deduction) during the year	(0.11)	0.09
	(0.30)	(0.19)
Surplus in Statement of Profit and Loss:		
As per last Balance Sheet	408.80	348.15
Less: Transitional adjustment on account of Schedule II to Companies Act, 2013*	7.51	-
Profit for the period	83.63	123.40
Less: Appropriations		
Statutory Reserve	0.39	0.61
Interim Dividend	34.19	17.09
Proposed Final Dividend	26.86	14.65
Tax on Dividend	11.43	5.40
Transfer to General Reserve	8.15	25.00
	403.90	408.80
	774.23	770.74

*Represents the written down value of fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013 as at 1 April 2014. These balances (net of deferred tax benefit of ₹ 3.89 crores) have been adjusted against the opening balance of Retained Earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
5. Long-Term Borrowings:		
Secured:		
Term Loans from :		
Bank	-	0.02
	-	0.02
6. Deferred Tax Liabilities (Net):		
Deferred Tax Liabilities:		
Depreciation / Amortisation*	33.64	41.91
Deferred Tax Assets:		
Provision for Doubtful Debts/ Advances	10.72	4.34
Provision for Compensated Absence	2.07	3.22
Others	8.27	0.99
	21.06	8.55
	12.58	33.36
* Net of deferred tax benefit of ₹ 3.89 crores on write off of written down value of fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013 as at 1 April 2014.		
7. Other Long-Term Liabilities:		
Deposits received from Dealers	4.01	3.95
	4.01	3.95
8. Long-Term Provisions:		
Compensated Absence	5.13	8.04
Gratuity	4.94	4.91
Ex-Gratia	0.31	-
	10.38	12.95
9. Trade Payables:		
Due to Micro, Small & Medium Enterprises	36.39	32.22
Others	108.71	154.23
	145.10	186.45
10. Other Current Liabilities:		
Current Maturities of Long Term Borrowings	-	0.06
Unpaid Dividends *	1.69	1.59
Unclaimed Matured Fixed Deposits *	-	0.02
Advance from Customers	8.01	9.52
Employee Benefits Payable	6.53	6.21
Statutory Dues Including Provident Fund and Tax Deducted at Source	7.58	6.43
Capital Creditors	5.18	3.26
Provision for expenses	46.42	39.50
	75.41	66.59

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31 March, 2015 as per the Companies Act, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
11. Short-Term Provisions:		
Provision for Employee Benefits:		
Compensated Absence	0.84	1.43
Others - Provision for Bonus, Commission etc.	5.46	5.68
Other Provisions :		
Warranty	7.10	8.48
Provision for Tax (Current Year)	44.24	47.51
Proposed Dividend	26.86	14.65
Provision for Tax on Dividend	5.62	2.49
	90.12	80.24

Disclosure as required by Accounting Standard (AS)-29 'Provisions, Contingent Liabilities and Contingent Assets'

Movement of Provision: Warranty		
Balance as at the beginning of the year	8.48	9.46
Additional provision made during the year	8.16	9.05
Amount used during the year	9.54	10.03
Balance at the end of the year	7.10	8.48

The Company gives warranties for its products undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made at the year end represents the amount of expected cost of meeting such obligations of rectification / replacement. The timing of the outflows is expected to be within a period of eighteen months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

12. Fixed Assets:

GROSS BLOCK					DEPRECIATION					NET BLOCK		₹ Crore
1st April 2014	Additions	Disposals / Adjustments	Assets Held for Sale*	31st March 2015	1st April 2014	For the Year	Adjustments **	Disposals	Assets Held for Sale*	31st March 2015	31st March 2014	
TANGIBLE ASSETS												
Freehold Land	3.44	-	-	-	3.44	-	-	-	-	-	3.44	3.44
Leasehold Land	21.78	-	-	1.39	20.39	1.17	0.22	-	0.15	1.24	19.15	20.61
Freehold Building	127.44	4.28	0.11	29.01	102.60	24.76	3.86	1.78	0.05	23.42	79.18	102.68
Leasehold Building	0.25	-	-	-	0.25	0.24	-	-	-	0.24	0.01	0.01
Plant and Equipment	410.27	42.26	20.73	6.01	425.79	199.31	35.52	9.27	10.12	231.24	194.55	210.96
Office Equipment	5.69	0.81	0.19	0.35	5.96	3.07	0.84	0.05	0.21	3.57	2.39	2.62
Furniture and Fixture	21.25	1.49	0.73	0.18	21.83	12.28	1.24	0.30	0.57	13.12	8.71	8.97
Vehicles	5.28	0.18	2.49	-	2.97	3.04	0.50	-	1.78	1.76	1.21	2.24
Leasehold Improvement	-	3.07	-	-	3.07	-	0.36	-	-	0.36	2.71	-
Total (A)	595.40	52.09	24.25	36.94	586.30	243.87	42.54	11.40	12.73	274.95	311.35	-
31st March 2014	581.16	35.63	13.21	8.18	595.40	216.00	39.86	-	10.67	243.87	-	351.53
Capital work-in-progress												
INTANGIBLE ASSETS												
Goodwill	0.33	-	-	-	0.33	0.10	0.03	-	-	0.13	0.20	0.23
Technical Know-how	19.73	0.74	2.03	2.65	15.79	6.51	2.79	-	0.65	6.00	9.79	13.22
Computer software	20.52	1.86	0.02	0.67	21.69	15.05	2.33	-	0.01	16.71	4.98	5.47
Total (B)	40.58	2.60	2.05	3.32	37.81	21.66	5.15	-	0.66	22.84	14.97	18.92
31st March 2014	40.59	15.76	15.77	-	40.58	32.56	4.85	-	15.75	21.66	-	-
Intangible Assets Under Development												
TOTAL Including Capital work-in-progress & Intangible Assets Under Development (C)												
635.98	54.69	26.30	40.26	624.11	265.53	47.69	11.40	13.39	13.44	297.79	334.71	-
621.75	51.39	28.98	8.18	635.98	248.56	44.71	-	26.42	1.32	265.53	-	375.78

NOTES:

(i) Net block of Freehold Land and Building includes ₹ 3.91 crore (Previous Period ₹ 3.95 crore) added on revaluation as on 31 May 1987.

(iii) Freehold Building includes ₹ 5.94 crore (Previous Period ₹ 6.05 crore) towards cost of ownership flats in Co-operative Housing Societies / Condominium and cost of 5 shares (Previous Period 10 shares) of ₹ 50/- each.

(iii) *Represents the assets of dis-continued manufacturing operations of Construction Equipment (Infrastructure) Business referred to in note no. 34, which are identified by management as 'Assets held for sale'.

(IV) **Represents the written down value of fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013 as at 1 April 2014. These balances (net of deferred tax benefit of ₹ 3.89 crores) have been adjusted against the opening balance of Retained Earnings.

(V) For disposal of Technical know how, refer Note 33(c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
13. Non-Current Investments: (Long Term)		
Other Investments (quoted): (at Cost)		
Fully Paid Equity Shares	0.01	0.01
	0.01	0.01
Aggregate amount of quoted investments	0.01	0.01
Market Value of quoted investments	0.04	0.03
14. Long-Term Loans and Advances:		
Unsecured, considered good (unless otherwise stated):		
Capital Advances	3.07	9.69
Security Deposits	5.88	8.50
Advance Income Tax {Net of Provisions of ₹ 353.53 crore (Previous Year ₹ 306.29 crore)}	12.82	6.76
Advances recoverable in cash or in kind or for value to be received:		
Considered good	2.05	2.04
Considered doubtful	4.00	3.50
Less: Provision for doubtful advances	4.00	3.50
	-	-
	23.82	26.99
15. Other Non-Current Assets:		
Margin Money Deposits with banks	1.84	1.68
	1.84	1.68
16. Current Investments:		
a) Mutual Funds (unquoted) : At cost or market value, whichever is less	292.51	180.71
b) Fixed Deposit with Financial Institutions	25.00	-
	317.51	180.71
Aggregate amount of unquoted Investments	317.51	180.71
17. Inventories:		
Stores and Spares	2.64	3.85
Loose Tools	4.11	4.24
Raw & Packing Materials {Including In-Transit ₹ 3.96 crore, (Previous Year ₹ 0.70 crore)}	47.27	78.16
Work-in-progress	5.92	14.83
Finished Goods	35.70	45.86
Stock-in-Trade {Including In-Transit ₹ 0.01 crore, (Previous Year ₹ 2.64 crore) }	10.80	15.97
	106.44	162.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
17. Inventories: (Contd.)		
Details of Inventory:		
a) Work-in-progress:		
Engines and Gensets, Spares	5.79	5.06
Vibratory Compactors, Rollers, High Pressure Pumps, Transit Mixers and Spares	-	9.62
Power Tillers	0.13	0.15
	5.92	14.83
b) Finished Goods: *		
Engines and Gensets, Spares	26.97	31.51
Vibratory Compactors, Rollers, High Pressure Pumps, Transit Mixers and Spares	3.48	6.35
Power Tillers	0.48	1.29
Others	4.77	6.71
	35.70	45.86
c) Stock-in-Trade: *		
Power Tillers	1.33	1.53
Motor Graders, Milling Machines and Pavers	0.04	2.54
Lubricant Oil	0.06	0.05
Others	9.37	11.85
	10.80	15.97
* Traded Spares and goods have been identified to the extent information was available with the Company.		
18. Trade Receivables:(unsecured)		
Outstanding for a period exceeding six months from the date they became due		
Considered good	9.78	30.38
Considered doubtful	26.92	9.55
Less: Provision for Doubtful Debts	26.92	9.55
	-	-
Others	221.63	295.19
	231.41	325.57
19. Cash and Cash Equivalents:		
Cash on hand	0.04	0.05
Cheques on hand	8.52	10.06
Bank balance :		
In Current Accounts	5.51	17.50
In Fixed Deposits	20.00	5.00
In Unpaid Dividend Accounts	1.69	1.59
	35.76	34.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	As at 31.03.2015	As at 31.03.2014
20. Short Term Loans and Advances: (Unsecured, Considered good)		
Other Loans and Advances		
Advance Income Tax (Current Year)	43.51	52.95
Prepaid Expenses	1.46	1.69
Others	18.35	18.07
Balances with Customs, Port Trust, Central Excise etc.	24.32	20.88
	87.64	93.59
21. Other Current Assets:		
Unsecured, Considered Good:		
Interest Accrued on Deposits	1.19	-
Unamortised Expense:		
Unamortised Premium on Forward Contract	0.19	0.04
Assets held for Sale	26.82	4.26
Less: Impairment Loss	(6.67)	(2.60)
	20.15	1.66
	21.53	1.70
22. Contingent Liabilities:		
a) Sales Tax liability that may arise in respect of matters in appeal	11.04	5.40
b) Sales Tax Liability that may arise on account of uncollected 'C' Forms	4.90	5.50
c) Excise Duty liability that may arise in respect of matters in appeal	3.94	3.39
d) Claims made against the group, not acknowledged as debts	45.55	35.90
e) Bonds executed in favour of Collector of Customs/Central Excise	11.79	11.44
f) Wage demand not acknowledged by the Company in respect of matter in appeal	1.43	0.76
Notes:		
1) The Group does not expect any reimbursement in respect of the above contingent liabilities.		
2) It is not practical to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) and (f) above, pending resolution of the appellate proceedings.		
23. Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	30.78	19.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
24. Revenue from Operations:		
Sale of Products		
Finished Goods	1,749.23	1,840.35
Service Income	1.58	1.80
Stock-in-Trade	110.23	80.31
Other Operating Income		
Royalty	2.23	3.03
Duty Drawback	1.75	1.11
Others	-	5.31
	1,865.02	1,931.91
Details of Sales: (Finished Goods)		
Engines, Gensets, Agro Products and Spares	1,702.67	1,717.32
Vibratory Compactors, Rollers, High Pressure Pumps, Transit Mixers and Spares	46.56	123.03
	1,749.23	1,840.35
Details of Sales: (Stock-in-Trade) *		
Power Tillers	36.68	41.00
Motor Graders, Milling Machines and Pavers	2.98	9.92
Lubricant Oil	7.64	8.44
Others	62.93	20.95
	110.23	80.31
* Traded Spares and goods have been identified to the extent information was available with the Company.		
25. Other Income:		
Dividend- Non Current Investments	-	1.93
Dividend- Current Investments	15.96	5.40
Interest -Others	1.44	1.34
Profit on sale of Fixed Assets (net)	0.03	3.50
Profit on sale of Current Investments	0.66	2.64
Scrap Sales	3.50	2.57
Miscellaneous Income	3.33	11.61
	24.92	28.99
26. Cost of Materials Consumed:		
Raw & Packing Materials and Components Consumed :		
Opening Inventory	78.16	87.28
Add : Purchases	1,033.64	1,108.20
	1,111.80	1,195.48
Less : Closing Inventory	47.27	78.16
	1,064.53	1,117.32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
27. Purchase of Stock-in-Trade:		
Power Tillers	24.53	29.35
Motor Graders, Milling Machines & Pavers	-	7.56
Lubricant Oil	4.31	4.47
Others	33.23	24.40
	62.07	65.78
28. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade:		
(Increase) / Decrease in Inventory		
Closing Inventory		
Work-In-progress	5.92	14.83
Finished Goods	35.70	45.86
Stock-in-Trade	10.80	15.97
	52.42	76.66
Opening Inventory		
Work-In-progress	14.83	22.47
Finished Goods	45.86	51.13
Stock-in-Trade	15.97	11.47
	76.66	85.07
	24.24	8.41
29. Employee Benefits Expense:		
Salaries, Wages and Bonus	134.83	143.89
Contribution to Provident, Gratuity, Superannuation and other Funds	16.69	16.18
Staff Welfare	12.14	12.04
	163.66	172.11

Disclosure as required by Accounting Standard (AS)-15 (Revised) 'Employee Benefits':

1. Defined Contribution Plans:

The amount recognised as an expense during the year ended 31st March 2015 towards Provident Fund (including admin charges), ESIC contribution and Superannuation (including pension fund) is ₹ 7.06 crores (Previous Year ₹ 7.34 crores), ₹ 0.31 crore (Previous Year ₹ 0.45 crore) and ₹ 3.65 crore (Previous Year ₹ 3.62 crore) respectively.

2. Defined Benefit Plans:

A) Gratuity:

The Company has a defined benefit plan (the 'Gratuity Plan'), managed by trusts. The Gratuity Plan provides for a lump sum payment to vested employees at retirement or termination of employment, whichever is earlier, based on the respective employee's last drawn salary and years of employment with the Company. The benefit vests after five years of continued service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	Year Ended 31.03.2015 Wholly Funded	Year Ended 31.03.2014 Wholly Funded
a) Amounts recognised in Balance Sheet:		
i) Present Value of Defined Benefits obligations	34.29	31.44
Less: Fair value of Plan Assets	29.82	26.88
Amount to be recognised as Liability / (Assets)	4.47	4.56
ii) Amounts reflected in the Balance Sheet		
Liabilities	4.47	4.56
Net Liabilities / (Assets)	4.47	4.56
b) Amounts recognised in Statement of Profit and Loss		
i) Current Service Cost	1.79	1.66
ii) Settlement Cost	0.12	-
iii) Interest Cost	2.66	2.19
iv) Expected (Return) on Plan Assets	(2.26)	(2.09)
v) Actuarial losses/(gains)	2.16	2.70
Total Expense	4.47	4.46
c) Actual Return on Plan Assets	3.37	1.12
d) The changes in the present value of Defined Benefits Obligations representing reconciliation of opening and closing balances thereof are as follows:		
i) Opening balance of the present value of Defined Benefits Obligations	31.44	29.79
ii) Add: Current Service Cost	1.79	1.66
iii) Add: Settlement Cost	0.12	-
iv) Add: Interest Cost	2.66	2.19
v) Add: Actuarial (Gain)/Losses	3.26	1.95
vi) (Less): Benefits paid during the year	(4.98)	(4.15)
vii) Closing balance of the present value of Defined Benefits Obligations	34.29	31.44
e) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:		
i) Opening balance of the fair value of Plan Assets	26.88	23.69
ii) Add: Expected Return on Plan Assets	2.26	2.09
iii) Add: Actuarial Gain/(Losses)	1.10	(0.75)
iv) Add: Contribution by the employer	4.56	6.00
v) (Less): Benefits paid during the year	(4.98)	(4.15)
vi) Closing balance of Plan Assets	29.82	26.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	31.03.2011	31.03.2012	31.03.2013	31.03.2014	₹ Crore 31.03.2015
f) Experience History					
i) Defined Benefit Obligation at end of the period	(24.14)	(27.81)	(29.79)	(31.44)	(34.29)
ii) Plan Assets at end of the period	20.21	23.48	23.69	26.88	29.82
iii) Funded Status	(3.94)	(4.33)	(6.10)	(4.56)	(4.47)
iv) Experience Gain/(Loss) adjustments on plan liabilities	(3.19)	(2.07)	(2.16)	(2.35)	(1.16)
v) Experience Gain/(Loss) adjustments on plan assets	(0.22)	0.30	0.70	(0.75)	1.10
vi) Actuarial Gain/(Loss) due to change on assumptions	(0.26)	0.45	(3.08)	0.40	(2.10)

	Year Ended 31.03.2015 Wholly Funded	Year Ended 31.03.2014 Wholly Funded
g) The major categories of plan assets as a percentage of total plan assets are as follows:		
i) Bank Deposits	0.34%	0.82%
ii) Government Securities	0.64%	0.72%
iii) Group Gratuity Scheme of Insurance Companies	98.99%	98.42%
iv) Others	0.03%	0.04%
h) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):		
i) Discount rate per annum	7.80%	9.20%
ii) Expected rate of Return on Plan Assets	8.50%	8.50%
iii) Expected salary increase per annum	6% to 8%	6% to 8%
iv) Average past service of employees	12 Years	13 Years
v) Attrition rate	Age Rate	Age Rate
	Up to 30 25%	Up to 30 25%
	30-34 15%	30-34 15%
	35-44 10%	35-44 10%
	45 and above 5%	45 and above 5%
vi) Mortality rate	Indian Assured Lives Mortality (2006-08) ULT	Indian Assured Lives Mortality (2006-08) ULT

B) Compensated Absence:

The obligation for compensated absences is recognised in the same manner as gratuity and net charge to the Statement of Profit and Loss for the year is ₹ 2.65 crore (Previous Year ₹ 3.15 crore).

C) Retirement Pension Scheme:

For UK branch employees, based on the estimation given by the actuary, the Company has recognised a charge of ₹ 0.58 crore, equivalent to GBP 62,300 (Previous year ₹ Nil crore, equivalent to GBP Nil) towards present value of post retirement pension. The year end balance amounts to ₹ 3.25 crore, equivalent to GBP 3,52,000 (Previous year ₹ 3.35 crore, equivalent to GBP 3,35,800).

Note:

The estimates of future increase in salary, considered in the actuarial valuation, have been derived based on expected inflation, seniority changes, promotion and other relevant factors such as demand in the employment market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
30. Finance Costs:		
Interest	2.19	4.62
Other Borrowing Cost	0.18	0.31
	2.37	4.93
31. Depreciation and Amortisation Expense:		
Depreciation on Tangible Assets	42.54	39.87
Amortisation on Intangible Assets	5.15	4.84
	47.69	44.71
32. Other Expenses:		
Stores and Spares Consumed	8.46	10.60
Power, Fuel and Electricity	16.04	18.38
Repairs and Maintenance		
Building	1.28	1.42
Plant & Equipment	4.43	5.33
Others	2.25	2.44
Brokerage and Commission	5.36	5.22
Rent	12.81	9.30
Insurance	1.75	1.94
Bad Debts	2.49	-
Provision for Doubtful Debts/Advances	15.96	4.76
Rates and Taxes	3.69	2.24
Advertising and Sales Promotion	4.09	6.25
Travelling	15.40	15.46
Loss on Sale of Fixed Assets	1.97	-
Carriage and Freight	22.59	23.80
Directors' Sitting Fees	0.17	0.12
Printing and Stationery	1.13	1.43
Postage, Telephone and Fax	2.86	3.57
Legal, Professional and Consultancy Charges	9.86	14.34
Miscellaneous Expenses	51.53	58.00
	184.12	184.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
33. Exceptional Items:		
a) Employee Separation Compensation (Refer Note 1 below)	6.41	2.72
b) Profit on sale of properties	-	(36.33)
c) Impairment of Assets (Refer Note 2 below)	8.08	2.60
d) Loss on divestment in subsidiary	-	23.06
e) Provision/ write off of Advances/ Receivables (Refer Note 3 below)	11.20	-
f) One time settlement with supplier (Refer Note 3 below)	2.73	-
g) Provision/ write off of Inventory (Refer Note 4 below)	34.62	-
	63.04	(7.95)

Notes:

- 1) Employee Separation Cost: During the year, the management of the Company carried out an exercise of rationalisation of manpower at few locations. It offered separation scheme to the employees and paid compensation for the same. It also includes compensation paid to the employees engaged in manufacturing operations of Construction Equipment on it's discontinuation with effect from 18th September 2014.
- 2) Impairment of Assets: On discontinuation of manufacturing operations of Construction Equipment, the carrying amount of the fixed assets was impaired to bring it to its expected realisable value.
- 3) Provision / write off of advances / receivables & One time settlement with supplier: On discontinuation of manufacturing operations of Construction Equipment, the Company made provision / wrote off the advance given to a supplier for the technology transfer and provided for unrecovered amount of receivables.
- 4) Provision / write off of Inventory:
 - i) On discontinuation of manufacturing operations of Construction Equipment, the unusable inventory was scrapped and necessary loss was provided.
 - ii) During the year, due to change in pollution control norms, the material which was usable exclusively for CPCB I compliant engines became obsolete / slow-moving. Considering the expected consumption, necessary provision was made on the balance inventory.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

34. On 18th September, 2014, the Company discontinued manufacturing operations of Construction Equipment (Infrastructure) due to non-viability and accordingly the related assets are being disposed off.

	₹ Crore	
	Year Ended 31.03.2015	Year Ended 31.03.2014
The following statement shows the revenue and expenses of discontinued operations:		
Revenue	39.03	100.86
Expenses	119.46	126.76
Profit/(Loss) before tax	(80.43)	(25.90)
Tax Charge / (Credit)	(24.89)	(8.82)
Profit/(Loss) after tax	(55.54)	(17.08)
The carrying amounts of total assets and liabilities of discontinued operations are as follows:		
Total Assets	38.87	147.83
Total Liabilities	(10.96)	(34.99)
The net cash flows attributable to the discontinued operations are stated below:		
Operating Activities	(9.64)	(34.72)
Investing Activities	5.97	(8.77)
Financing Activities	4.44	42.89
Net cash inflows / (outflows)	0.77	(0.60)

35. The notes and significant accounting policies to the Consolidated Financial Statment are intended to serve as a guide for better understanding of the Group's financial position and results of operations for the year. In this respect, the Company's management has disclosed such notes and policies, which represent the relevant disclosure. In these notes Greaves Cotton Limited and its subsidiaries are referred to as the "Group".

36. a) The list of subsidiaries included in the consolidated financial statements are as under:

Name of the subsidiary	Country of incorporation	Proportion of Ownership interest as at 31.03.2015
Greaves Leasing Finance Limited	India	100%
Dee Greaves Limited (wholly owned subsidiary of Greaves Leasing Finance Limited)	India	100%
Greaves Auto Limited (Upto 10-04-2014)	India	-
Greaves Cotton Middle East (FZC) (Formerly known as Ascot International (FZC)) (*10% held by Greaves Cotton Limited and 90% held by Greaves Leasing Finance Limited)	UAE	100% *

- b) Goodwill and Capital reserve on consolidation represent the difference between the net worth and the cost of acquisition of subsidiary. Amortisation of Goodwill arising on acquisition of subsidiary amounted to ₹ Nil (Previous Year ₹ 0.03 crore).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

37. Foreign Currency Transactions :

- I. Details of Derivative Instruments & Unhedged Foreign Currency Exposures:
- a) The year end foreign currency exposures that were not hedged by a derivative instrument or otherwise are given below:
- i) Amount receivable in foreign currency on account of the following:

	Year Ended 31.03.2015		Year Ended 31.03.2014	
	Fx	₹ Crore	Fx	₹ Crore
Export of goods and services	\$8,03,113	5.03	\$20,95,997	12.76
	€ 41,802	0.28	€ 949	0.01

- ii) Amounts payable in foreign currency on account of the following:

	Year Ended 31.03.2015		Year Ended 31.03.2014	
	Fx	₹ Crore	Fx	₹ Crore
Import of goods and services	\$47,477	0.30	\$19,22,238	11.55
	€ 39,231	0.26	€ 47,689	0.39
	-	-	£32,363	0.32

- b) Derivative Instruments

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy, approved by the Board of Directors, which provides principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Outstanding Forward Exchange Contracts entered into by the Company as at year end.

No. of Contracts	Year Ended 31.03.2015		No. of Contracts	Year Ended 31.03.2014	
	Fx	₹ Crore Equivalent		Fx	₹ Crore Equivalent
3	\$15,00,000	9.43	16	\$15,62,314	9.57
1	€ 16,47,032	11.41	5	€ 2,30,997	1.99
-	-	-	3	¥ 6,27,28,988	3.88

- II. Exchange difference arising on Foreign currency transactions have been accounted under respective accounts:

			₹ Crore	
			Year Ended 31.03.2015	Year Ended 31.03.2014
Revenue (Note No 24)	{{Gain}/ Loss}		(0.76)	(2.78)
Other Income (Note No. 25)	{{Gain}/ Loss}		-	(1.27)
Consumption (Note No 26 & 27)	{{Gain}/ Loss}		0.19	3.75
Others (Note No. 32)	{{Gain}/ Loss}		3.03	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

38. Segment Reporting

Disclosure as required by Accounting Standard (AS)-17 'Segment Reporting'

PRIMARY SEGMENTS (Business segments):

Particulars	₹ Crore							
	Engines		Infrastructure Equipment*		Others		Total	
	Year Ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2015	Year Ended 31.03.2014	Year Ended 31.03.2015	Year Ended 31.03.2014
Segment revenue (excluding excise duty)	1,617.12	1,590.09	47.83	124.27	32.76	21.86	1,697.71	1,736.22
Inter-segment revenue	-	0.28	-	-	-	-	-	0.28
Total revenue	1,617.12	1,589.81	47.83	124.27	32.76	21.86	1,697.71	1,735.94
Result:								
Segment Result	255.40	259.64	(35.36)	(27.15)	(2.56)	3.96	217.48	236.45
Add / Less : Unallocable Income /(Expenditure) (Net)							(41.12)	(64.38)
Operating Profit							176.36	172.07
Less: Interest expense							(2.37)	(4.93)
Profit before exceptional items							173.99	167.14
Exceptional items :								
Provision / write off of Inventories							(34.62)	-
Provision / write off of Advances/ Receivables							(11.20)	-
Profit on Sale of Properties							-	36.33
One time settlement with supplier							(2.73)	-
Employee Separation Cost							(6.41)	(2.72)
Impairment of Assets							(8.08)	(2.60)
Provision for diminution in value of investment							-	(23.06)
Profit before Tax							110.95	175.09
Less: Provision for tax (Net of adjustment in respect of earlier years)							(44.21)	(53.05)
Add: Deferred tax (charge) / credit							16.89	1.36
Profit after tax							83.63	123.40
Other Information:								
Segment assets	647.71	710.31	48.17	160.45	9.72	7.22	705.60	877.98
Unallocable corporate assets							455.07	325.16
Total assets							1,160.67	1,203.14
Segment liabilities	201.36	222.17	13.54	26.19	2.41	3.87	217.31	252.23
Unallocable corporate liabilities							120.29	131.33
Total liabilities							337.60	383.56
Capital expenditure	51.03	40.55	0.28	3.46	-	0.09		
Depreciation and amortisation	40.85	35.96	4.32	2.91	0.06	0.06		
Non-cash expenses other than depreciation and amortisation	31.45	11.47	39.09	1.14	1.75	-		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

SECONDARY SEGMENTS (Geographical segments)

Particulars	₹ Crore					
	Domestic		Overseas		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
External revenue by location of customers	1,617.72	1,642.49	79.99	93.45	1,697.71	1,735.94
Carrying amount of segment assets by location of assets	681.89	842.18	23.71	35.80	705.60	877.98
Cost incurred on acquisition of tangible and intangible fixed assets	51.31	44.01	-	0.09	51.31	44.10

Segment Identification, Reportable Segments and Segment Composition:

Segment Identification:

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

Reportable Segments:

Reportable segments have been identified as per the quantitative criteria specified in Accounting Standard (AS)-17: 'Segment Reporting'

Segment Composition:

1. Engines include Agro products and Gensets.
2. Infrastructure Equipment comprises of equipment used in road construction, bridges, dams, mining, etc.
3. Others includes products traded by International and After Market Business.

Primary / secondary Segment:

1. The risk-return profile of the Company's business is determined predominantly by the nature of its products and services. Accordingly, the business segments constitute the primary segments for disclosure of segment information.
2. In respect of secondary segment information, the Company has identified its geographical segments as (i) Domestic and (ii) Overseas.

The expenses and income which are not directly attributable to the business segments are shown as unallocable income/ expenditure. Unallocable assets mainly comprise of investments, cash and bank balances, advance tax and unallocable liabilities mainly include loan funds, tax provisions and provisions for employee retirement benefits.

* Infrastructure Segment includes Discontinued Operations and After market business relating to Infrastructure business. For details on discontinued operations refer note 34.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

39. Details of Related party transactions

Disclosures as required by Accounting Standard (AS)-18 'Related Party Disclosures'

I. Relationships with Related Party:

A) List of related parties : Associate Companies

Name of the Related Party	Relationship	Transaction during the year
Bharat Starch Products Limited	Associate Company	No
DBH Consulting Limited	Associate Company	No
DBH Global Holdings Limited	Associate Company	No
DBH International Private Limited	Associate Company	No
DBH Investments Private Limited	Associate Company	No
DBH Stephan Limited	Associate Company	No
English Indian Clays Limited	Associate Company	No
Karun Carpets Private Limited	Associate Company	No
Pembril Industrial & Engineering Company Private Limited	Associate Company	No
Premium Stephan BV, Netherlands	Associate Company	No
Premium Transmission Cooperatie UA	Associate Company	No
Premium Transmission Limited	Associate Company	Yes

B) Key Management Personnel :

Mr. Sunil Pahilajani - Managing Director & CEO

Mr. Narayan Barasia - Chief Financial Officer

Ms. Monica Chopra - Executive Director - Legal & Company Secretary

C) Mr. Karan Thapar, Chairman

II. Disclosure of related party transactions

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

		₹ Crore	
SI No.		2014-15	2013-14
1	Purchase of goods Premium Transmission Limited	-	0.06
2	Sale of goods and contract revenue Premium Transmission Limited	0.03	-
3	Rendering of Services/ Reimbursement of expenses Premium Transmission Limited	0.25	0.96
4	Commission and Sitting Fees Mr. Karan Thapar	1.30	1.27
5	Redemption of Investments Premium Transmission Limited	-	20.75
6	Dividend Received Premium Transmission Limited	-	1.93
7	Loan / Deposit Returned Premium Transmission Limited	-	20.00

III. Amount Due to / from related parties

		₹ Crore	
SI No.		2014-15	2013-14
1	Trade Receivables Premium Transmission Limited	0.04	0.38
2	Trade Payables Premium Transmission Limited	0.12	0.12

No amounts are written off / written back during the year.

Transactions when rounded off are lower than ₹ 1 lac, are not disclosed in the above details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2015

IV. Key Management Personnel (KMP):

Transactions	₹ Crore	
	2014-15	2013-14
Remuneration to Managing Director & CEO	2.09	2.22
Remuneration to Chief Financial Officer	1.03	0.72
Remuneration to Executive Director - Legal & Company Secretary	0.83	0.77

40. Disclosure as required by Accounting Standard (AS) - 20 'Earnings per share' (EPS)

		Year Ended 31.03.2015	Year Ended 31.03.2014
a) From continuing operations			
Basic EPS			
Weighted average number of shares issued of ₹ 2/- each (A)		24,42,06,795	24,42,06,795
Profit for the year after tax from continuing operations (₹ crore) (B)		191.38	200.99
Basic EPS (₹) (B / A)		7.84	8.23
Diluted EPS			
Weighted average number of shares issued of ₹ 2/- each (C)		24,42,06,795	24,42,06,795
Diluted EPS (₹) (B / C)		7.84	8.23
b) From total profit			
Basic EPS			
Weighted average number of shares issued of ₹ 2/- each (A)		24,42,06,795	24,42,06,795
Profit for the year after tax (₹ crore) (B)		83.63	123.40
Basic EPS (₹) (B / A)		3.42	5.05
Diluted EPS			
Weighted average number of shares issued of ₹ 2/- each (C)		24,42,06,795	24,42,06,795
Diluted EPS (₹) (B / C)		3.42	5.05

- 41.** Short Term Finance facilities from Banks and Cash Credit facilities (Nil balance as at Balance Sheet date) are secured by hypothecation of all inventory, spares, tools and book debts, present and future, of the Company. The charges on these assets also extend to letters of credit and bank guarantees upto ₹ 4.59 crore (Previous Year ₹ 25.36 crore) and ₹ 4.05 crore (Previous Year ₹ 5.52 crore) respectively.
- 42.** Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Company's financial statements.
- 43.** Figures for the previous year have been regrouped / reclassified, wherever necessary.

As per our report of even date attached
For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Narayan Barasia
Chief Financial Officer

Monica Chopra
Executive Director - Legal &
Company Secretary

Mumbai
6th May 2015

For and on behalf of the Board
Navneet Singh
Director

Sunil Pahilajani
Managing Director & CEO

Mumbai
6th May 2015

INFORMATION ON SUBSIDIARY COMPANIES

Name Of the Entity	Financial Year ended 31st March 2015			
	Net Assets		Share in Profits	
	As % of Consolidated Net Assets	₹ Crore	As % of Consolidated Profit or Loss	₹ Crore
a) Parent Subsidiaries Indian				
GREAVES COTTON LIMITED	100.02%	823.24	99.95%	83.59
Greaves Leasing Finance Limited	1.37%	11.29	1.41%	1.18
Dee greaves Limited	0.10%	0.79	0.00%	-
b) Foreign				
Greaves Cotton Middle East FZC (Formerly Ascot International FZC	-1.49%	(12.25)	-1.36%	(1.14)
Minority Interest in all Subsidiaries Associates (Investment as per equity	NIL	NIL	NIL	NIL

Narayan Barasia
Chief Financial Officer

Monica Chopra
Executive Director-Legal &
Company Secretary

For and on behalf of the Board

Navneet Singh
Director

Sunil Pahilajani
Managing Director & CEO

Mumbai
6th May 2015

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This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across its entire width, providing a template for handwriting practice or general note-taking. The margins are consistent on all sides.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Greaves Cotton Limited