



GREAVES
SINCE 1859



POWERED
BY
Performance

Annual Report 2015-16

OUR PERFORMANCE *Landscape*

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FORWARD-LOOKING *Statements*

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.



At Greaves, our endeavour is to raise the bar of excellence to power our performance across the stakeholder fabric.

Powered by innovation in such a way that we are always delivering quality products that are right for our customers.

Powered by processes that are driving increased efficiencies for the organisation.

Powered by products that ensure we consistently deliver sustainable solutions designed for tomorrow's needs.

And powered by performance to enable higher value creation for our stakeholders, consistently.

Read on to find out how we powered our performance through FY16 to prepare ourselves to take the next big leap in our journey of excellence.

CHAIRMAN'S Letter



Dear Shareholders,

FY16 was a challenging macro environment, globally and in India. Despite the prevailing negativity in the global markets, the Indian economy has shown signs of overall stability. With the forecast of a normal monsoon and Government initiatives to propel growth, we expect the Indian economic growth story to remain intact going forward, auguring well for your Company.

Though revenue growth during the year under review remained a challenge in the prevailing weak market scenario, our focus on margin enhancement helped boost our EBITDA margin to 17% from 12% in FY15. The Company during the year under review, with its focus on performance excellence, has reported a significant increase in the bottom line.

The Company's approach has been cautious but strategic. We continue to remain watchful of the developments across our business segments, and are fully prepared to meet the needs of the transforming industry landscape. This facet of the Company's deeply entrenched ability - staying in step with stringent regulatory requirement, evolving consumer priorities and changing industrial trends - has lent robustness to the business model.

The Company has taken several strategic initiatives that are targeted at increasing shareholder value. At the core of our belief in the future, is our performance-led focus on R&D. This translated into new product innovations and increased customer engagement, during the year under review. We also expanded our reach and presence into new markets by strengthening our distribution network and improving our customer relationships.

Product and manufacturing excellence are the two major pillars on which the Company's growth strategy is founded. During the year, we continued to augment these strengths to further expand and upgrade our product portfolio. Our new, modern 105 HP three-cylinder, BS-IV compliant 'Leap' Engine for automotive applications showcases our technological prowess. For the Engines business, this will be a significant addition to the portfolio offered to our valued OEM customers. With Engines contributing the maximum to the revenues of your Company, our focus on portfolio expansion to meet future needs remain firmly on track. Going forward, we see this segment getting a much-needed growth fillip with the passage of Goods and Service Tax and other initiatives such as 'Make in India'.

As part of our value creation initiatives, we continuously strive to meet the industry and statutory demands. As a responsible and responsive organisation, we are committed to supporting our OEM customers with emission compliant engines, and help them

remain ready for any emission regime change. To this end, we are constantly investing in enhancing our product portfolio. We are well prepared to take on the challenges related to implementation of new and more stringent emission norms over the next couple of years through innovative and cost-effective solutions.

We launched a new range of Farm Equipment products under our 'Sampurna Swadeshi' programme during the year. Designed exclusively to meet the customised requirements of the Indian farmers, our new, more powerful farm equipment - Mini Power Tiller (8 HP) and Paddy Weeder - are technologically superior, and quality is aligned to global benchmarks. We have also readied ourselves to meet the demands of the recently launched Government initiative - National Energy Efficient Agriculture Pumps Programme, which is focussed on reducing the energy consumption of agricultural pumps by around 30% by FY19. Combined, I believe these innovative products will further power our performance in the coming quarters and the Farm Equipment business will contribute significantly to it.

Some of our business segments, such as the Industrial Engines segment, still remain under considerable pressure. However, we expect our focus on building higher efficiencies, including green engines, to enable us sustain our market share in the coming quarters. Additionally, we are confident that enhanced production efficiencies enabled by technology will give us a strong strategic edge. The Government's commitment to boosting infrastructure spends and promoting manufacturing is also expected to create new opportunities of growth for the industry. On the back of a collaborative and performance-led culture, the Company is well poised to leverage these opportunities.

On this positive note, I take this opportunity to express my heartfelt gratitude to all our customers for their continued trust in the Company. I would also like to thank the Greaves Cotton family for their unstinted support and dedicated hard work. It is my pleasure to also convey my appreciation for all shareholders and business partners, without whose continued cooperation, we would not have been able to power a positive performance ethos in a difficult environment.

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

Mr. Navneet Singh

Mr. Arvind Kumar Singhal

Ms. Monica Chopra
Executive Director - Legal &
Company Secretary

Mr. Kewal Handa
w.e.f. 6th May, 2016

Dr. Clive Hickman
up to 30th July, 2015

CHIEF FINANCIAL OFFICER

Mr. Narayan Barasia

AUDITORS

Deloitte Haskins & Sells 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

Karvy Computershare Private Limited
Karvy Selenium Tower B,
Plot 31-32 Gachibowli, Financial District
Nanakramguda, Hyderabad - 500 032
Phone: 040 - 6716 2222
Fax: 040 - 2342 0814
Email: einward.ris@karvy.com

REGISTERED OFFICE

3rd Floor, Motilal Oswal Tower
Junction of Gokhale & Sayani Road
Prabhadevi, Mumbai - 400 025

WORKS

Maharashtra
Chinchwad, Pune
Nighoje, Pune
Chikalthana, Aurangabad
Shendra, Aurangabad
Tamil Nadu
Ranipet



BOARD OF *Directors*



Mr. Karan Thapar

Position - Chairman of the Board

Educational Qualification - CA

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

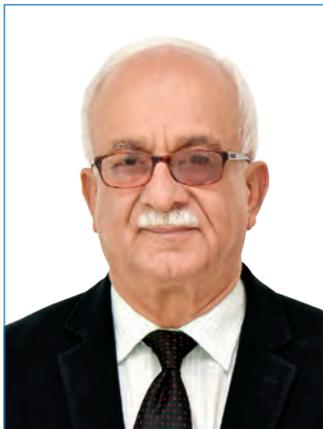


Mr. Sunil Pahilajani

Position - Managing Director & CEO

Educational Qualification - B. Tech. (Mechanical), IIT - Roorkee

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

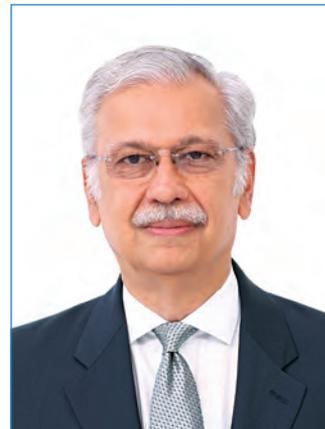


Mr. Vijay Rai

Position - Independent Director

Educational Qualification - B. Tech. (Mechanical)
IIT - Kharagpur

Expertise - Manufacturing management and agro inputs marketing



Mr. Vikram Tandon

Position - Independent Director

Educational Qualification - B. Tech (Hons.),
IIT - Delhi

Expertise - Corporate development and strategy



Mr. Navneet Singh

Position - Independent Director

Educational Qualification - CA
(England & Wales), CA (ICAI)

Expertise - Banking, regulatory
compliances and operational risk
management



Mr. Arvind Kumar Singhal

Position - Independent Director

Educational Qualification - B. E.
(Electronics & Communication), IIT - Roorkee,
MBA - UCLA

Expertise - Retail marketing strategy and
strategic business planning



Ms. Monica Chopra

Position - Executive Director - Legal &
Company Secretary

Educational Qualification - LL.B, CS

Expertise - Secretarial, legal,
statutory compliance and governance



Mr. Kewal Handa

Position - Independent Director

Educational Qualification - M.Com, ACMA, ACS,
Pfizer Leadership - Harvard USA
Marketing Programme - Colombia, USA

Sr. Management Residential - IIM, Ahmedabad

Expertise - Business strategy and planning, finance,
people management and managing enterprises

POWERED BY *Technology and Innovation*

Customers are central to our business agenda, and we are focussed on delivering customised offerings designed to match their specific needs. Led by deep consumer insights and steered by an innovative culture backed by technology, we are continuously setting new benchmarks of excellence.

POWERED BY PRODUCT INNOVATIONS

Showcasing the strength of our innovative capabilities, we continued to add new products to our Automotive Engines portfolio during the year.

'Leap' Engine – This is a BS-IV compliant best-in-class 105 HP 3-cylinder engine, which offers an attractive value proposition to our valued OEM customers. The engine, which was unveiled at the Society of Automotive Engineers - China Congress & Exhibition at Shanghai, received an extremely positive response.



'Leap' Engine

POWERED BY MANUFACTURING PROWESS

Our manufacturing strength, spanning seven state-of-the-art facilities, has lent us a strong edge. This facet provides us an opportunity to partner with the Government and play a key role in its ambitious 'Make in India' programme. Our two innovative additions to Farm equipment have opened new vistas of progress for the marginalised Indian farmers, thus translating the Prime Minister's vision of an empowered nation.

Mini Power Tiller (8 HP) & Paddy Weeder – Two new indigenised lightweight farm equipment have been launched under our new 'SAMPURNA SWADESHI' programme. These modernised agri machines are best suited for local Indian soil conditions. They are technologically superior, powerful and fuel efficient, and also easy to operate and maintain.



Mini Power Tiller

POWERED TO IMPLEMENT NEW EMISSION NORMS

We are continuously striving to match our offerings with the global pollution control standards. We are also proactively developing cost-effective solutions to meet BS-VI norms in the future. This stringent adherence of our products to the various emission norms underlines our commitment to ensuring green and clean progress.

POWERED TO STRENGTHEN OEM PARTNERSHIPS

Partnering more efficiently with OEMs is at the core of our strategic focus. We constantly engage with OEMs relying on our indigenous technology to help them improve the performance of their products and reduce time to the market. This approach continues to yield rich dividends for the Company even in challenging market conditions.

POWERED BY *People and Efficiencies*

Our business philosophy is focussed on improving efficiencies across the entire value chain of our operations - from raw material to product manufacturing, distribution and marketing. We are continuously working towards enhancing our operational and cost efficiencies.

Our ongoing efforts to further strengthen our systems and processes are helping us realise our ambition to be a lean but quality-driven organisation. We have initiated several measures to judiciously tighten our processes and prudently manage our costs to improve performance. We are well cognizant of the importance of boosting operational efficiencies to strengthen our competitive edge in the domestic and international markets. Our growing clientele also stands testimony to our performance efficiencies and we take pride in our ability to meet diverse requirements at multiple price points.

POWERED BY PARTNERSHIPS

We are working on a continuing basis to scale-up our service levels and to strengthen our distribution and aftermarket networks. Our thrust on fostering internal and external relationships is successfully powering our performance across our business segments.



Nurturing people strength

A key facet of our efficiency drive relates to boosting people efficiencies. We are regularly investing in enabling a dynamic environment of learning and development for our employees. Our efforts are aimed at building an empowered organisation with a culture of collaborative growth embedded in the Company's DNA. We have in place an organisation-wide HR charter that provides behavioural and technical training to the employees. This helps enhance their capabilities and also align them more closely to our Pancha Tatva (five values) of Transparency, Integrity, Responsibility, Passion for Excellence and Respect.

Strengthening aftermarket core

We are continuously striving to strengthen our relationship with our 1200+ dealers (among the largest in the industry) to augment our aftermarket services. It is our constant endeavour to upgrade and enhance the technical skills across our distribution network to enhance customer value. Our deep-rooted relations with our aftermarket dealers have facilitated the expansion of our customer reach, to ensure total customer satisfaction.



FINANCIAL Highlights

₹ in crore

Particulars	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	15-16 Apr-Mar 12 mths
Revenue from Operations (Net)	1063	1150	1041	1347	1252	1753	1873	1719	1689	1616
EBIDTA (Before Exceptional items)	166	162	115	206	193	237	242	194	199	269
EBIDTA (%)	16	14	11	15	15	14	13	11	12	17
EBIT	162	150	101	186	185	211	219	177	177	268
PBT	144	138	80	173	184	251	200	164	109	291
PAT	122	110	56	118	127	185	138	113	82	199
ROCE (%)	53	39	22	39	49	34	30	22	21	31
Equity	48.84	48.84	48.84	48.84	48.84	48.84	48.84	48.84	48.84	48.84
EPS (₹)	5.01	4.51	2.29	4.83	5.21	7.60	5.65	4.63	3.34	8.14
Net Worth	295	371	404	437	522	645	738	814	816	851
Debt	39	49	44	5	6	20	2	0	0	0
Capital Employed	340	434	478	471	558	700	779	851	832	874
Debt : Equity	0.13	0.13	0.11	0.01	0.01	0.03	0.01	0.01	0.00	0.00
Shareholders (Number)	41,781	44,239	44,565	42,663	42,946	38,235	41,082	40,980	39,024	41,598
Dividend (%)	70	60	40	150 #	75	110 #	80	65	125	275

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 Amortisation

EBIT - Earnings Before Interest and Tax

ROCE - Return On Capital Employed

PBT - Profit Before Tax

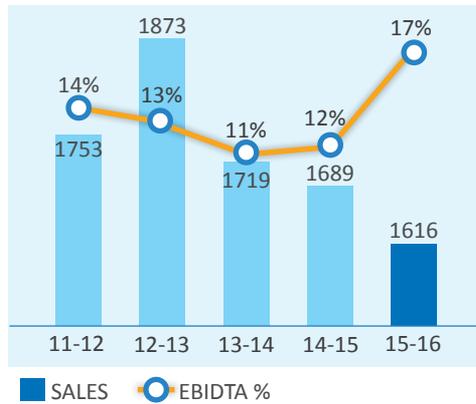
PAT - Profit After Tax

EPS - Earnings Per Share

KEY PERFORMANCE Indicators

SALES & EBIDTA

(₹ in crore)

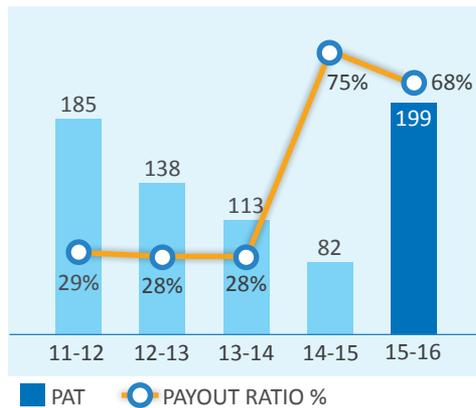


DEBT : EQUITY



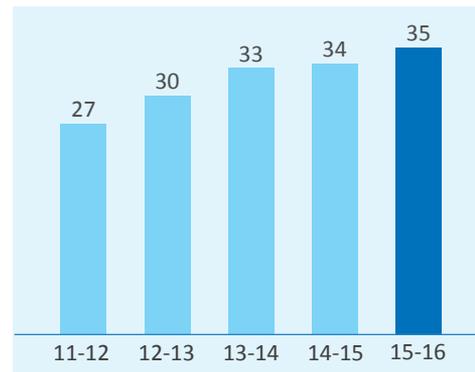
PAT & PAYOUT RATIO

(₹ in crore)



BOOK VALUE PER SHARE*

(₹ per share)

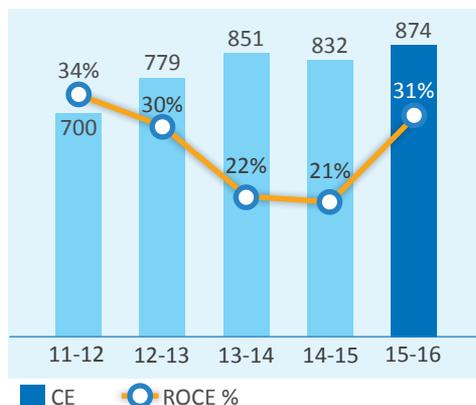


■ PAT ● PAYOUT RATIO %
Note: Payout Ratio of FY 11-12 includes special Dividend of 40%.

* On face value of ₹ 2 per share

CAPITAL EMPLOYED & ROCE

(₹ in crore)



EPS & ROE

(₹ per share)



■ CE ● ROCE %

■ EPS ● ROE %

DIRECTORS' REPORT

The Directors have pleasure in presenting the 97th Annual Report for the financial year ended 31st March, 2016.

Financial Highlights

(₹ in crore)

	Year ended 31 st March 2016	Year ended 31 st March 2015
Total Revenue	1,660.73	1,713.71
Profit Before Tax and Exceptional Items	266.73	174.66
Loss / (Gain) on Exceptional Items	(24.77)	65.92
Profit Before Tax	291.50	108.74
Less: Provision for Tax	92.72	27.21
Profit after Tax	198.78	81.53
Dividend (including proposed Final Dividend) and Tax on Dividend	162.41	72.15
Transfer to General Reserve	20.00	8.15
Balance of the Profit carried forward	420.42	404.94

Review of Operations

In spite of the challenging macro-economic conditions, the inherent strengths and clear strategic direction enabled the Company to withstand the challenges in difficult times and sustain its leadership across all businesses.

Management had taken a conscious decision to exit from the loss making infrastructure business in the previous financial year. This, along with the value engineering approach and focus on operational efficiencies, enabled the Company to improve its profitability for the year under review.

The Company registered total revenue of ₹ 1,660.73 crore during the year under review as against ₹ 1,713.71 crore in the previous financial year. The profit after tax was ₹ 198.78 crore for the year under review as against ₹ 81.53 crore in the previous financial year. The profit after tax for the year under review includes a net exceptional gain of ₹ 24.77 crores. The profit after tax of the previous financial year had been negatively impacted due to exceptional losses.

The profit before tax and exceptional items as a percentage of total revenue for the year under review was higher at 16.06% as against 10.19% in the previous financial year.

Effective working capital management combined with other operational efficiencies resulted in a 52.72% improvement in the profit before tax and exceptional items as compared to the previous year.

Despite the challenges in revenue growth, the Company has continued its focus on margin enhancement and has sharply improved its EBITDA margin for the year from 11.79% to 16.62%.

The outlook of each business has been discussed in detail in the 'Management Discussion and Analysis' which forms a part of this Annual Report.

Dividend

The Directors have recommended a final dividend of ₹ 1 per share which together with the interim dividend of ₹ 4.50 per share of face value of ₹ 2 paid during the year, aggregates to ₹ 5.5 per share of ₹ 2 as against ₹ 2.5 per share in the previous year. The total dividend pay-out for the year under review, excluding tax on dividend is ₹ 134.31 crore as against ₹ 61.05 crore in the previous year. Dividend as a percentage of net profit after tax is 67.57% as compared to 74.88% 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 Chapter V of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

Investor Education and Protection Fund

Pursuant to the applicable provisions, 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 for the financial year ended 31st March, 2008 and the 1st interim dividend for the financial year ended 31st March, 2009 and unclaimed fixed deposits, have been transferred to the IEPF.

Members, who have not yet en-cashed or claimed the dividends 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 a total revenue of ₹ 0.62 crore and profit before tax and exceptional item of ₹ 0.29 crore. On account of a provision for permanent diminution in the value of its investment in Greaves Cotton Middle East FZC, it reported a loss of ₹ 3.83 crore for the year under review.

Dee Greaves Limited (DGL)

DGL, a wholly owned subsidiary of GLFL, did not undertake any business during the year under review. It reported a marginal loss during the year.

Greaves Cotton Middle East FZC (GCME)

GCME, United Arab Emirates, 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. For the year under review, GCME recorded total revenue of ₹ 5.42 crore and reported a loss of ₹ 0.14 crore.

A statement containing salient features of the Financial Statements 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 Statements of each subsidiary company shall be kept open for inspection at the Registered Office of the Company on every working day of the Company between 10 a.m. to 12 noon up to the date of the forthcoming 97th Annual General Meeting.

Consolidated Financial Statements

The Consolidated Financial Statements, prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI (LODR) Regulations"), forms a part of this Annual Report. The Auditors' Report on the Consolidated Financial Statements is also attached. The same is with unmodified opinion (unqualified).

Management Discussion and Analysis

Detailed review by the Management of the operations, performance and future outlook of the Company and its business, pursuant to Schedule V of the SEBI (LODR) Regulations, is presented in a separate section - Management Discussion and Analysis, which forms a part of this Annual Report.

Corporate Governance Report

The Company follows 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 Schedule V of the SEBI (LODR) Regulations, have been duly complied with. The quarterly Corporate Governance Report confirming that the Company has complied with statutory provisions has been filed with the Stock Exchanges, where the shares of the Company are listed and also placed before the Board of Directors. 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 Annual 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 2015 - 16, as required under Schedule V of the SEBI (LODR) Regulations, forms a part of this Annual Report.

Environment, Health and Safety

The Company manufactures a wide range of industrial products to meet the requirements of the core sectors in India and abroad. Safety is an important aspect for any manufacturing company. Various safety guidelines are in place which help identify unsafe actions or conditions in the Company premises. These guidelines form the corner stone on which the Company can operate smoothly devoid of any mishap or accidents at the work place.

Regular safety drives coupled with effective training and role-play techniques are conducted to help spread awareness among employees on how to maintain a safe work environment. To further bolster employee safety, the Company also conducts a periodic Safety Management Audit which identifies unsafe actions or conditions through scientific data processing methods. These results are used to further improve the existing safety measures and foster a safe and secure environment for all employees.

With a strong focus in meeting our objectives of Zero Accidents and Zero Pollution for the Company, a detailed strategy for implementation of this program has been formulated and implemented across geographies. The safety program has been deployed through the KAI-KPI-KMI approach, i.e. Key Activity Indices, Key Performance Indices and Key Management Indices. The program methodology outlines training the employees, skill cultivation through practice and safety assurance in the form of output.

Some of the measures taken to promote environment, health and safety measures across the Company are:

- 1) Systems implementation to ensure zero compromise on safety through 'Work Permit System' and ownership of adherence to the safety norms.
- 2) Identification of the safety hazards, near misses and accident prone areas through Safety Management Audit.
- 3) Special training programs to make the employees aware of the various nomenclatures regarding safety.

- 4) Health awareness initiatives, like complete medical health check-up, BMI Test, consultation sessions, etc. to take care of employees' health, in order to prevent health hazards.
- 5) Environment friendly measures like planting saplings and a Swacch Plant Abhiyan across all facilities. The employees are also required to take an oath to keep the environment safe, and are encouraged to participate in competitions like poster creation, slogan design, essay and poem writing to keep the safety drive alive and vibrant in the culture.

Human Resources

Your Directors place on record their appreciation for the employees' valuable contribution at all levels. Overall, our industrial relations continue to be cordial. The Company relocated its manufacturing operations of the Farm Equipment business from Gummidipoondi to Ranipet. Management is in the discussion with the workers for an amicable settlement.

The total number of permanent employees of the Company as on 31st March, 2016 was 1,894 (2,005 as on 31st March, 2015).

During the year under review, the Company continued to focus on talent conservation and talent development. Every employee is required to undergo minimum 8 man days of training for skill sets.

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 and constituted Internal Complaints Committees. There were no cases filed during the year under review. The required annual report has been filed with appropriate authority.

Awards

We are pleased to share that the Company has received the prestigious CLO (Chief Learning Officer's) Award, organized by Tata Institute of Social Sciences in association with LeapVault. The Company has won the Silver award in the category for the Best Customer Service Training Program and Best Risk / Safety / Policy Compliance Training Program.

Directors and Key Managerial Personnel

Mr. Kewal Handa has been appointed as an Additional Director of the Company with effect from 6th May, 2016 to hold office upto the date of the forthcoming 97th Annual General Meeting and is eligible to be appointed as an Independent Director. It is proposed to appoint Mr. Handa as an Independent Director, not liable to retire by rotation for a period of five years, and accordingly, Members' approval is being sought at the forthcoming 97th Annual General Meeting.

Mr. Vijay Rai was appointed as an Independent Director by the Members at the 95th Annual General Meeting held on 31st July, 2014 to hold office as such till 12th October, 2016. Pursuant to the provisions of Section 149 (10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment

for a second term on passing of a Special Resolution by the Company. It is proposed to re-appoint Mr. Rai as an Independent Director of the Company for a period of one year with effect from 13th October, 2016 and accordingly, Members' approval is being sought at the forthcoming 97th Annual General Meeting.

Mr. Karan Thapar retires by rotation at the forthcoming 97th Annual General Meeting, and being eligible, offers himself for re-appointment.

Profiles of these Directors, as required by Regulation 36 (3) of the SEBI (LODR) Regulations, are given in the Notice of the forthcoming 97th Annual General Meeting.

The above appointments and re-appointments form a part of the Notice of the forthcoming 97th Annual General Meeting, and the Resolutions are recommended for Members' approval.

During the year under review, Dr. Clive Hickman resigned as a Director with effect from 31st July, 2015. The Board places on record its sincere appreciation of the valuable contribution made by him to the Company.

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 within the meaning of Sections 2 (51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Statement on declaration given by the Independent Directors

As required under Section 149 (7) of the Companies Act, 2013, each of the Independent Directors has given the necessary declaration about meeting 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 Accounts, the applicable accounting standards have 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, 2016 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 were adequate and were operating effectively; and
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 in **Annexure 1** to this Directors' Report. The Criteria includes, inter alia, 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 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

The information as required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 shall be kept open for inspection at the Registered Office of the Company on every working day of the Company between 10 a.m. to 12 noon up to the date of the forthcoming 97th Annual General Meeting.

Familiarisation Programme for Directors

The Company follows a structured orientation programme including presentations by key personnel, information about the various codes, policies, etc. to familiarize the 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 displayed on the Company's website www.greavescotton.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, 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).

A Meeting of the Independent Directors, with Mr. Vikram Tandon as the Lead Director, was held on 5th May, 2016 to review the performance of the Non-independent Directors, 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.

As an outcome of the evaluation process, the Directors were informed by the Chairman about their respective strengths, areas of improvements, focus areas for the future, etc. In turn, the Lead Director provided feedback to the Chairman.

Loans, Guarantees and Investments

Particulars of loans, guarantees and investments as on the 31st March, 2016 are given in the Notes to the Financial Statements.

Contracts and arrangements with Related Parties

During the year under review, the Company did not enter into any Material transaction (as defined in the Company's Policy on Related Party Transactions) with related parties. All other transactions of the Company with related parties were in the ordinary course of business and at an arm's length. Details of transactions with related parties are disclosed in the Notes to the Standalone Financial Statements, forming a part of this Annual Report.

The Form AOC - 2 as required under Section 134 (3) (h) of the Companies Act, 2013, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, is given in **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 under Section 134 (3) (a) of the Companies Act, 2013, an extract of Annual Return in the prescribed Form MGT - 9, is given in **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 in **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 periodically monitored 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

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 Corporate Social Responsibility (CSR) Policy, as recommended by the Risk, CSR and Strategy Committee covering the objectives, initiatives, outlay, implementation, monitoring, etc. The CSR Policy is displayed on the Company's website www.greavescotton.com.

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

The Company strives to maximize the organization's positive impact and raise the social responsibility quotient by aligning with the needs of the selected communities.

Committed to creating opportunities for the local people to enable their empowerment, initiatives are aligned to areas of skill development. An important initiative undertaken by the Company to promote livelihood of the underprivileged is its ongoing programme to train mechanics. The programme, now running for over two decades at the Company's facilities, focuses on promoting self-sufficiency and improving the quality of life through technical and financial support.

By contributing to community welfare and fulfilling unmet needs, the Company will continue to create value for society through community development programs in and around its areas of operations.

Vigil Mechanism

The Company has established a vigil mechanism, through a Whistle Blower Policy, whereunder the 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 Statements

The Company has in place adequate internal financial controls related to Financial Statements. 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 Statements, 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 reviewed every quarter by the Auditors;
- The policies to ensure uniform accounting treatment are prescribed to the subsidiaries of the Company. The accounts of the subsidiaries companies are audited and certified by their respective Statutory Auditors for consolidation.

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

Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company at the

96th Annual General Meeting (AGM) held on 6th August, 2015 to hold office from the conclusion of the 96th AGM till the conclusion of the 101st AGM of the Company. As required under Section 139 of the Companies Act, 2013, the appointment of the Statutory Auditors has to be placed for ratification at every Annual General Meeting. Accordingly, the ratification of the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company, forms a part of the Notice convening the forthcoming 97th Annual General Meeting and the Resolution is recommended for your approval.

Wrigley Partington, U.K., the Auditors of the Company's Branch in Cheshire, London (U.K.), retire at the forthcoming 97th Annual General Meeting. The re-appointment of the Branch Auditors forms a part of the Notice convening the forthcoming 97th Annual General Meeting and the Resolution is recommended for your approval.

Statutory Auditors' Reports

Reports issued by the Statutory Auditors on the Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2016 are with unmodified opinion (unqualified).

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, the Company engaged the services of Pradeep Purwar and Associates, Company Secretary in Practice, Thane to conduct the secretarial audit of the Company for the financial year ended 31st March, 2016.

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

Cost Auditors

Pursuant to the provisions of Section 148 (3) of the Companies Act, 2013, the Board has appointed 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, 2017. The remuneration payable to the Cost Auditors is subject to approval of the Members at the Annual General Meeting. Accordingly, the remuneration payable to the Cost Auditors forms a part of the Notice convening the forthcoming 97th Annual General Meeting and the Resolution is recommended for your approval.

Change in Registrar and Share Transfer Agent

Pursuant to the Securities and Exchange Board of India (SEBI) Order dated 22nd March, 2016 advising companies who are clients of Sharepro Services (India) Limited (Sharepro) to carry out / switchover their activities relating to Register & Share Transfer Agent (RTA) to another RTA registered with SEBI, the Board of Directors of the Company at its meeting held on 6th May, 2016 approved the change of RTA from Sharepro to Karvy Computershare Private Limited.

Further, in accordance with the said Order of SEBI, the Company has appointed Parikh & Associates, Practising Company Secretaries, for conducting a thorough audit of the records and systems of Sharepro for the past ten years, concerning dividend payments and transfer of securities to determine whether dividends have been paid to actual / beneficial holders and whether securities have been transferred as per the provisions of law. The audit is in progress and is expected to be completed shortly. As per the interim audit report, no untoward matter has been reported.

Other Disclosures

The Directors confirm that during the financial year under review-

- there were no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its 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 wishes to place on record its appreciation for all the employees for their hard work, solidarity, cooperation and dedication during the year.

The Board sincerely conveys its appreciation to other stakeholders for their continued support.

For and on behalf of the Board of Directors

Mumbai
6th May, 2016

Karan Thapar
Chairman

Annexure 1

Remuneration Policy for Management Staff

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 for 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 the Managing Director and his direct reports (M1) only.

- Benefits: Apart from remuneration, the following benefits are provided to retain the 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.

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.

For and on behalf of the Board

Mumbai
6th May, 2016

Karan Thapar
Chairman

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 into 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 into by the Company with Related Parties during the year ended 31st March, 2016, which were not at arm's length basis.

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

All transactions with Related Parties are at arm's length. There were no material contracts or arrangement or transactions at arm's length basis for the year ended 31st March, 2016.

For and on behalf of the Board

Mumbai
6th May, 2016

Karan Thapar
Chairman

Annexure 3

Extract of Annual Return as on 31st March, 2016 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, 2016)

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	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Phone: +91 - 40 - 6716 2222 Fax No: +91 - 40 - 2342 0814 Email: einward.ris@karvy.com Website: www.karvycomputershare.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 of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Engines	2811	97

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 3 rd Floor, Motilal Oswal Tower Junction of Gokhale & Sayani Road Prabhadevi, Mumbai - 400 025	U29299MH1958PLC011250	Subsidiary Company	100%	2(87)
2	Dee Greaves Limited 3 rd Floor, Motilal Oswal Tower Junction of Gokhale & Sayani Road Prabhadevi, Mumbai - 400 025	U28920MH1960PLC011788	Step-down 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% including 90% held through Greaves Leasing Finance Limited	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	1,000	-	1,000	0	-	-	-	-	0
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	12,58,52,726	-	12,58,52,726	51.54	12,45,53,726	-	12,45,53,726	51.00	-0.54
(e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	12,58,53,726	-	12,58,53,726	51.54	12,45,53,726	-	12,45,53,726	51.00	-0.54
(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)	12,58,53,726	-	12,58,53,726	51.54	12,45,53,726	-	12,45,53,726	51.00	-0.54

	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	5,53,50,729	-	5,53,50,729	22.66	5,78,12,556	-	5,78,12,556	23.67	1.01
(b)	Financial Institutions / Banks	3,89,977	22,370	4,12,347	0.17	1,08,385	22,370	1,30,755	0.05	-0.12
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	2,24,04,136	10,525	2,24,14,661	9.18	2,11,53,382	10,525	2,11,63,907	8.67	-0.51
(g)	Foreign Institutional Investors	1,15,79,582	-	1,15,79,582	4.74	1,29,37,340	-	1,29,37,340	5.30	0.56
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	8,97,24,424	32,895	8,97,57,319	36.75	9,20,11,663	32,895	9,20,44,558	37.69	0.94
(2)	Non Institutions									
(a)	Bodies Corporate									
i)	Indian	56,59,473	35,890	56,95,363	2.33	36,12,040	35,635	36,47,675	1.49	-0.84
ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals -									
i)	Individuals shareholders holding nominal share capital up to Rs. 1 lakh	1,50,26,077	28,44,560	1,78,70,637	7.32	1,61,83,793	26,93,689	1,88,77,482	7.73	0.41
ii)	Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	25,50,636	58,540	26,09,176	1.07	25,78,377	58,540	26,36,917	1.08	0.01
(c)	Any Other									
(c-i)	Non Domestic Companies	-	7,75,000	7,75,000	0.32	-	7,75,000	7,75,000	0.32	0.00
(c-ii)	Non Resident Individuals	9,26,799	34,125	9,60,924	0.39	9,58,205	40,125	9,98,330	0.41	0.02
(c-iii)	Trusts	5,620	21,075	26,695	0.01	7,567	21,175	28,742	0.01	0.00
(c-iv)	Directors & their Relatives	19,150	-	19,150	0.01	19,150	-	19,150	0.01	0.00
(c-v)	Share lying in unclaimed shares demat suspense account	6,38,805	-	6,38,805	0.26	6,25,215	-	6,25,215	0.26	0.00
	Sub-Total (B)(2)	2,48,26,560	37,69,190	2,85,95,750	11.71	2,39,84,347	36,24,164	2,76,08,511	11.31	-0.40
	Total Public shareholding (B)=(B)(1)+ (B)(2)	11,45,50,984	38,02,085	11,83,53,069	48.46	11,59,96,010	36,57,059	11,96,53,069	49.00	0.54
(C)	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	24,04,04,710	38,02,085	24,42,06,795	100.00	24,05,49,736	36,57,059	24,42,06,795	100.00	-

(B) Shareholding of Promoters

Sr. No.	Shareholders' Name	Shareholding as on 1 st April, 2015			Shareholding as on 31 st March, 2016			% change in shareholding during the year
		Number of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total Shares	Number of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total Shares	
1	Mr. Karan Thapar	1,000	0.00	-	-	-	-	0.00
2	DBH International Pvt. Ltd.	9,84,69,662	40.32	-	9,84,69,662	40.32	-	-
3	Bharat Starch Products Ltd.	1,37,75,865	5.64	-	1,37,75,865	5.64	-	-
4	Karun Carpets Pvt. Ltd.	1,36,07,199	5.57	-	1,23,08,199	5.04	-	-0.54
	Total	12,58,53,726	51.54	-	12,45,53,726	51.00	-	-0.54

(C) Change in Promoters' Shareholding

Sr. No.	Shareholders' Name	Shareholding		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		Number of Shares at the beginning (01.04.2015)/ end of the year 31.03.2016	% of total Shares of the Company				Number of Shares	% of the total Shares of the Company
1	Mr. Karan Thapar	1,000	0.00	01.04.2015				-
				06.11.2015	-1,000	transfer		-
		-	-	31.03.2016				
2	DBH International Pvt. Ltd.	9,84,69,662	40.32	01.04.2015				
		9,84,69,662	40.32	31.03.2016		no change	9,84,69,662	40.32
3	Bharat Starch Products Ltd.	1,37,75,865	5.64	01.04.2015				
		1,37,75,865	5.64	31.03.2016		no change	1,37,75,865	5.64
4	Karun Carpets Pvt. Ltd.	1,36,07,199	5.57	01.04.2015				
				15.05.2015	-13,00,000	sold	1,23,07,199	5.04
				06.11.2015	1,000	transfer	1,23,08,199	5.04
		1,23,08,199	5.04	31.03.2016				
		12,45,53,726	51.00				12,45,53,726	51.00

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

Sr. No.	Shareholders' Name	Shareholding		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		Number of Shares at the beginning (01.04.2015)/ end of the year 31.03.2016	% of total Shares of the Company				Number of Shares	% of the total Shares of the Company
1	IDFC Premier Equity Fund	1,12,45,000	4.60	01.04.2015				
			0.00	12.06.2015	10,000	bought	1,12,55,000	4.61
			0.00	19.06.2015	10,000	bought	1,12,65,000	4.61
		1,12,65,000	4.61	31.03.2016				
2	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	1,00,00,847	4.10					
			0.03	24.04.2015	75,000	bought	1,00,75,847	4.13
			-0.19	15.05.2015	-4,60,500	sold	96,15,347	3.94
			-0.16	22.05.2015	-3,90,000	sold	92,25,347	3.78
			-0.30	29.05.2015	-7,40,000	sold	84,85,347	3.47
			0.04	09.10.2015	1,06,600	bought	85,91,947	3.52
			0.01	11.12.2015	25,000	bought	86,16,947	3.53
			0.01	18.12.2015	25,000	bought	86,41,947	3.54
			0.06	26.02.2016	1,45,000	bought	87,86,947	3.60
			0.03	04.03.2016	68,200	bought	88,55,147	3.63
			0.01	18.03.2016	25,000	bought	88,80,147	3.64
			0.01	25.03.2016	25,000	bought	89,05,147	3.65
	89,05,147	3.65	31.03.2016					
3	The New India Assurance Company Limited	68,00,965	2.78	01.04.2015				
			-0.02	18.12.2015	-54,908	sold	67,46,057	2.76
			-0.02	25.12.2015	-53,604	sold	66,92,453	2.74
			-0.03	31.12.2015	-73,091	sold	66,19,362	2.71
			-0.04	08.01.2016	-1,05,827	sold	65,13,535	2.67
			-0.03	15.01.2016	-65,522	sold	64,48,013	2.64
			-0.03	12.02.2016	-66,281	sold	63,81,732	2.61
	63,81,732	2.61	31.03.2016					
4	General Insurance Corporation of India	62,00,000	2.54	01.04.2015				
		62,00,000	2.54	31.03.2016				
5	Life Insurance Corporation of India	66,70,740	2.73	01.04.2015				
			-0.04	09.10.2015	-1,00,158	sold	65,70,582	2.69
			-0.03	16.10.2015	-71,989	sold	64,98,593	2.66
			-0.02	23.10.2015	-46,744	sold	64,51,849	2.64
			-0.01	06.11.2015	-30,510	sold	64,21,339	2.63
			-0.04	11.12.2015	-92,790	sold	63,28,549	2.59
			-0.05	18.12.2015	-1,23,861	sold	62,04,688	2.54
			-0.02	25.12.2015	-43,553	sold	61,61,135	2.52
			-0.04	31.12.2015	-87,422	sold	60,73,713	2.49
			-0.06	08.01.2016	-1,38,900	sold	59,34,813	2.43
	59,34,813	2.43	31.03.2016					

Sr. No.	Shareholders' Name	Shareholding		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		Number of Shares at the beginning (01.04.2015)/ end of the year 31.03.2016	% of total Shares of the Company				Number of Shares	% of the total Shares of the Company
6	Reliance Capital Trustee Co Ltd-A/C Reliance Mid & Small Cap Fund	43,31,180	1.77	01.04.2015				
			-0.10	26.06.2015	-2,46,500	sold	40,84,680	1.67
			0.02	31.03.2016	50,000	bought	41,34,680	1.69
		41,34,680	1.69	31.03.2016				
7	Goldman Sachs India Fund Limited	31,64,813	1.30	01.04.2015				
			0.08	24.04.2015	1,96,233	bought	33,61,046	1.38
			0.00	01.05.2015	7,985	bought	33,69,031	1.38
			0.06	05.06.2015	1,48,992	bought	35,18,023	1.44
			0.04	26.06.2015	86,369	bought	36,04,392	1.48
			0.08	31.07.2015	1,89,714	bought	37,94,106	1.55
	37,94,106	1.55	31.03.2016					
8	Franklin India Smaller Companies Fund	27,76,250	1.14	01.04.2015				
			0.04	08.05.2015	94,874	bought	28,71,124	1.18
			0.00	15.05.2015	5,126	bought	28,76,250	1.18
			0.20	22.05.2015	5,00,000	bought	33,76,250	1.38
			0.11	29.05.2015	2,59,027	bought	36,35,277	1.49
			0.01	05.06.2015	20,722	bought	36,55,999	1.50
			0.01	12.06.2015	15,067	bought	36,71,066	1.50
			0.01	19.06.2015	16,094	bought	36,87,160	1.51
			-0.04	24.07.2015	-86,507	sold	36,00,653	1.47
	36,00,653	1.47	31.03.2016					
9	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus	33,50,000	1.37	01.04.2015				
			0.04	10.07.2015	1,03,938	bought	34,53,938	1.41
			0.04	17.07.2015	96,062	bought	35,50,000	1.45
		35,50,000	1.45	31.03.2016				
10	Franklin Templeton Mutual Fund A/C Franklin India Prima Fund	34,09,231	1.40	01.04.2015				
			0.12	29.05.2015	3,00,000	bought	37,09,231	1.52
			-0.04	24.07.2015	-86,507	sold	36,22,724	1.48
			-0.04	06.11.2015	-1,02,173	sold	35,20,551	1.44
			-0.08	20.11.2015	-1,97,827	sold	33,22,724	1.36
	33,22,724	1.36	31.03.2016					

(E) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		Number of Shares at the beginning (01.04.2015)/ end of the year 31.03.2016	% of total Shares of the Company				Number of Shares	% of the total Shares of the Company
1	Mr. Karan Thapar Non - executive Promoter Chairman	1,000	0.000	01.04.2015				
				06.11.2015	-1,000	transfer	-	-
		-	-	31.03.2016				
2	Mr. Vijay Rai Independent Director	18,150	0.007	01.04.2015				
		18,150	0.007	31.03.2016	-	no change	18,150	0.007
3	Mr. Vikram Tandon Independent Director	500	0.000	01.04.2015				
		500	0.000	31.03.2016	-	no change	500	0.000
4	Ms. Monica Chopra Executive Director - Legal & Company Secretary	500	0.000	01.04.2015				
		500	0.000	31.03.2016	-	no change	500	0.000
5	Mr. Narayan Barasia Chief Financial Officer	500	0.000	01.04.2015				
		500	0.000	31.03.2016	-	no change	500	0.000

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	-	-	0.30	0.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	0.30	0.30
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-0.30	-0.30
Net Change	-	-	-0.30	-0.30
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

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/WTD/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	276.70	104.53	381.23
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.62	0.71	2.33
(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission			
- as % of profit	-	-	-
- others, specify	-	-	-
Others, please specify (Long term Incentive)	100.00	35.38	135.38
Total (A)	378.32	140.62	518.94
Ceiling as per the Act (being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			2,417.20

B. Remuneration to other directors

(₹ In lakh)

Particulars of Remuneration	Name of Directors						Total Amount
	Mr. Karan Thapar	Mr. Vijay Rai	Mr. Vikram Tandon	Dr. Clive Hickman *	Mr. Navneet Singh	Mr. Arvind Kumar Singhal	
Independent Directors							
• Fee for attending Board / Committee Meetings		2.10	1.00	0.40	2.10	1.00	6.60
• Commission		11.00	18.75	-	18.75	11.00	59.50
• Others, please specify		-	-	-	-	-	-
Total(1)		13.10	19.75	0.40	20.85	12.00	66.10
Non - executive Directors / Promoter							
• Fee for attending Board / Committee Meetings	2.00						2.00
• Commission	178.50						178.50
• Others, please specify	-						-
Total(2)	180.50						180.50
Total (B)=(1+2)							246.60
Total Managerial Remuneration (A)+(B) (excluding sitting fees)							756.94
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)							2,658.92

* Resigned with effect from 31st July, 2015

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
Gross salary	
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	119.32
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.78
(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	120.10

* Remuneration of the Managing Director and the 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.

For and on behalf of the Board

Mumbai
6th May, 2016

Karan Thapar
Chairman

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

(i) Steps taken or impact on conservation of energy

1. Auto temperature control provided to cooling tower.
2. Installation of air pressure regulator in air line for engine testing.
3. Replacement of conventional hydraulic pack by energy efficient hydraulic power pack.
4. Removal of additional coolant pumps on vertical machining centre by modifying coolant circuit air shut off valve installed in pneumatic line for effective utilisation.
5. Air booster installed on co-ordinate measuring machine for reducing air compressor pressure.
6. Changed 2.2 kw pump instead of 5.5 kw pump in Con rod, Cam shaft washing machine.
7. Changed the water circulation pump from 7.5 hp to 5 hp in the effluent treatment plant.

ii) The steps taken by the Company for utilising alternate source of energy and the capital investment on energy conservation equipments - Nil

B. Technology absorption

(i) Efforts made towards technology absorption

1. Development of single cylinder diesel BS-IV engine for cleaner environment with electronic fuel injection to cater to three wheeler application.
2. Design and development of multi-cylinder, 1.5 litre common rail turbocharged diesel engine for light commercial vehicle application.
3. Development of existing G435 engine for three wheeler application in overseas market.
4. Developed a single cylinder horizontal forced water cooled, emission compliant (TREM IIIA) diesel engine fitted with spin on type filter.
5. Developed economy version of diesel engine pump set, paddy weeder and mini power tiller.
6. Work carried out for improvement in combustion technology and noise, vibration and harshness level. Ability for simulation of combustion and noise, vibration and harshness is being developed.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

1. Product quality improvement and reduction of engine oil consumption.
2. Applicability of the engine in four wheeler and three wheeler domains in diesel and CNG fuel.
3. Reduced field failure and customer complaints.
4. Benefit of product improvement for emission, performance and noise, vibration and harshness levels.

(iii) In case of imported technology

Details of imported technology: Not applicable

The year of import: Not applicable

Whether the technology is fully absorbed: Not applicable

(iv) Expenditure on R&D

Particulars	Amount
Capital	₹ 1.42 crore
Revenue	₹ 20.87 crore
Total	₹ 22.29 crore

Total R&D expenditure as a percentage of Revenue from Operations: 1.38% (2014 - 15 : 1.65%)

C. Foreign Exchange earnings and outgo

Particulars	Amount
Inflow	₹ 59.01 crore
Outflow	₹ 72.70 crore

For and on behalf of the Board

Mumbai
6th May, 2016

Karan Thapar
Chairman

Annexure 5

Annual Report on the CSR activities pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate 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 it asserts the corporate value of "Doing Good and Doing Well" where the good is not restricted to self but togetherness.

The Company has adopted a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is displayed on the Company's website and can be accessed through the following link http://www.greavescotton.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
Mr. Arvind Singhal	Independent Director
Mr. Navneet Singh	Independent Director
Dr. Clive Hickman*	Independent Director

*Resigned with effect from 31st July, 2015

3. Average net profit of the Company for last three financial years : ₹ 176.33 crore
4. Prescribed CSR expenditure (2% of the amount as in Sr. No. 3 above) : ₹ 3.53 crore
5. Details of CSR spend for the financial year:
- (a) Total amount to be spent for the financial year : ₹ 3.53 crore
- (b) Amount unspent : ₹ 3.53 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 project or program is 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.

Of the multiple initiatives stated in the Annual Report for the year ended 31st March, 2015, the Company is concentrating on providing employment enhancing vocation / skill development training and promoting livelihood enhancement projects. Towards this end, the Company focused on identifying the communities / beneficiaries of these projects, understanding their needs, shortlisting the partnering agencies and the implementing NGOs having the necessary expertise in this field.

The Company has plans to scale up the identified CSR activities in a structured and controlled manner to ensure maximum advantage to the relevant communities.

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

Sunil Pahilajani

Managing Director & CEO

Mumbai

6th May, 2016

Karan Thapar

Chairman

Annexure 6

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the Financial Year ended 31st March, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial 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, 2016 complied with the statutory provisions listed hereunder 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, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (e) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;

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 Woman 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 least seven 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 : 4th May, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

FY15 proved to be a year of resilience and recovery for the global economy, which advanced a modest 3.1%. Led by the US, many advanced economies reported a marginal but definite improvement in performance during the year. The developing and emerging economies, on the other hand, witnessed a slowdown in growth.

Near-term challenges in the form of geo-political stability and slowing down of the Chinese economy are expected to impact global economic growth going forward. The International Monetary Fund (IMF) has forecast the global economy to grow moderately at 3.2% in FY16, with the prospect of achieving a 3.5% growth in FY17.

(Source: IMF-WEO Report, April 2016)

INDIAN ECONOMY

The Indian economy continued to power ahead in FY16 with a GDP growth of 7.6% propelled by several key macro-economic factors, with inflation remaining subdued at the back of low commodity prices. Fiscal deficit too largely remained under control, encouraging the Reserve Bank of India (RBI) to lower interest rates in June and again in September 2015.

The Indian economy is all set to further consolidate its growth momentum in FY17. Predictions of an above average monsoon augur well for the economy. Various long-term reforms undertaken by the Government are also expected to contribute positively to the momentum. The Indian economy is expected to grow at 7.9% in FY 2016-17.

COMPANY PERFORMANCE

The Company delivered a satisfactory performance in FY16 in spite of the challenging conditions created by deficit monsoon and weak demand across all segments of the Company's business.

Powered by its performance focus, the Company continued to leverage its deep-rooted R&D capabilities and indigenous technology to develop and manufacture quality engineering products. The Company's technological thrust helped it maintain market share even in a challenging environment across all its key segments, namely, Diesel / Petrol Engines, Farm Equipment and Gensets, during the year.

The Indian economy continued to power ahead in FY16 with a GDP growth of 7.6% propelled by several key macro-economic factors, with inflation remaining subdued at the back of low commodity prices.



Underpinning the Company's technological prowess were the new product introductions in the Automotive Engines and Farm Equipment businesses during the year. The Bharat Stage (BS) - IV compliant 105 HP 3-cylinder 'Leap' Engine is designed to deliver increased value proposition to our Automotive Original Equipment Manufacturer (OEM) customers. The Farm Equipment business launched a new 'SAMPURNA SWADESHI' programme aligned to the 'Make in India' campaign.

Value engineering, coupled with the Management's decision of exiting from the loss-making infrastructure equipment business last year, helped the Company boost its profitability. By focussing on tightening operational controls, the Company improved its overall profitability significantly.

For the full year, the Company reported a total income from operations of ₹ 1,616 crore as compared to ₹ 1,689 crore for the previous year. Profit after tax for the year was recorded at ₹ 199 crore against ₹ 82 crore in the previous year. Continued focus on margin enhancement sharply improved the EBITDA Margin for the year from 12% to 17%.

The Company utilised the past twelve months to further strengthen its presence in the identified key regions of SAARC, Middle East and South East Asia, through various strategic and marketing initiatives.

AUTOMOTIVE ENGINES BUSINESS

Industry Overview

The Indian automotive industry witnessed mixed fortunes, with sales looking up in the second half of the year. Demand in the Passenger Vehicle (PV) segment was driven largely by new model launches and heavy discounts. Volumes improved by 7.87% in the PV segment as compared to the previous year.

The Commercial Vehicles (CV) segment witnessed a growth of 7.24%, led mainly by growth in the Medium and Heavy Commercial Vehicles (M&HCV). Replacement demand, improving financing viability and rollout of BS-IV emission norms provided the necessary impetus to this segment.

However, the pace of growth in the Light Commercial Vehicles (LCV) remained muted at 0.30%. The Small Commercial Vehicle (SCV) segment continued to be in the negative zone. The 3-wheeler segment recorded a flattish year, as sales grew at a slow pace of 1.03%.

Moving ahead, the M&HCV as well as the LCV (Goods) segments are expected to benefit from a) the replacement of an ageing fleet and b) pre-buying before nationwide BS-IV implementation in April 2017. The LCV (Goods) segment is also expected to benefit from the gradual improvement in viability and pick-up in consumption-driven sectors. Demand across



these segments is expected to further pick up from infrastructure and industrial sectors as reforms initiated by the Government get underway. (Source: ICRA Report, 2016)

The Government is determined to make the Indian automotive industry a frontrunner in the 'Make in India' programme. The industry is expected to contribute over 12% to India's GDP over the next decade. The Automotive Mission Plan 2016-26 (AMP 2026) highlights the vision, plan and progress envisaged and the need to reduce the time lag between the complete implementation of Bharat Stage emission norms in India and international emission standards. The Government has set an ambitious target of implementing BS-VI standards by April 2020.

SIAM has forecast a positive outlook overall for sales across vehicle categories for FY17.

While unexpected glitches like the ban on diesel vehicles by the Supreme Court in the National Capital Region (NCR) could create impediments, overall, however, timely measures by the Government and a good monsoon will be the key to sustaining the positive growth trend in future.

Business Overview

The Company has a rich legacy of manufacturing world-class engines, catering primarily to the 3-wheeler and SCV segment.

In FY16, volumes dropped, and in spite of a marginal rise in PV & CV vehicle demand, the pace across the segments remained uneven. The slowdown in 3-wheeler and SCV segments, where it has a dominant position, posed a challenge to the Company. However, operational efficiencies and benign commodity prices helped to reduce costs and improve profitability.

Within the broader 4-wheeler commercial vehicle category, for a new multi-purpose product segment, the Company has successfully launched greenfield applications using the 510cc single cylinder engine. During the year, the Company also showcased a 3-cylinder BS-IV compliant engine at the Society of Automotive Engineers - China Congress & Exhibition at Shanghai, China and for the first time in India at the Auto Expo 2016.

Moving forward, the major focus of the Company will be on developing cost-effective engines for 3-wheelers and small 4-wheeler segments to meet BS-VI emission norms, thus raising the performance bar in this business.

Risks & Concerns

Lacklustre Demand: The SCV and 3-wheeler segment has witnessed a sluggish demand all through the year. Since demand

is closely linked to the growth of the economy, predictions of a normal to above normal monsoon this year could see a revival in demand.

Fuel Prices: Frequent variations in the fuel prices adversely affect consumers' confidence and buying decision. Higher maintenance costs of a vehicle and equipment can negatively impact demand, which can, in turn, adversely affect the Company's sales.

Environment Focus: Stringent norms are being set by the Government to ensure long-term sustainability by reducing the adverse impact of environmental pollution. The Company already has gasoline / alternate version of engines, which almost all major OEMs use in small numbers. R&D is ongoing to further improve the performance of these engines.

Outlook

Lower inflation, accommodative policy stance of the RBI, and better policy transmission is likely to keep interest rates low. The Government is likely to invest ₹ 97,000 crore in the road sector in FY17. This large investment includes the budgetary support of ₹ 55,000 crore to highways and roads. Moreover, the Government is keen on raising the efficiencies of the passenger traffic on the roads. In his Budget speech for FY17, the Finance Minister spelt out the intent of the Government to make necessary amendments in the Motor Vehicles Act and open up the road transport sector for the passenger segment. 3-wheelers may play a significant role in improving the mass transport experience in the coming years.

In line with its environment conservation focus, the Government has already announced implementation of BS-VI standards from FY20. The Company has commenced work in this direction and looks upon it as an opportunity to contribute positively to the industry and the country's sustainability agenda.

In the short and medium-term, however, the Company expects the business environment to remain in sustenance mode and any major shift will be visible alongside a significant uptick in economic growth.

AUXILIARY POWER BUSINESS

Industry Overview

Growth in the auxiliary power industry is linked to the power supply situation, in FY16, energy availability improved and power shortages reduced across several regions in the country. This, coupled with low capacity utilisation and slow capacity

addition by industry, impacted demand. Demand was also weak across the two key consumer segments – real estate and industries.

The Infrastructure segment and the Government Business was the only silver lining, witnessing increase in demand, driven largely by higher Government spending during the last quarter of the year.



Business Overview

The Company's product portfolio in this business segment spans a range of 2.5 kVA to 500 kVA DG sets. In a difficult year, the Company saw marginal revival in demand in the second half of FY16. As part of a branding exercise to revitalise the complete Genset product range, the Company has updated its products with next-gen aesthetics. The new-look DG sets have a distinct glossy exterior finish, giving them a truly world-class visual appeal. The Company also launched a 5-year extended warranty programme for its new Genset product range.

Further, to improve its reach, the Company strengthened its dealer network in key markets. The Company remained alert to opportunities to penetrate the institutional segment deeper, while consolidating its existing presence.

Risks & Concerns

Reduced Power Deficits: The overall improved power supply has reduced the dependence of retail consumers on DG sets. Usage pattern of Gensets are also undergoing a significant transformation.

Competition: The market has several players in kVA range less than 63 kVA, who continue to aggressively compete on prices to capture market share in an already weak demand scenario.

Sustainability: The demand for reducing fossil-based oil consumption, and looking for green power and energy solutions, may impact the sustainability of the industry in the long term.

Outlook

Although the structural improvements in the energy sector may make the macro environment less attractive for the auxiliary power industry, the transformation is expected to be gradual. In the intermediate near and mid-terms, the auxiliary power industry is likely to be driven by growth in the infrastructure space and the pace of economic activity. The Government's commitment to increasing infra spends and promoting manufacturing growth, with special focus on developing MSME segment, is expected to open up new opportunities for the industry. The Company's focus on strengthening the distribution network and rolling out technology-led competitive products will aid growth, and make it the brand of choice for consumers.

The Company has identified key domestic markets, and will concurrently explore global opportunities with its world-class product range in regions of favourable demand scenario.

FARM EQUIPMENT BUSINESS

Industry Overview

Farm subsidies, monsoons and level of rural income primarily decide the fate of the Farm Equipment business. Two back-to-back Kharif seasons of insufficient rainfall have impacted the economy and the sector. This, in turn, has slowed the pace of mechanisation of India's agricultural sector. Demand for light agricultural equipment remained moderate in FY16.

The Government remained committed to curbing inflation and except for pulses, Minimum Support Prices (MSPs) rose only moderately for other agricultural produces during the year. Modernisation of the agriculture sector continues to be high on the Government's agenda and several initiatives have been launched in recent months to this end. The Union Budget for FY17 has also enhanced the budget allocation for agriculture and its allied sector by 84% to ₹ 47,912 crore. The Government has also announced that 28.5 lakh hectares of land will be brought under irrigation, with a dedicated irrigation fund of ₹ 20,000 crore under NABARD. These initiatives, coupled with a good monsoon, will have a direct positive impact on the agriculture sector.



Overall, the forecast of a normal monsoon supported by favourable policies augurs well for the Company, going forward.

Business Overview

The Company's business in this division was affected mainly by poor monsoon and changes in subsidy disbursement, resulting in lower agricultural income. To counter a drop in volumes, the Company focussed on attracting customers through strong marketing, promotional and distribution initiatives.

Through its presence in key segments of the economy straddling the rural and the urban, the Company has, over the last 150 years, developed a powerful nucleus of strengths – strengths that have made it a principal player in the marketplace. Leveraging these strengths, and aiming to contribute positively to the 'Make in India' programme, the Company launched a new range of farm equipment under its flagship programme 'SAMPURNA SWADESHI' during the year. The newly launched products, Mini Power Tiller (8 HP) and the Paddy Weeders, have not only been manufactured in India using state-of-the-art technology and easy-to-operate design, but have also been customised to meet the functional demands of Indian farmers. The indigenous development of these products was supported by the Company's Technology Centre for Farm Equipment business in Chennai. Continued technological advancement and focussed R&D initiatives will continue to foster growth in this area. Also, to further streamline operations and better utilise resources, the Company shifted its manufacturing operations from Gummidipoondi to Ranipet.

Risks & Concerns

Dependency on Monsoon: Although the Government has been providing incremental support to the farm sector through various policy measures, the decision of farmers to invest in mechanisation is still closely linked to the vagaries of monsoon.

Subsidy Regime: At a time when the Government is committed to lowering the fiscal deficit to 3.5%, cutting subsidies or releasing payment based on priorities, has become imperative.

Competition: Indian farm equipment manufacturers face steep competition from small and medium enterprises and importers.

Outlook

The last few years have been particularly challenging for the Farm Equipment business as the volume growth has continuously remained under pressure. The Company expects to develop a variety of light agricultural equipment for different farming activities. Steered by a robust R&D focus, backed by quality and customer-centricity, the Company is set to leverage the opportunities that will arise with improvement in the demand scenario. The Company also aims to explore international markets which have similar farming practices, in line with its consistent endeavour to boost profitability.

INDUSTRIAL ENGINES BUSINESS

Industry Overview

During the year, demand in this segment remained weak as a sense of caution prevailed among industry players. Many of the manufacturers appeared to have been waiting for more reliable cues of demand revival before investing in capacity additions or new product development.

Business Overview

The demand for industrial engines is dominant in marine applications, agricultural equipment, fire fighting pump-sets, mining and construction, material handling (cranes, forklifts), rail cars, road sweepers, etc. The Division is focussed on testing the adaptability of versatile engines already manufactured by the Company on new applications. The Company is also focussed on customisation and production of cost-effective, practical and relevant engines that address the special needs of the defined end-user industries.

The Company offers customised industrial engines that help enhance the performance of equipment across diverse industries. However, due to a challenging external environment during the last twelve months, the business in this segment was not significant.

Risks & Concerns

Pace of Economic Growth: Unless capacity utilisation across industries picks up, or demand revives, the investment cycle is likely to continue at the same pace.

Competition: A combination of low demand and entry of new players may intensify the competition and price arbitrage.

Outlook

The Company's focus on developing performance enhancing customised engines would help it retain its market share even in tough market conditions. Improvement in this business is expected only after strong revival of the capex cycle.



AFTERMARKET BUSINESS

Also known as the spare parts business, the Aftermarket business caters mainly to Automotive, Farm Equipment and Auxiliary Power business. The Company supplies aftermarket parts through its own distribution channels, as well as through OEMs. Factors such as better quality of engines, deeper relationships with customers, cost-effective replacement solutions, and better service differentiate the Company's Aftermarket business.

Business Overview

During the year, the Aftermarket business for Auxiliary Power and Industrial Engines business showed negative growth, primarily due to the improved power situation in many parts of the country. The ban on diesel 3-wheelers in major metro cities, which is also being extended to Tier II cities, further impacted demand. Despite the business witnessing stagnant market growth in both Automotive and Farm Equipment segments, the Company has recorded an overall growth of 10%.

The Company focussed its energies on channel enhancement and expanding territory coverage in identified regions to strengthen last mile connectivity.

INTERNATIONAL BUSINESS

The Company's strategic focus on its International business is driven by the need to reduce dependence on the

domestic market and also to de-risk the currency volatility. The Company is keen on growing its export volume across all its businesses – Engines, Farm Equipment and Genset. The Company is working to further improve the quality of its products and strengthen its distribution network in strategic international markets.

In FY16, the Company's exports business witnessed favourable traction in the SAARC region (Sri Lanka and Bangladesh). The Company has made inroads into the fiercely competitive European market by appointing strong distributors in Italy and Turkey for its Engines business. The Company has identified the emerging opportunities in Iran and has moved quickly to start engines business in a future growth area.

The Company has entered into a strategic marketing alliance for industrial equipment in select export markets. The products have been well accepted in the identified markets and the business is expected to grow significantly in the coming years.

The Company remains optimistic about developing the key markets of SAARC and ASEAN as well as some identified countries in Europe and Middle East, which could well be the chief contributors to future growth in the International Business.

COMMODITY PRICE / FOREIGN EXCHANGE RISK AND HEDGING

Being an engineering products Company, commodities (aluminium, steel, copper and plastics) form a major part of raw materials required for the Company's products and commodity price risk is recognised as an important risk for the Company. The Company has put in place a comprehensive mechanism to adequately protect itself from commodity volatility in terms of price and availability. Rigorous planning and dynamic purchase strategies ensure that the Company's interest is protected despite volatility.

The Company's policy is to actively manage its foreign exchange risk within the framework laid down by the Company's forex policy approved by the Board. The Company uses forward exchange contracts to hedge against its net foreign currency exposures. The Company does not enter into any derivative instruments for trading or speculative purposes.

INTERNAL CONTROLS FRAMEWORK

The Company has proper and adequate systems of internal controls to ensure that all its assets are safeguarded. Standardised operating procedures, policies and guidelines, including regular monitoring procedures and self-assessment

exercises, are the cornerstones of this important function. The Code of Conduct established by the Company lays down the fundamental standards to be followed by employees in their regular working. Employees are encouraged to report activities which they suspect are unethical, and to avoid conflict of interest in any business transactions. The Company is committed to enforcing the highest standards of integrity and transparency, and has adopted a strong self-monitoring mechanism.

The Company has taken steps to benchmark its internal financial control on lines of globally accepted framework as issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control - Integrated Framework (2013).

The Company maintains a system of internal controls designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records
- Timely preparation of reliable financial information

Key controls have been tested during the year and corrective and preventive actions are taken for any weakness.

The effectiveness of the internal control systems is continuously monitored by the Internal Auditors and Corporate Audit Department of the Company. The main function of the Internal Auditors is to provide to the Audit Committee and the Board of Directors, an objective assurance of the adequacy and effectiveness of the organisation's risk management control and governance process.

The Internal Audit group follows up on the implementation of the corrective actions and improvements in business processes. Compliance with laws and statutory requirements are also monitored and stringently adhered to.

HUMAN RESOURCES

The Company believes that only satisfied and motivated employees, with their values aligned to the Company's vision, values and goals, can fuel its sustained and consistent progress. The Company leverages its people strength to achieve higher levels of efficiencies and excellence across all functions.

The Company's focus has been to develop and retain talent through various employee engagement initiatives. In-house and

external training programmes and workshops are conducted from time-to-time on various topics. Related to technical / functional / behavioural development and health, safety and environment, these programmes seek to keep the employees abreast of the latest industry developments and processes.

There are processes in place to facilitate seamless and transparent communication with senior management, creating an environment for nurturing better understanding of the operational challenges, while facilitating exchange of ideas, sharing of experiences and establishing clear goals.

The Company's HR policies are developed to promote personal growth while imbibing the five Pancha Tatva values of Transparency, Integrity, Responsibility, Passion for Excellence and Respect.



The Company's total number of permanent employees as on 31st March, 2016 was 1,894.

INFORMATION TECHNOLOGY

From manufacturing excellence and innovation, to management of supply chains, IT has provided the Company an important competitive advantage leading to better market share. The Company uses real-time enterprise infrastructure to assist better Management Information flow and maximise performance efficiency. The IT infrastructure is structured to improve manufacturing effectiveness, quality and reliability in operations.

IT has also enabled efficient management and optimisation of various engagement processes with customers, distributors, vendors and channel partners. Designed in user-friendly formats, the interaction has been made less cumbersome and seamless through the implementation of robust IT systems over the past 3 years. With increasing focus on the global market, the Company aspires to further simplify and standardise various support systems for increasing efficiencies.

At the same time, technology also brings in its fair share of challenges, including sophisticated cyber threats. In this connected world, cyber risks can impact organisational performance, data security, loss of personal data, and sometimes even survival. To prevent and combat such potential threats, your Company has built a robust IT infrastructure to meet the needs of the organisation. Adequate care has been taken to build a fail-safe network that will ensure that business processes continue uninterrupted. We will continue to invest in IT infrastructure to meet the ever-changing needs.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance practices constitute the strong foundation on which successful organizations are built to last. Adhering to good governance is deeply ingrained in the fabric of the organisation, its culture, the way we conduct our internal operations and manage our business with external parties. In its quest to promote good governance, the Company has adopted "*Pancha Tatva – 5 values. 1 way of life*" encompassing Transparency, Integrity, Responsibility, Passion for Excellence and Respect, towards all its stakeholders. Effective Corporate Governance practices have been the Company's hallmark inherited from its culture and ethos.

2. BOARD OF DIRECTORS (Board)

2.1 Composition of Board

The Board consists of experienced and eminent professionals with expertise in varied fields. The composition of the Board, an optimum mix of Independent, Non - executive and Executive Directors, is in compliance with the statutory requirements in this regard. The Chairman and the Executive Director are liable to retire by rotation. The Managing Director & CEO is not liable to retire by rotation. Day-to-day management of the Company, under the superintendence of the Board, is vested with the Managing Director & CEO, who is supported by a competent Management Team. Thus, an effective independent Board, the separation of supervisory role from executive management and the constitution of committees to oversee critical areas, are a reflection of the Company's commitment to good corporate governance.

There is no relationship between the Directors inter se.

The composition of the Board as on date 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	1	1
Mr. Vikram Tandon	Independent Director	1	1	1
Mr. Navneet Singh	Independent Director	3	3	0
Mr. Arvind Kumar Singhal	Independent Director	3	1	0
Ms. Monica Chopra	Executive Director - Legal & Company Secretary	3	1	0
Mr. Kewal Handa ³	Additional Director (Independent)	2	1	2

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 an Additional Director (Independent) of the Company with effect from 6th May, 2016.

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

During the financial year 2015 - 16, the Board met four times i.e. on 6th May, 2015, 30th July, 2015, 2nd November, 2015 and 2nd February, 2016 (adjourned to 3rd February, 2016). The gap between any two Board 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 Meetings attended
Mr. Karan Thapar	4 of 4
Mr. Sunil Pahilajani	4 of 4
Mr. Vijay Rai	4 of 4
Mr. Vikram Tandon	3 of 4
Dr. Clive Hickman*	1 of 2
Mr. Navneet Singh	4 of 4
Mr. Arvind Kumar Singhal	3 of 4
Ms. Monica Chopra	4 of 4

* resigned as Director with effect from 31st July, 2015.

Annual General Meeting

The Annual General Meeting for the year ended 31st March, 2015 was held on 6th August, 2015. 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, approve the quarterly financial results, the strategic business plan and the annual budget. The annual calendar of Board Meetings is tentatively agreed upon at the beginning of each year. Additionally, Board Meetings are convened to transact special business, as and when necessary.

Agenda papers, containing all relevant information, including information as specified in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 the 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. The draft Minutes of the Meetings are circulated to the Directors for their comments and the final Minutes are thereafter entered into the Minutes Book within 30 days of the conclusion of the Meetings.

3. COMMITTEES

As mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 these Committees is regulated by the specific terms of reference, roles and responsibilities and powers as 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 noting. Declarations regarding memberships / chairmanships of the specified committees in other public limited companies as on 31st March, 2016, have been received from the Directors. None of the Directors is a member of more than ten committees or chairperson of more than five committees across all companies in which he / she is a Director.

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 in the financial statements / results and the transparency, integrity and quality of financial reporting.

3.1.1 Terms of reference in brief

The primary role of the Committee, inter alia, 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 and the annual financial statements and auditor's report thereon;
- (iv) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (v) approving, or any subsequent modification of, transactions with related parties;
- (vi) evaluating internal financial controls and risk management systems;
- (vii) reviewing the findings of any internal investigations by the internal auditors;
- (viii) reviewing the functioning of the Whistle Blower mechanism; and
- (ix) 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 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.

3.1.2 Composition

The Committee comprises four qualified Directors, three of whom are Independent Directors and one is a Non - executive Director. The Members of the Committee are financially literate and have financial management expertise. The composition of the Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as given below:

Name	Designation	Category
Mr. Navneet Singh	Chairman	Independent Director
Mr. Vijay Rai	Member	Independent Director
Mr. Karan Thapar	Member	Non - executive Director
Mr. Kewal Handa*	Member	Independent Director
Dr. Clive Hickman**	Member	Independent Director

*appointed as a Member of the Audit Committee with effect from 6th May, 2016.

** Resigned with effect from 31st July, 2015.

3.1.3 Meetings and attendance

During the financial year 2015 - 16, the Committee met four times i.e. on 5th May, 2015, 30th July, 2015, 2nd November, 2015 and 3rd February, 2016. The gap between any two Meetings did not exceed 120 days.

Mr. Navneet Singh, Mr. Vijay Rai and Mr. Karan Thapar attended all the four Meetings of the Committee. Dr. Clive Hickman attended one out of the two Meetings held during his tenure.

The Chairman of the Committee was present at the 96th Annual General Meeting held on 6th August, 2015.

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

The Members of the Committee meet the Statutory Auditors independently without the Management's presence.

3.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee ensures that the Company's remuneration and incentive policies, practices and key 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 of Directors, 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 for the Executive Directors, Key Managerial Personnel and Management Staff;
4. To devise a policy on Board diversity;
5. To formulate a criteria for evaluation of Independent Directors and the Board;
6. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

3.2.2 Composition

The Nomination and Remuneration Committee comprises three Directors of whom two are Independent Directors and one is a 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 2015-16, the Nomination and Remuneration Committee met two times i.e. on 5th May, 2015 and on 3rd February, 2016, where all the Members were present.

The Chairman of the Nomination and Remuneration Committee was unable to attend the 96th Annual General Meeting held on 6th August, 2015. However, in accordance with Section 178 (7) of the Companies Act, 2013, Mr. Rai was duly authorised to attend the said Meeting on the Chairman's behalf.

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 salary and allowances, perquisites, retirement benefits, performance linked incentive and long term 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 2015 - 16 are as follows:

(₹ in lakh)

Name	Fixed component			Variable Component		Total
	Salary and Allowance	Perquisites	Retirement benefit	Performance Linked Incentives	Long Term Incentive	
Mr. Sunil Pahilajani	205.35	1.62	12.35	59.00	100.00	378.32
Ms. Monica Chopra	84.20	0.71	3.74	16.59	35.38	140.62

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.

Details regarding Service Contract and Notice Period:

Mr. Sunil Pahilajani:

Service Contract - five years from 5th November, 2011 to 4th November, 2016.

Notice Period - six months.

Ms. Monica Chopra:

Service Contract - three years from 1st August, 2014 to 31st July, 2017.

Notice Period - three months.

2. For Non - executive Directors

The Non - executive Directors are uniformly paid remuneration in the form of sitting fees and commission on 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 93rd Annual General Meeting held on 30th July, 2012, commission is payable at a rate not exceeding 1% 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

Details of the remuneration paid / payable to the Non - executive Directors for the financial year 2015 - 16 are as follows:

(₹ in lakh)

Name	Sitting fees	Commission*	Total
Mr. Karan Thapar	2.00	178.50	180.50
Mr. Vijay Rai	2.10	11.00	13.10
Mr. Vikram Tandon	1.00	18.75	19.75
Mr. Navneet Singh	2.10	18.75	20.85
Mr. Arvind Kumar Singhal	1.00	11.00	12.00
Dr. Clive Hickman**	0.40	-	0.40

*Subject to approval of the audited financial statements for the financial year 2015 - 16 by the Members at the forthcoming 97th Annual General Meeting.

**Resigned with effect from 31st July, 2015.

Please refer to the disclosure on related party transactions in Notes to the Standalone Financial Statements for details of transactions in which Mr. Karan Thapar is concerned or interested. None of the other Non - executive Directors have any other pecuniary interest in the Company.

3.2.5 Shareholding of the Non - executive Directors in the Company

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

* Resigned with effect from 31st July, 2015.

3.2.6 Performance evaluation criteria for Independent Directors

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.

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 investors' 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 officials duly authorised by the Board of Directors in this regard and approve 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; and
- 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 composition of Stakeholders' Relationship and Share Transfer Committee is as under:

Name	Designation	Category
Mr. Vijay Rai	Chairman	Independent Director
Mr. Sunil Pahilajani	Member	Executive Director
Mr. Navneet Singh	Member	Independent Director

3.3.3 Meetings and attendance

During the year under review, the Stakeholders' Relationship and Share Transfer Committee met twice i.e. on 5th May, 2015 and 30th July, 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 Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.3.5 Investor complaints

The Company received three 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 within 48 hours of receipt.

The Company has a dedicated email ID investorservices@greavescotton.com to which investors can send their grievances. Mr. Manish Parikh, Deputy Company Secretary, is designated as the Investor Relations Officer who may be contacted at the Registered Office of the Company or on Telephone : +91 - 22 - 3355 1700.

Complete details of the past unpaid / unclaimed dividends and fixed deposits lying with the Company have been displayed on the Company's website www.greavescotton.com under the head "Investor Relations". Members are urged to visit the website and claim their unpaid / unclaimed dividend, if any, before the amount gets transferred to the Investor Education and Protection Fund of the Central Government.

4. GENERAL BODY MEETINGS

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

Date	Time	Venue	Special Resolution passed, if any
6 th August, 2015	3:00 p.m	Hall of Culture, Nehru Centre, Worli Mumbai - 400 018	Appointment of Statutory Auditors
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

4.2 Special Resolutions through Postal Ballot

During the year under review, no Special Resolution was passed through Postal Ballot. If required, Special Resolutions shall be passed by postal ballot during the year ending on 31st March, 2017, in accordance with the prescribed procedure.

5. DISCLOSURES

5.1 Related Party Transactions

5.1.1 Basis

During the year under review, one new transaction with a related party was entered into with due approval of the Audit Committee. 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 Statements, 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 for dealing with related party transactions which is displayed on the Company's website www.greaves cotton.com and can be accessed through the following link http://www.greaves cotton.com/Upload/Investor/Related_Party_Transactions.pdf.

5.2 Accounting treatment

The Company has, in preparation of the Financial Statements, followed the applicable Accounting Standards.

5.3 Management

The Management Discussion and Analysis, as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, the Securities and Exchange Board of India 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 under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 required under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith.

5.7 Subsidiary Companies

The Company does not have a material non-listed Indian subsidiary as defined under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 statements of the subsidiary companies, including investments made by the subsidiary companies.

The Company has adopted a policy for determining material subsidiaries which is displayed on the Company's website www.greaves cotton.com and can be accessed through the following link http://www.greaves cotton.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 (Prohibition of Insider Trading) Regulations, 2015. 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 the 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 Persons, 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 Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code is displayed 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 for the financial year ended 31st March, 2016. 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 transaction has been reported that could have a potential conflict with the interests of the Company at large.

5.10 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 whereunder 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 Whistle Blower Policy is displayed on the Company's website www.greavescotton.com.

No personnel have 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 national English and regional language (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. The transcripts of investors' calls are also sent to the Stock Exchanges and displayed on the Company's website www.greavescotton.com and can be accessed through the following link <http://www.greavescotton.com/investor/presentation.aspx>.
- Website: The financial results are also simultaneously displayed on the Company's website www.greavescotton.com.

7. GENERAL SHAREHOLDER INFORMATION

7.1 Annual General Meeting Information

Day and Date	Monday, 26 th September, 2016
Time	3.00 p.m.
Venue	Hall of Culture, Ground floor, Nehru Centre, Worli, Mumbai - 400 018
Book Closure	Tuesday, 20 th September, 2016 to Monday, 26 th September, 2016 (both days inclusive)
Dividend and Payment date	Final dividend of ₹ 1 per share of face value of ₹ 2; that is 50%, payable at par on or after 20 th October, 2016

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 2016 - 17, as per the following schedule:

1 st quarter ending 30 th June, 2016	: on or before 14 th August, 2016
2 nd quarter ending 30 th September, 2016	: on or before 14 th November, 2016
3 rd quarter ending 31 st December, 2016	: on or before 14 th February, 2017
4 th quarter and financial year ending 31 st March, 2017	: on or before 30 th May, 2017
98 th Annual General Meeting	: on or before 30 th September, 2017

7.4 Stock Exchange Information

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

Name and address of Stock Exchange	Stock Code / Symbol
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	501455
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400 051	GREAVESCOT

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

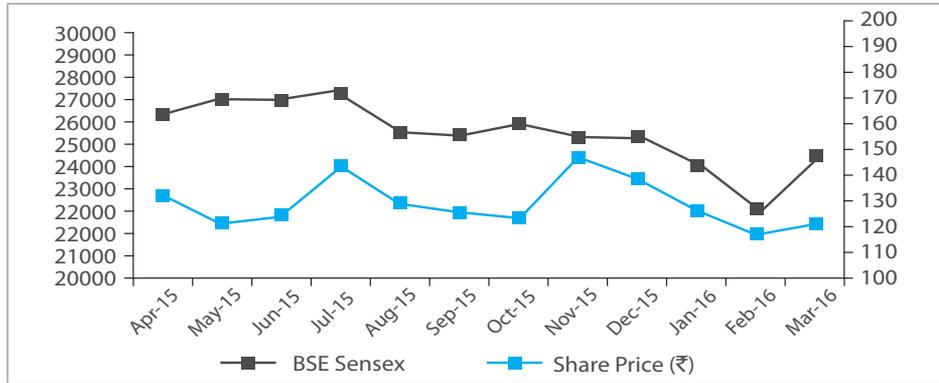
The Listing Fee for the financial year 2016 - 17 has been paid to both the above Stock Exchanges.

7.5 Market Price Data (high, low during each month in the financial year 2015 - 16)

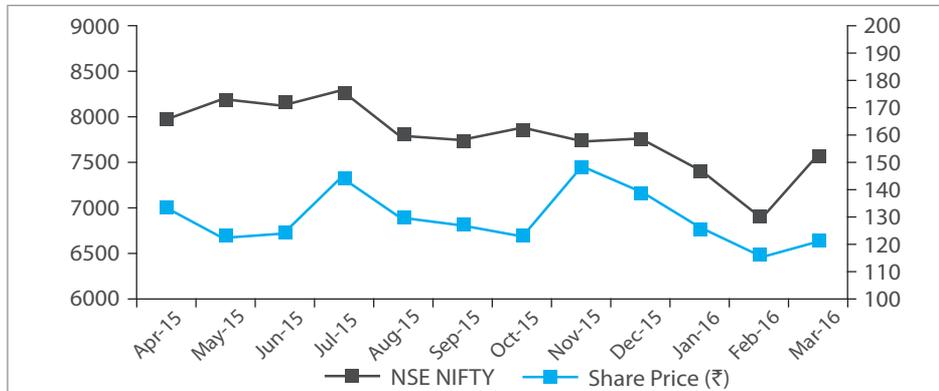
Month	BSE				NSE			
	Prices in ₹		S & P BSE Sensex		Prices in ₹		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
April, 2015	146.50	134.55	29,004.61	26,897.54	146.90	133.80	8,844.80	8,144.75
May, 2015	140.40	117.00	28,071.16	26,423.99	142.30	116.55	8,489.55	7,997.15
June, 2015	138.90	120.25	27,968.75	26,307.07	139.05	120.00	8,467.15	7,940.30
July, 2015	154.90	125.10	28,578.33	27,416.39	154.60	124.60	8,654.75	8,315.40
August, 2015	157.00	127.75	28,417.59	25,298.42	157.60	128.10	8,621.55	7,667.25
September, 2015	142.40	115.30	26,471.82	24,833.54	142.40	112.60	8,055.00	7,539.50
October, 2015	130.00	119.00	27,618.14	26,168.71	131.45	119.00	8,336.30	7,930.65
November, 2015	162.40	123.50	26,824.30	25,451.42	162.60	123.30	8,116.10	7,714.15
December, 2015	154.90	137.60	26,256.42	24,867.73	155.15	139.05	7,979.30	7,551.05
January, 2016	148.85	122.25	26,197.27	23,839.76	148.90	120.35	7,972.55	7,241.50
February, 2016	133.90	114.20	25,002.32	22,494.61	134.40	114.10	7,600.45	6,825.80
March, 2016	128.40	117.50	25,479.62	23,133.18	128.40	116.60	7,777.60	7,035.10

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 NIFTY 50



7.7 Share Transfer Agent Information

Shareholders are requested to note the change in the Registrar and Share Transfer Agent from Sharepro Services (India) Private Limited to Karvy Computershare Private Limited.

Registrar and Share Transfer Agent:	Telephone Number:
Karvy Computershare Private Limited	+91 - 40 - 6716 2222
UNIT : Greaves Cotton Limited	Fax Number:
Karvy Selenium Tower B	+91 - 40 - 2342 0814
Plot 31-32, Gachibowli, Financial District	Email Id: einward.ris@karvy.com
Nanakramguda, Hyderabad - 500 032	Website: www.karvycomputershare.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 certificates, to the Company Secretary and the Deputy Company Secretary of the Company. Issue of duplicate share certificates is approved by the Stakeholders' Relationship and Share Transfer Committee. 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 regularly placed before the Stakeholders' Relationship and Share Transfer Committee. The Company obtains a half yearly compliance certificate as required under Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from a Company Secretary in whole time practice and files the same with the Stock Exchanges.

7.9 Shareholding Pattern as on 31st March, 2016

Category	Number of Shares held	Percentage of Shareholding
Promoters	12,45,53,726	51.00
Mutual Funds and UTI	5,78,12,556	23.67
Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	2,12,94,662	8.72
Corporate Bodies	36,47,675	1.49
NRIs / OCBs / FIIs / FPIs	1,47,10,670	6.02
Resident Individuals / Trust	2,15,62,291	8.84
Shares lying in Unclaimed Suspense Account	6,25,215	0.26
Total	24,42,06,795	100.00

7.10 Distribution of Shareholding as on 31st March, 2016

Number of Shares	Number of Shareholders	Percentage	Number of Shares	Percentage
Up to 5,000	40,724	97.90	1,34,52,831	5.51
5,001 to 10,000	492	1.18	33,94,650	1.39
10,001 to 20,000	177	0.43	24,58,461	1.00
20,001 to 30,000	56	0.13	13,18,355	0.54
30,001 to 40,000	16	0.04	5,52,162	0.23
40,001 to 50,000	17	0.04	7,94,866	0.33
50,001 to 1,00,000	41	0.10	28,54,448	1.17
1,00,001 and above	75	0.18	21,93,81,022	89.83
Total	41,598	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. 98.50% of the total Equity Share Capital was held in dematerialized form as on 31st March, 2016.

The International Securities Identification Number (ISIN) allotted to the Company's shares is INE 224A01026.

The details of shares held in dematerialised and physical form as on 31st March, 2016 are as follows:

Particulars	Shares		Shareholders	
	Number	% of Total	Number	% of Total
Dematerialized form				
NSDL	22,62,17,616	92.63	20,725	49.82
CDSL	1,43,32,120	5.87	7,424	17.85
Sub - total	24,05,49,736	98.50	28,149	67.67
Physical form	36,57,059	1.50	13,449	32.33
Total	24,42,06,795	100.00	41,598	100.00

Promoter's entire holding is in dematerialized form.

The shares of the Company are regularly traded on both 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 or any other convertible instruments.

7.13 Shares in the Suspense Account

At the time of the split in the face value of the shares from ₹ 10 to ₹ 2 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, addressee not traceable, etc.

As required by Clause 5A of the erstwhile 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, 2015		Shares transferred in favour of the concerned Shareholders during the year		As on 31 st March, 2016	
	Number of		Number of		Number of	
	Cases	Shares	Cases	Shares	Cases	Shares
Equity Shares	5,065	6,38,805	31	13,590	5,034	6,25,215

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

7.14 Plant Locations

Plant	Address	Plant	Address
Light Engines Unit - I	J-2, MIDC Industrial Area Chikalthana, Aurangabad - 431 210	Light Engines Unit - V	A-1/3, Shendra Five Star Industrial Area, Shendra, Aurangabad - 431 001
Light Engines Unit - II and Petrol Engines Unit	Plot No.72, Sipcot Industrial Complex, Ranipet - 632 403	Diesel Engines Unit - I	Bombay Poona Road Chinchwad, Pune - 411 019
Light Engines Unit - IV	J-2A, MIDC Industrial Area Chikalthana, Aurangabad - 431 210	Genset Unit	Gut No. 123/2 Murhe Vasti Chimbali Phata, Kuruli, Chakan Tal Khed, Pune - 410 501

7.15 Address for Correspondence

Greaves Cotton Limited 3 rd 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@greaves cotton.com Website: www.greaves cotton.com
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7.16 Weblink of Familiarisation Programme

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25 (7) of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Company has undertaken various actions for familiarising the Directors with the Company, its business model, the nature of the industry in which it operates, their roles, rights and responsibilities, etc. The details of the same is displayed on the Company's website www.greaves cotton.com and can be accessed through the following link http://www.greaves cotton.com/Upload/Investor/familiarisation_programmes_for_directors.pdf.

8. COMMODITY PRICE / FOREIGN EXCHANGE RISK AND HEDGING

Please refer to the Management Discussion and Analysis Report which forms a part of this Annual Report, for details.

9. COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

All the mandatory requirements of Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 have been complied with.

Following is the status of compliance with non-mandatory requirements:

9.1 The Board

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

9.2 Shareholder Rights

The results are promptly displayed on the Company's website www.greavescotton.com in addition to being disseminated to the Stock Exchanges and published in newspapers and, therefore, the half - yearly results are not sent to the shareholders individually.

9.3 Audit qualifications

The audit report is with unmodified opinion (unqualified).

9.4 Separate posts of Chairman and CEO

The posts of Chairman and Managing Director & CEO are occupied by different individuals.

9.5 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, as and when required.

DECLARATION

(As required under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

As required under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2016.

For Greaves Cotton Limited

Sunil Pahilajani

Managing Director & CEO

Place: Mumbai

Date: 5th May, 2016

CERTIFICATION

(As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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, 2016 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: 5th May, 2016

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

To

The Members of Greaves Cotton Limited

1. We have examined the compliance of conditions of Corporate Governance by **GREAVES COTTON LIMITED** ("the Company"), for the year ended on 31st March, 2016, as stipulated in:
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from 1st April, 2015 to 30th November, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from 1st April, 2015 to 1st September, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from 2nd September, 2015 to 31st March, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March, 2016.
5. We 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 **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt

(Partner)

(Membership No. 46930)

Mumbai, 6th May, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREAVES COTTON LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GREAVES COTTON LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 auditor of the Company's branch at Manchester, United Kingdom.

Management's Responsibility for the Standalone Financial Statements

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 prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for 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

Our responsibility is to express an opinion on these standalone financial statements based on our 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 audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements 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 financial statements are free from material misstatement.

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 control 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. 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.

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

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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of the branch included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 0.27 crore as at 31st March, 2016 and total revenues of ₹ Nil for the year ended on that date, as considered in the standalone financial statements. The financial statements of the branch has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
 - c) The reports on the accounts of the branch office of the Company audited under Section 143 (8) of the Act by branch auditor have been sent to us and have been properly dealt with by us in preparing this report.
 - d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.
 - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- h) 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. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt

(Partner)

(Membership No. 46930)

Place: Mumbai

Date: 6th May, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (g) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Greaves Cotton Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt

(Partner)

(Membership No. 46930)

Place: Mumbai

Date: 6th May, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items 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. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and also the Company does not have any unclaimed deposits.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax, Customs Duty, Excise Duty, Value Added Tax and Octroi which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (Financial Year)	Amount Involved (₹ In Crore)	Amount Unpaid (₹ In Crore)
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	Settlement Commission	1996-97	0.26	0.04
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	Supreme Court	2008-09 to 2012-13	0.62	0.62
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	High Court	2001-02	0.30	0.30
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	Revision Board	2006-07	0.07	0.07
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	Appellate Tribunal	1993-94 1994-95 1999-00 to 2004-05	2.08	1.70
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	Before Joint Commissioner / Deputy Commissioner	2000-01 2003-04 2004-05 2006-07 2008-09 to 2013-14	6.56	4.08
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	Before Assistant Deputy Commissioner / Additional Commissioner / Deputy Commissioner	1990-91 2004-05 2007-08	0.14	0.14
Central Excise Act, 1944	Disallowance of input credit and Consequent penalty	Appellate Tribunal	1998-99 2006-07 to 2014-15	1.13	1.10
Central Excise Act, 1944	Disallowance of input credit and Consequent penalty	Commissioner (Appeals)	1991-92 1998-99 2010-11 to 2014-15	0.54	0.52
Central Excise Act, 1944	Disallowance of input credit and Consequent penalty	Assistant Commissioner / Deputy Commissioner / Additional Deputy Commissioner / Joint Commissioner / Commissioner	2009-10 to 2015-16	2.08	2.08
Octroi Rules, 2001	Demand based on rate difference	Civil Judge, Senior Division, Pune, (District Court)	1999-00 2005-06	0.73	0.12
Customs Act, 1962	Demand based on interpretation	Commissioner of Customs - Chennai	2014-15	3.88	3.88

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 46930)

Place: Mumbai
Date: 6th May, 2016

BALANCE SHEET

	Note No.	As at 31.03.2016	₹ Crore As at 31.03.2015
I. EQUITY AND LIABILITIES:			
1. SHAREHOLDERS' FUNDS:			
(a) Share Capital	3	48.84	48.84
(b) Reserves & Surplus	4	806.44	770.96
		855.28	819.80
2. NON CURRENT LIABILITIES:			
(a) Deferred Tax Liabilities (Net)	5	18.68	12.58
(b) Other Long-Term Liabilities	6	4.59	4.01
(c) Long-Term Provisions	7	7.64	9.91
		30.91	26.50
3. CURRENT LIABILITIES:			
(a) Trade Payables	8		
(i) Total outstanding dues of Micro enterprises and small enterprises		31.84	36.39
(ii) Total outstanding dues of creditor's other than Micro enterprises and small enterprises		129.15	109.05
(b) Other Current Liabilities	9	78.66	80.09
(c) Short-Term Provisions	10	47.37	47.07
		287.02	272.60
TOTAL		1,173.21	1,118.90
II. ASSETS:			
1. NON-CURRENT ASSETS:			
(a) Fixed Assets:	11		
(i) Tangible Assets		274.73	310.42
(ii) Intangible Assets		11.99	14.76
(iii) Capital Work-in-progress		24.46	8.39
		311.18	333.57
(b) Non-Current Investments	12	0.29	0.31
(c) Long-Term Loans and Advances	13	29.64	29.79
(d) Other Non-Current Assets	14	1.29	1.84
		342.40	365.51
2. CURRENT ASSETS :			
(a) Current Investments	15	352.67	284.06
(b) Inventories	16	108.04	104.81
(c) Trade Receivables	17	205.39	237.48
(d) Cash and Cash Equivalents	18	20.60	34.42
(e) Short -Term Loans and Advances	19	120.95	69.49
(f) Other Current Assets	20	23.16	23.13
		830.81	753.39
TOTAL		1,173.21	1,118.90
The Notes are an integral part of these financial statements		1 to 49	

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K. Bhatt
Partner

Mumbai
6th May, 2016

For and on behalf of the Board

Karan Thapar
Chairman

Narayan Barasia
Chief Financial Officer

Mumbai
6th May, 2016

Navneet Singh
Director

Monica Chopra
Executive Director-Legal &
Company Secretary

Sunil Pahilajani
Managing Director & CEO

STATEMENT OF PROFIT AND LOSS

	Note No.	Year Ended 31.03.2016	Year Ended 31.03.2015
₹ Crore			
INCOME			
Revenue from Operations (Gross)	23	1,804.14	1,856.01
Less: Excise duty		187.94	167.31
Revenue from Operations (Net)		1,616.20	1,688.70
Other Income	24	44.53	25.01
TOTAL REVENUE		1,660.73	1,713.71
EXPENDITURE			
Cost of Materials Consumed	25	993.63	1,060.89
Purchase of Stock-in-Trade	26	64.51	61.09
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	(14.71)	21.06
Employee Benefits Expense	28	152.60	160.74
Finance Costs	29	1.01	2.37
Depreciation and Amortisation Expense	30	45.38	47.14
Less: Transferred from Revaluation Reserve		-	0.04
Other Expenses	31	45.38	47.10
		151.58	185.80
		1,394.00	1,539.05
Profit Before Exceptional Items and Tax		266.73	174.66
Less / (Add): Exceptional Items	32	(24.77)	65.92
Profit Before Tax		291.50	108.74
Tax Expense:			
Current Tax		86.15	44.10
Deferred Tax		6.57	(16.89)
		92.72	27.21
Profit for the year		198.78	81.53
Profit from continuing operations before tax		294.15	190.23
Tax Charge		93.64	54.98
Profit from continuing operations after tax		200.51	135.25
Loss from discontinuing operations before tax		(2.65)	(81.49)
Tax Credit		(0.92)	(27.77)
Loss from discontinuing operations after tax	33	(1.73)	(53.72)
Earnings per share from Continuing Operation (Face Value of ₹ 2/- per share)	47		
(i) Basic		8.21	5.54
(ii) Diluted		8.21	5.54
Earnings per share (Face Value of ₹ 2/- per share)	47		
(i) Basic		8.14	3.34
(ii) Diluted		8.14	3.34

As per our report of even date attached
 For **Deloitte Haskins & Sells LLP**
 Chartered Accountants

Rupen K. Bhatt
 Partner

Mumbai
 6th May, 2016

For and on behalf of the Board

Karan Thapar
 Chairman

Narayan Barasia
 Chief Financial Officer

Mumbai
 6th May, 2016

Navneet Singh
 Director

Monica Chopra
 Executive Director-Legal &
 Company Secretary

Sunil Pahilajani
 Managing Director & CEO

CASH FLOW STATEMENT

		₹ Crore	
		Year Ended 31.03.2016	Year Ended 31.03.2015
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	291.50	108.74
	Adjustment for:		
	Provision / write off of Advances / Receivables	-	11.20
	Depreciation / Amortisation	45.38	47.10
	Impairment of Assets	6.83	8.08
	Profit on sale of properties	(33.96)	-
	Profit on sale of investments	(23.33)	(0.66)
	Provision for diminution in value of investment	0.45	-
	Loss on Capital Reduction of Subsidiary	-	2.88
	Interest income	(6.48)	(1.41)
	Finance costs	1.01	2.37
	Loss on sale of fixed assets (net)	0.13	1.97
	Dividend from non-current investments	-	(1.60)
	Dividend from current investments	(3.30)	(14.24)
	Net unrealised exchange loss	0.30	0.01
	Operating profit before working capital changes	278.53	164.44
	Adjustment for:		
	(Increase) / decrease in inventories	(3.23)	53.29
	(Increase) / decrease in trade receivables	31.75	90.96
	(Increase) / decrease in other receivables	(0.18)	(1.55)
	Increase / (decrease) in trade payables / provisions	13.18	(39.78)
	Cash from operating activities	320.05	267.36
	Direct taxes paid (net)	(85.06)	(44.01)
	Net cash from operating activities	234.99	223.35
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	(35.06)	(55.29)
	Sale of fixed assets	38.71	10.56
	Investment in subsidiaries	(0.43)	-
	Purchase and reinvestment of current investments (net)	(45.28)	(129.06)
	Bank Deposits placed	(10.86)	(30.00)
	Bank Deposits matured	20.00	15.00
	Inter Corporate Deposits placed	(75.85)	(25.00)
	Inter Corporate Deposits matured	25.00	-
	Redemption of Investments in Subsidiaries	-	20.53
	Dividend from non-current investments	1.60	0.30
	Dividend from current investments	3.30	14.24
	Interest received	4.46	0.22
	Net cash used in investing activities	(74.41)	(178.50)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Repayment of long term borrowings	-	(0.06)
	Finance Costs	(1.01)	(2.37)
	Dividend (including dividend tax) paid	(165.03)	(57.09)
	Net cash used in financing activities	(166.04)	(59.52)
	NET DECREASE IN CASH AND CASH EQUIVALENTS	(5.46)	(14.67)
	Opening Cash and Cash Equivalents	12.73	27.40
	Closing Cash and Cash Equivalents	7.27	12.73

CASH FLOW STATEMENT

	Year Ended 31.03.2016	Year Ended 31.03.2015
₹ Crore		
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 Cash and Cash Equivalent	7.27	12.73
Other Bank Balances	13.33	21.69
Cash and Bank Balances (Note 18)	20.60	34.42
3 Purchase of fixed assets includes movement of capital work-in-progress during the year.		
4 Figures for the previous year have been regrouped / reclassified, wherever necessary.		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K. Bhatt
Partner

Mumbai
6th May, 2016

For and on behalf of the Board

Karan Thapar
Chairman

Narayan Barasia
Chief Financial Officer

Mumbai
6th May, 2016

Navneet Singh
Director

Monica Chopra
Executive Director-Legal &
Company Secretary

Sunil Pahilajani
Managing Director & CEO

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

1 General Information: Greaves Cotton Limited (the 'Company') is engaged in manufacturing of engines, engine applications, manufacturing and trading of agroproducts, trading of 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.

2 Summary of Significant Accounting Policies:

2.1 Basis of accounting and preparation of financial statements

The Financial Statements, which have been prepared under the historical cost convention on accrual basis of accounting, are in accordance with the Accounting Standards prescribed under section 133 of the Companies Act, 2013. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management continually evaluates all of its estimates and judgements based on available information and its experience and believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

2.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 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.

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.

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

2.6 Impairment of assets

The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.7 Investments

Long term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value.

2.8 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.

2.9 Foreign Exchange transactions

Transactions in foreign currencies (other than firm commitments and highly probable forecast transactions) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognised as income or expense, as the case may be.

Integral foreign operations:

Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate on the date of the transaction. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

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.

2.10 Depreciation and Amortisation

- a) Tangible assets:
 - i) 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.
 - ii) Extra shift depreciation is provided on location basis.
 - iii) Leasehold land is amortised over the primary period of the lease.
 - iv) Leasehold building improvements are written off over the period of lease or their estimated useful life, whichever is lower, on a straight line basis.

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

- b) Intangible assets:
 - i) Technical know-how is amortised over a period of five years.
 - ii) Computer software is amortised over a period of four years.

2.11 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.

2.12 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.

2.13 Employee benefits

Defined Contribution Plans:

Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund, Life Insurance Corporation and is charged to the Statement of Profit and Loss. There are no other obligations other than the contribution payable to the Superannuation Fund.

The eligible employees of the Company are entitled to receive benefits under provident fund schemes defined contribution plans, in which both employees and the Company make monthly contributions at a specified percentage of the employees' salary. The contributions are paid to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. There are no other obligations other than the contribution payable to the Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme.

Defined Benefit Plans:

The Company's liabilities towards gratuity and ex-gratia are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses based on valuation done by the independent actuary carried out annually are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of the estimated future cash flows using a discounted rate that is determined by reference to market yields of Government bonds.

Compensated Absences

Compensated absences which accrue to employees and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit, and where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

2.14 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.

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

2.15 Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Operating lease expenses / income are recognised in the Statement of Profit and Loss on Straight Line Basis over the primary term of lease, representative of the time pattern of the user's benefit.

2.16 Taxes on income

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such losses. Other Deferred Tax Assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.17 Segment reporting

The Company identified primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies used in the preparation of the financial statements of the Company are also applied for Segment Reporting. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.18 Provisions and contingencies

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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.

Contingent assets are neither recognised nor disclosed.

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, 2016

	As at 31.03.2016	₹ Crore As at 31.03.2015
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 31.03.2016		As at 31.03.2015	
	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

Name of the shareholder	As at 31.03.2016		As at 31.03.2015	
	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	9,84,69,662	40.32
Reliance Capital Trustee Company Limited	-	-	1,43,32,027	5.87
Bharat Starch Products Limited	1,37,75,865	5.64	1,37,75,865	5.64
Karun Carpets Private Limited	1,23,08,199	5.04	1,36,07,199	5.57

d) Terms / Rights attached to equity shares

- (i) The Company has only one class of equity shares having a face value of ₹ 2 per share. The equity share rank pari passu in all respects including voting rights and entitlement of dividend.
- (ii) 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, 2016

	₹ Crore	
	As at 31.03.2016	As at 31.03.2015
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	3.91	3.95
Less: Transferred to Statement of Profit and Loss	-	0.04
	3.91	3.91
General Reserve:		
As per last Balance Sheet	326.18	318.03
Add: Transferred from Surplus in Statement of Profit and Loss	20.00	8.15
	346.18	326.18
Surplus in Statement of Profit and Loss:		
As per last Balance Sheet	404.94	411.22
Less: Transitional adjustment on account of Schedule II to Companies Act, 2013*	0.89	7.51
Profit for the period	198.78	81.53
Less: Appropriations		
Interim Dividend	109.89	34.19
Proposed Final Dividend	24.42	26.86
Tax on Dividend	28.10	11.10
Transfer to General Reserve	20.00	8.15
	16.37	
	420.42	404.94
	806.44	770.96

*As at 1st April, 2015, in accordance with Schedule II to Companies Act, 2013 the company carried out exercise of componentisation of fixed assets. The impact of additional depreciation (net of deferred tax benefit of ₹ 0.47 crore) was adjusted against the opening balance of Retained Earnings.

In previous year it 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 1st April, 2014. These balances (net of deferred tax benefit of ₹ 3.89 crore) have been adjusted against the opening balance of Retained Earnings.

5. DEFERRED TAX LIABILITIES (NET):		
Deferred Tax Liabilities:		
Depreciation / Amortisation*	36.67	33.64
Deferred Tax Assets:		
Provision for Doubtful Debts / Advances	8.87	10.72
Provision for Leave Encashment, Exgratia & Sick leave	3.54	2.07
Others	5.58	8.27
	17.99	21.06
	18.68	12.58

* Net of deferred tax benefit of ₹ 0.47 crore (Previous Year ₹ 3.89 crore) due to impact of additional depreciation on componentisation of fixed asset, as per Schedule II to the Companies Act, 2013 as at 1st April, 2015 and in the previous year due to impact of additional depreciation on change in useful life of the fixed assets in accordance with Schedule II of the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

	As at 31.03.2016	₹ Crore As at 31.03.2015
6. OTHER LONG-TERM LIABILITIES:		
Deposits received from Dealers	4.59	4.01
	4.59	4.01
7. LONG-TERM PROVISIONS:		
Compensated Absences	7.58	5.13
Gratuity	0.06	4.78
	7.64	9.91
8. TRADE PAYABLES:		
Acceptances	0.46	2.71
Trade Payables - Due to Micro, Small and Medium Enterprises (Refer Note No. 45)	31.84	36.39
Trade Payables - Other than Micro, Small and Medium Enterprises	128.69	106.34
	160.99	145.44
9. OTHER CURRENT LIABILITIES:		
Unpaid Dividends *	2.47	1.69
Advance from Customers	10.46	8.01
Employee Benefits Payable	16.09	11.99
Statutory Dues Including Provident Fund and Tax Deducted at Source	4.72	6.81
Capital Creditors	5.70	5.18
Accrual for Expenses	39.22	46.41
	78.66	80.09

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2016 as per the Companies Act, 2013.

10. SHORT-TERM PROVISIONS:		
Provision for Employee Benefits:		
Compensated Absences	1.61	0.84
Gratuity	0.15	-
Other Provisions :		
Warranty	8.19	7.10
Provision for Tax (Net)	7.89	6.98
Proposed Dividend	24.42	26.86
Provision for Tax on Dividend	5.11	5.29
	47.37	47.07

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	7.10	8.48
Additional provision made during the year	7.17	8.16
Amount used / reversed during the year	6.08	9.54
Balance as at the end of the year	8.19	7.10

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, 2016

11. FIXED ASSETS:

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	1 st April, 2015	Additions	Disposals / Adjustments	31 st March, 2016	1 st April, 2015	For the Year Componenti- sation**	31 st March, 2016	31 st March, 2015
TANGIBLE ASSETS								
Freehold Land	3.44	-	-	3.44	-	-	3.44	3.44
Leasehold Land	20.39	1.44	-	20.39	1.24	0.21	18.94	19.15
Freehold Building	102.60	1.00	4.21	99.39	23.42	3.38	71.73	79.18
Leasehold Building	0.25	-	-	0.25	0.24	-	0.01	0.01
Plant and Equipment	420.05	13.70	0.36	428.57	225.49	33.97	169.49	194.56
Office Equipment	5.86	0.18	0.04	6.07	3.48	0.81	1.78	2.38
Furniture and Fixture	21.69	0.20	0.06	20.10	13.02	1.06	6.99	8.67
Vehicles	0.71	0.03	-	0.52	0.39	0.03	0.22	0.32
Leasehold Improvement	3.07	-	-	3.07	0.36	0.58	2.13	2.71
Total	578.06	16.55	0.46	581.80	267.64	40.04	274.73	-
31 st March, 2015	585.01	52.09	-	578.06	235.59	42.02	267.64	310.42
Capital work-in-progress							24.46	8.39
INTANGIBLE ASSETS								
Technical Know-how	15.79	1.70	-	17.49	6.01	3.03	8.45	9.78
Computer software	21.69	0.87	-	22.56	16.71	2.31	3.54	4.98
Total	37.48	2.57	-	40.05	22.72	5.34	11.99	-
31 st March, 2015	40.25	2.60	-	37.48	21.57	5.12	-	14.76
Intangible Assets Under Development							22.72	-
TOTAL Including Capital work-in-progress & Intangible Assets Under Development	615.54	19.12	0.46	621.85	290.36	45.38	311.18	-
31 st March, 2015	625.26	54.69	-	615.54	257.16	47.14	290.36	333.57

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

(II) Freehold Building includes ₹ 5.84 crore (Previous Period ₹ 5.94 crore) towards cost of ownership flats in Co-operative Housing Societies / Condominium and cost of Nil shares (Previous Period 5 shares) of ₹ 50/- each.

(III) *Represents the assets of dis-continued manufacturing operations of Construction Equipment (Infrastructure) Business, which are identified by management as 'Assets held for sale'.

(IV) **During the year, componentisation of fixed assets was carried out in accordance with Schedule II to Companies Act, 2013 as at 1st April, 2015. The impact of additional depreciation is ₹ 1.36 crore. It also includes the impairment of certain assets ₹ 6.47 crore (net of impairment reversal of previous year ₹ 0.36 crore).

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

	As at 31.03.2016	₹ Crore As at 31.03.2015
12. NON-CURRENT INVESTMENTS: (LONG TERM)		
Trade Investments (unquoted): (at Cost)		
Fully Paid Equity Shares in Subsidiaries		
2,50,000 Shares (Previous Year 2,50,000) of ₹ 10/- each of Greaves Leasing Finance Limited	0.29	0.29
185 Shares (Previous Year 10) of AED 1,500/- each of Greaves Cotton Middle East FZC {During the year Greaves Cotton Middle East FZC issued 175 (Previous Year Nil) Shares of AED 1,500/-each at Par}	0.45	0.02
Less: Provision for diminution in value of investment {Refer Note No. 32(a)}	(0.45)	-
	0.29	0.31
Aggregate amount of unquoted investments (Net of Provision)	0.29	0.31
13. LONG-TERM LOANS AND ADVANCES:		
Unsecured, considered good (unless otherwise stated):		
Capital Advances	3.46	3.07
Security Deposits	5.48	5.88
Advance Income Tax (Net)	18.66	18.85
Advances recoverable in cash or in kind or for value to be received		
Considered good	2.04	1.99
Considered doubtful	3.52	4.00
Less: Provision for doubtful advances	(3.52)	(4.00)
	-	-
	29.64	29.79
14. OTHER NON-CURRENT ASSETS:		
Margin Money Deposits with banks	1.29	1.84
	1.29	1.84

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

Fund Name	Face Value ₹	Units (in Nos)		₹ Crore	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
15. CURRENT INVESTMENTS:					
Axis Banking Debt Fund - Direct Plan - Growth	1,000	39,151	-	5.43	-
Axis Banking Debt Fund - Direct Plan - Daily Dividend	1,000	-	50,087	-	5.03
Axis Short Term Fund - Direct Plan - Growth	10	12,77,784	-	2.13	-
Axis Liquid Fund - Direct Plan - Growth	1,000	89,675	-	15.00	-
Axis Liquid Fund - Direct Plan - Daily Dividend	1,000	-	85,548	-	8.56
Baroda Pioneer Treasury Advantage Fund - Plan B - Daily Dividend	1,000	-	52,705	-	5.31
Birla Sun Life Treasury Optimizer Plan - Direct Plan - Growth	100	2,85,482	-	5.39	-
Birla Sun Life Savings Fund - Direct Plan - Growth	100	14,61,039	-	42.00	-
Birla Sun Life Saving Fund - Daily Dividend - Direct Plan	100	-	11,30,866	-	11.34
Birla Sun Life Cash Plus - Direct Plan - Growth	100	6,38,977	-	15.50	-
Birla Sun Life Cash Plus - Daily Dividend - Direct Plan	100	-	11,81,215	-	11.84
Birla Sun Life Dynamic Bond Fund-Retail Plan-Monthly Dividend-Regular Plan	10	-	55,27,102	-	5.86
DWS Ultra Short Term Fund- Direct Plan - Daily Dividend	10	-	61,33,663	-	6.14
Franklin Templeton India Treasury Management Account - Super Institutional Plan- Direct - Daily Dividend Reinvestment	1,000	-	1,74,010	-	17.43
Franklin Templeton India Low Duration Fund- Direct-Monthly Dividend Reinvestment	10	-	1,25,67,662	-	13.25
Franklin Templeton India Ultra Short Bond Fund - Super Institutional Plan - Direct-Daily Dividend Reinvestment	10	-	1,04,07,323	-	10.44
HDFC FMP 91D February 2015 (1) - Direct Growth Series-33	10	-	30,00,000	-	3.00
HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth	10	71,85,930	-	18.66	-
HDFC Liquid Fund - Direct Plan - Growth	1,000	82,904	-	24.76	-
HDFC Cash Management Fund - Saving Plan -Direct Plan - Daily Dividend Reinvestment	10	-	87,12,315	-	9.27
ICICI Prudential Banking And PSU Debt Fund - Direct Plan - Growth	10	21,03,244	-	3.54	-
ICICI Prudential Banking And PSU Debt Fund-Direct Plan - Daily Dividend	10	-	31,87,659	-	3.27
ICICI Prudential Ultra Short Term - Direct Plan - Growth	10	47,61,593	-	7.38	-
ICICI Prudential Flexible Income-Direct Plan-Growth	100	4,29,175	-	12.25	-
ICICI Prudential Flexible Income- Direct Plan - Daily Dividend	100	-	4,34,594	-	4.60
ICICI Prudential Liquid - Direct Plan- Growth	100	11,74,038	-	26.30	-
ICICI Prudential Liquid Direct Plan - Daily Dividend	100	-	11,10,978	-	11.10
ICICI Prudential Interval III - Quarterly Interval Plan - Direct Plan - Growth	10	-	20,21,168	-	3.00
ICICI Prudential Interval Fund II Quarterly Interval Plan A - Direct Plan - Growth	10	-	26,05,252	-	3.00
ICICI Prudential Money Market Fund - Direct Plan - Daily Dividend Reinvestment	100	-	5,50,073	-	5.53
JP Morgan India Liquid Fund -Direct Plan - Daily Dividend Reinvestment Option	10	-	1,00,58,974	-	10.07

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

Fund Name	Face Value ₹	Units (in Nos)		₹ Crore	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Kotak Bond (Short Term) - Direct Plan - Growth	10	18,36,038	-	5.25	-
Kotak Treasury Advantage Fund - Direct Plan - Growth	10	45,46,714	-	11.02	-
Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend	10	-	1,01,45,013	-	10.22
Kotak Floater Short Term - Direct Plan - Growth	1,000	60,583	-	15.00	-
Kotak Floater Short Term - Direct Plan - Daily Dividend	1,000	-	55,164	-	5.58
L&T Cash Fund Direct Plan - Daily Dividend	1,000	-	49,155	-	5.03
Reliance Short Term Fund - Direct Plan - Growth	10	14,52,642	-	4.16	-
Reliance Money Manager Fund - Direct Plan - Growth	1,000	1,18,031	-	24.65	-
Reliance Money Manager Fund - Daily Direct Dividend Plan	1,000	-	49,974	-	5.01
Reliance Liquid Fund - Cash Plan - Direct Plan - Growth	1,000	65,561	-	16.00	-
Reliance Liquid Fund - Cash Plan - Direct Plan Daily Dividend Option	1,000	-	1,55,912	-	17.37
Reliance Liquid Fund - Treasury Plan - Direct Plan- Growth	1,000	40,717	-	15.00	-
Reliance Liquid Fund - Treasury Plan - Direct Daily Dividend Option	1,000	-	19,631	-	3.00
Reliance Quarterly Interval Fund - Series II - Direct Growth Plan Growth Option	10	-	21,13,897	-	4.00
Reliance Medium Term Fund - Daily Direct Dividend Plan	10	-	89,43,273	-	15.29
Religare Invesco Credit Opportunities Fund - Direct Plan - Growth	1,000	1,01,203	-	17.43	-
Religare Invesco Credit Opportunities Fund - Direct Plan Daily Dividend	1,000	-	1,21,190	-	12.12
Religare Invesco Ultra Short Term Fund - Direct Plan Daily Dividend	1,000	-	10,034	-	1.02
Religare Invesco Liquid Fund- Direct Plan - Daily Dividend	1,000	-	1,38,463	-	13.86
SBI Ultra Short Term Debt Fund - Direct Plan - Growth	1,000	50,904	-	9.88	-
SBI Premier Liquid Fund - Direct Plan - Growth	1,000	84,321	-	20.01	-
SBI Magnum Insta Cash Fund - Direct Plan - Daily Dividend	1,000	-	27,442	-	4.60
SBI Magnum Insta Cash Fund- Liquid Floater- Direct Plan Daily Dividend	1,000	-	49,790	-	5.03
SBI Treasury Advantage Fund - Direct Plan - Growth	1,000	-	19,468	-	3.00
Sundaram Income Plus Direct Plan - Dividend	10	-	45,32,345	-	5.01
Tata Money Market Fund Direct Plan -Daily Dividend	1,000	-	1,97,240	-	19.75
UTI Floating Rate Fund-Stp - Direct Plan - Growth Plan	1,000	34,944	-	8.65	-
UTI Treasury Advantage Fund- Institutional Plan - Direct Plan - Growth	1,000	59,586	-	12.28	-
UTI Treasury Advantage Fund - Institutional Plan - Direct Plan- Daily Dividend	1,000	-	20,451	-	2.04
UTI Money Market Fund- Institutional Plan - Direct Plan - Growth	1,000	88,605	-	15.00	-
UTI Money Market fund - Institutional Plan - Direct Plan- Daily Dividend	1,000	-	40,756	-	4.09
Aggregate amount of unquoted investments				352.67	284.06
				352.67	284.06

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

	₹ Crore	
	As at 31.03.2016	As at 31.03.2015
16. INVENTORIES:		
Stores and Spares	3.10	2.64
Loose Tools	3.39	4.11
Raw & Packing Materials {Including In-Transit ₹ 3.65 crore, (Previous Year ₹ 3.96 crore)}	36.05	47.27
Work-in-Progress	5.36	5.92
Finished Goods	47.55	35.70
Stock-in-Trade {Including In-Transit ₹ Nil crore, (Previous Year ₹ 0.01 crore)}	12.59	9.17
	108.04	104.81
Details of Inventory:		
a) Work-In-Progress:		
Engines, Gensets and Spares	4.61	5.79
Power Tillers	0.75	0.13
	5.36	5.92
b) Finished Goods: *		
Engines, Gensets and Spares	23.41	26.97
Vibratory Compactors, Rollers, High Pressure Pumps, Transit Mixers and Spares	-	3.48
Power Tillers	1.23	0.48
Others	22.91	4.77
	47.55	35.70
c) Stock-in-Trade: *		
Power Tillers	2.69	1.33
Motor Graders, Milling Machines and Pavers	0.03	0.04
Lubricant Oil	0.10	0.06
Others	9.77	7.74
	12.59	9.17
* 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		
Considered good	6.00	9.78
Considered doubtful	22.10	26.92
Less: Provision for Doubtful Debts	(22.10)	(26.92)
	-	-
Others	199.39	227.70
	205.39	237.48

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

	₹ Crore	
	As at 31.03.2016	As at 31.03.2015
18. CASH AND CASH EQUIVALENTS:		
(A) Cash and Cash Equivalents: As per Accounting Standard 3 'Cash Flow Statements'		
Cash on hand	0.02	0.02
Cheques on hand	4.94	8.52
Balances with Banks: On Current Accounts	2.31	4.19
	7.27	12.73
(B) Other Bank Balances:		
Earmarked Balances with Banks	2.47	1.69
Balances with Banks:		
Fixed Deposits with original maturity greater than 3 months	10.86	20.00
	20.60	34.42
19. SHORT TERM LOANS AND ADVANCES: (UNSECURED, CONSIDERED GOOD)		
Other Loans and Advances:		
Prepaid Expenses	2.01	1.46
Gratuity	2.51	-
Others	24.32	18.71
Balances with Customs, Port Trust, Central Excise etc.	16.26	24.32
Fixed Deposits with Financial Institutions	75.85	25.00
	120.95	69.49
20. OTHER CURRENT ASSETS:		
Unsecured, Considered Good:		
Interest Accrued on Deposits	3.21	1.19
Unamortised Expense:		
Unamortised Premium on Forward Contract	0.02	0.19
Assets held for Sale	27.41	26.82
Less: Impairment Loss	(7.48)	(6.67)
	19.93	20.15
Dividend receivable from Subsidiary	-	1.60
	23.16	23.13
21. CONTINGENT LIABILITIES:		
a) Sales Tax liability that may arise in respect of matters in appeal	4.23	11.04
b) Sales Tax Liability that may arise on account of uncollected 'C' Forms	2.53	3.50
c) Excise Duty liability that may arise in respect of matters in appeal	7.63	3.94
d) Claims made against the Company, not acknowledged as debts	41.57	44.53
e) Bonds executed in favour of Collector of Customs / Central Excise	11.59	11.79
f) Guarantees given on behalf of another company	-	0.20
g) Wage demand not acknowledged by the Company in respect of matter in appeal	1.20	1.43
Notes:		
1. The Company 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 (a) to (d) and (g) above, pending resolution of the appellate proceedings.		
22. CAPITAL COMMITMENTS:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	15.33	30.78

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

	₹ Crore	
	Year Ended 31.03.2016	Year Ended 31.03.2015
23. REVENUE FROM OPERATIONS:		
Sale of Products		
Finished Goods	1,695.79	1,749.23
Service Income	1.18	1.58
Stock-in-Trade	101.25	101.22
Other Operating Income		
Royalty	2.49	2.23
Export Incentive	3.15	1.75
Others	0.28	-
	1,804.14	1,856.01
Details of Sales: (Finished Goods)		
Engines, Gensets, Agro Products and Spares	1,685.41	1,702.67
Vibratory Compactors, Rollers, High Pressure Pumps, Transit Mixers and Spares	10.38	46.56
	1,695.79	1,749.23
Details of Sales: (Stock-in-Trade)*		
Power Tillers	30.43	36.68
Motor Graders, Milling Machines and Pavers	-	2.98
Lubricant Oil	6.68	7.64
Others	64.14	53.92
	101.25	101.22
* Traded Spares and goods have been identified to the extent information was available with the Company.		
24. OTHER INCOME:		
Dividend - Non-Current Investments - Subsidiary Company	-	1.60
Dividend - Current Investments	3.30	14.24
Interest - Others	6.48	1.41
Profit on Sale of Current Investments	23.33	0.66
Scrap Sales	2.13	3.50
Miscellaneous Income	9.29	3.60
	44.53	25.01
25. COST OF MATERIALS CONSUMED:		
Raw & Packing Materials and Components Consumed: (Refer Note No. 39)		
Opening Inventory	47.27	78.16
Add: Purchases	982.41	1,030.00
	1,029.68	1,108.16
Less: Closing Inventory	36.05	47.27
	993.63	1,060.89

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

	Year Ended 31.03.2016	Year Ended 31.03.2015
₹ Crore		
26. PURCHASE OF STOCK-IN-TRADE:		
Power Tillers	23.18	24.53
Lubricant Oil	3.61	4.31
Others	37.72	32.25
	64.51	61.09
27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:		
(Increase) / Decrease in Inventory		
Closing Inventory		
Work-In-Progress	5.36	5.92
Finished Goods	47.55	35.70
Stock-in-Trade	12.59	9.17
	65.50	50.79
Opening 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
	(14.71)	21.06
28. EMPLOYEE BENEFITS EXPENSE:		
Salaries, Wages and Bonus	131.19	132.06
Contributions to Provident, Gratuity, Superannuation and other Funds	9.81	16.54
Staff Welfare	11.60	12.14
	152.60	160.74

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, 2016 towards Provident Fund (including admin charges), ESIC contribution and Superannuation is ₹ 6.27 crore (Previous Year ₹ 7.06 crore), ₹ 0.21 crore (Previous Year ₹ 0.31 crore) and ₹ 3.33 crore (Previous Year ₹ 3.65 crore) respectively.

2. Defined Benefit Plans:

A) Gratuity & Exgratia:

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, 2016

28. EMPLOYEE BENEFITS EXPENSE: (CONTD.)

	₹ Crore	
	Year Ended 31.03.2016 Wholly Funded	Year Ended 31.03.2015 Wholly Funded
a) Amounts recognised in Balance Sheet:		
i) Present Value of Defined Benefits obligations	32.95	34.61
Less: Fair value of Plan Assets	34.71	29.82
Amount to be recognised as Liability / (Assets)	(1.76)	4.79
ii) Amounts reflected in the Balance Sheet		
Liabilities	(1.76)	4.79
Net Liabilities / (Assets)	(1.76)	4.79
b) Amounts recognised in Statement of Profit and Loss		
i) Current Service Cost	1.92	1.79
ii) Settlement Cost	-	0.12
iii) Interest Cost	2.50	2.66
iv) Expected (Return) on Plan Assets	(2.61)	(2.26)
v) Past Service Cost	(1.05)	-
vi) Actuarial losses / (gains)	(1.30)	2.16
Total Expense	(0.54)	4.47
c) Actual Return on Plan Assets	3.04	3.37
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	34.61	31.44
ii) Add: Current Service Cost	1.92	1.79
iii) Add: Settlement Cost	-	0.12
iv) Add: Interest Cost	2.50	2.66
v) Plan Amendments Cost / (Credit)	(1.05)	-
vi) Add: Actuarial (Gain) / Losses	(0.87)	3.26
vii) Exgratia	0.21	0.32
viii) (Less): Benefits paid during the year	(4.37)	(4.98)
ix) Closing balance of the present value of Defined Benefits Obligations	32.95	34.61
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	29.82	26.88
ii) Add: Expected Return on Plan Assets	2.61	2.26
iii) Add: Actuarial Gain / (Losses)	0.43	1.10
iv) Add: Contribution by the employer	6.22	4.56
v) (Less): Benefits paid during the year	(4.37)	(4.98)
vi) Closing balance of Plan Assets	34.71	29.82

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

28. EMPLOYEE BENEFITS EXPENSE: (CONTD.)

	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	₹ Crore 31-Mar-16
f) Experience History					
i) Defined Benefit Obligation at end of the period	(27.81)	(29.79)	(31.44)	(34.61)	(32.95)
ii) Plan Assets at end of the period	23.48	23.69	26.88	29.82	34.71
iii) Funded Status	(4.33)	(6.10)	(4.56)	(4.79)	1.76
iv) Experience Gain / (Loss) adjustments on plan liabilities	(2.07)	(2.16)	(2.35)	(1.16)	0.72
v) Experience Gain / (Loss) adjustments on plan assets	0.30	0.70	(0.75)	1.10	1.72
vi) Actuarial Gain / (Loss) due to change on assumptions	0.45	(3.08)	0.40	(2.10)	0.15

	Year Ended 31.03.2016 Wholly Funded	Year Ended 31.03.2015 Wholly Funded
g) The major categories of plan assets as a percentage of total plan assets are as follows:		
i) Bank Deposits	0.21%	0.34%
ii) Government Securities	0.00%	0.64%
iii) Group Gratuity Scheme of Insurance Companies	99.75%	98.99%
iv) Others	0.04%	0.03%
h) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):		
i) Discount rate per annum	7.90%	7.80%
ii) Expected rate of Return on Plan Assets	8.50%	8.50%
iii) Expected salary increase per annum	8% for Top management 6% for others	8% for Top management 6% for others
iv) Average past service of employees	13.07 Years	12.33 Years
v) Attrition rate	Age Rate Up to 30 25% 30-34 15% 35-44 10% 45 and above 5%	Age Rate Up to 30 25% 30-34 15% 35-44 10% 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 ₹ 6.52 crore (Previous Year ₹ 2.65 crore).

C) Retirement Pension Scheme:

For UK branch employees, based on the estimation given by the actuary, the Company has recognised a write back of ₹ 0.94 crore, equivalent to GBP 96,700 (Previous year charge of ₹ 0.58 crore, equivalent to GBP 62,300) towards present value of post retirement pension. The year end balance amounts to ₹ Nil, equivalent to GBP Nil (Previous year ₹ 3.25 crore, equivalent to GBP 352,000).

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, 2016

	₹ Crore	
	Year Ended 31.03.2016	Year Ended 31.03.2015
29. FINANCE COSTS:		
Interest	0.92	2.19
Other Borrowing Cost	0.09	0.18
	1.01	2.37
30. DEPRECIATION AND AMORTISATION EXPENSE:		
Depreciation on Tangible Assets	40.04	42.02
Amortisation on Intangible Assets	5.34	5.12
	45.38	47.14
31. OTHER EXPENSES:		
Stores and Spares Consumed	7.17	8.46
Power, Fuel and Electricity	15.77	16.04
Repairs and Maintenance		
Building	1.01	1.28
Plant & Equipment	3.81	4.43
Others	2.29	2.25
Brokerage and Commission	2.75	5.36
Rent	13.18	13.29
Insurance	1.69	1.75
Bad Debts	0.09	2.49
Provision for Doubtful Debts/Advances	(2.46)	15.21
Rates and Taxes	6.82	3.68
Advertising and Sales Promotion	3.90	4.09
Travelling	12.85	15.40
Loss on Sale of Fixed Assets	0.13	1.97
Carriage and Freight	13.86	22.59
Directors' Commission & Sitting Fees	2.47	1.65
Printing and Stationery	0.89	1.13
Postage, Telephone and Fax	2.66	2.86
Legal, Professional and Consultancy Charges	17.23	9.82
Miscellaneous Expenses	45.47	52.05
	151.58	185.80
32. EXCEPTIONAL ITEMS:		
a) Provision for diminution in value of investment (Refer Note 1 below)	0.45	-
b) Employee Separation Cost	1.91	6.41
c) Profit on sale of properties (Refer Note 2 below)	(33.96)	-
d) Impairment of Assets (Refer Note 3 below)	6.83	8.08
e) Provision / write off of Advances/ Receivables	-	11.20
f) One time settlement with supplier	-	2.73
g) Provision / write off of Inventories	-	34.62
h) Loss on Capital Reduction in Subsidiary	-	2.88
	(24.77)	65.92

Notes:

- During the Year the company provided for permanent diminution in the value of its investment in Greaves Cotton Middle East FZC ('GCME') as company decided to scale down the operations of GCME on account of continued losses.
- During the year the company sold some of its immovable properties.
- Based on the assessment of carrying value of some of the assets, its reliable value & the expected future economic benefits, the company provided for impairment on Land & Building at Gummidipoondi, Plant and Equipment at various locations.

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

	₹ Crore	
	Year Ended 31.03.2016	Year Ended 31.03.2015
33. On 18 th September, 2014, the Company discontinued manufacturing operations of Construction Equipment (Infrastructure) due to non-viability and accordingly the related assets are being disposed off.		
The following statement shows the revenue and expenses of discontinued operations:		
Revenue	1.22	38.97
Expenses	3.87	120.46
Loss before tax	(2.65)	(81.49)
Tax Credit	(0.92)	(27.77)
Loss after tax	(1.73)	(53.72)
The carrying amounts of total assets and liabilities of discontinued operations are as follows:		
Total Assets	23.14	33.40
Total Liabilities	(3.19)	(11.01)
The net cash flows attributable to the discontinued operations are stated below:		
Operating Activities	0.12	(5.06)
Investing Activities	(1.38)	6.31
Financing Activities	1.02	(0.48)
Net cash inflows / (outflows)	(0.24)	0.77
34. AUDITORS' REMUNERATION (EXCLUDING SERVICE TAX):		
a) Payment to Statutory Auditors:		
i) Statutory audit	0.30	0.25
ii) Tax audit	-	0.05
iii) Quaterly Limited Review (Incl ₹ 0.04 crore paid to erstwhile auditors)	0.13	0.15
iv) Certification work	0.02	0.08
v) Other services	0.12	-
vi) Reimbursement of out-of-pocket expenses	0.01	0.01
b) Foreign branch audit fees	0.04	0.04
c) Payments to Cost auditor:		
i) Cost audit	0.14	-
ii) Reimbursement of out-of-pocket expenses	-	0.01
d) Payment to Tax Auditors:		
i) Tax audit	0.08	-
35. EXPENDITURE IN FOREIGN CURRENCY:		
Foreign Branch Expenses	4.20	2.57
Legal and Professional Expenses	3.44	1.51
Travelling Expenses	1.06	1.53
Representative Office Expenses (China)	0.32	0.88
Other matters	2.53	1.93

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

	Year Ended 31.03.2016	Year Ended 31.03.2015
36. VALUE OF IMPORTS (ON C.I.F. BASIS):		
Raw Materials	17.09	19.45
Components and Spare Parts	33.06	40.53
Capital Goods	11.00	9.74
37. EARNINGS IN FOREIGN CURRENCY:		
Export of goods on F.O.B. basis (including foreign branch)	59.01	68.70
38. EXPENDITURE ON RESEARCH AND DEVELOPMENT:		
a) Revenue expenditure charged to Statement of Profit and Loss (Under Note Nos. 25, 28 & 31)	20.87	26.44
b) Capital Expenditure	1.42	1.47
39. DETAILS OF RAW AND PACKING MATERIALS AND COMPONENTS CONSUMED:		
Steel Forgings, Steel Castings, Castings, Shafts and Forgings	21.99	24.64
Alloy Steel / Aluminium bronze bars	0.24	0.32
Steel, Structural Steel and Steel Plates	-	4.42
Engines	-	3.43
Bearings	2.12	1.62
Seamless Tubes	-	0.09
Electric Motors and Starters	38.34	42.40
Cylinder Heads, Cam Shafts, Crank Shafts and Connecting rods	127.08	146.05
Crank Cases	111.57	116.53
Piston, Flywheels, Fuel Pump, Injectors, CSR	116.22	125.12
Motors	-	1.69
Panels	4.61	4.14
Fuel Tanks	0.67	0.71
Hydraulic Pumps	-	1.77
Others	570.79	587.96
Total	993.63	1,060.89

	% to Total Consumption	31.03.2016 ₹ Crore	% to Total Consumption	31.03.2015 ₹ Crore
Imported	1.8%	17.65	2.5%	26.64
Indigenous	98.2%	975.98	97.5%	1,034.25
	100%	993.63	100%	1,060.89

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

40. 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 Cotton Middle East FZC	Subsidiary of Greaves Leasing Finance Limited	Yes
Greaves Leasing Finance Limited	Wholly Owned Subsidiary	Yes
Others		
Bharat Starch Products Limited	Associate Company	Yes
DBH Consulting Limited	Associate Company	No
DBH Global Holdings Limited	Associate Company	No
DBH International Private Limited	Associate Company	Yes
DBH Investments Private Limited	Associate Company	No
DBH Stephan Limited	Associate Company	No
EICL Limited	Associate Company	No
Karun Carpets Private Limited	Associate Company	Yes
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, 2016

40. DETAILS OF RELATED PARTY TRANSACTIONS: (CONTD.)

ii. Disclosure of related party transactions:

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

Sr No.	Transactions	₹ Crore					
		2015-16			2014-15		
		Subsidiaries	Other Related Parties	Total	Subsidiaries	Other Related Parties	Total
1	Sale of goods and contract revenue						
	Greaves Cotton Middle East FZC	0.02	-	0.02	9.06	-	9.06
	Premium Transmission Limited	-	0.01	0.01	-	0.03	0.03
2	Return of goods and contract revenue						
	Greaves Cotton Middle East FZC	0.07	-	0.07	-	-	-
3	Rendering of Services / Reimbursement of expenses						
	Dee Greaves Limited	0.01	-	0.01	-	-	-
	Greaves Leasing Finance Limited	0.02	-	0.02	0.02	-	0.02
	Premium Transmission Limited	-	0.16	0.16	-	0.25	0.25
4	Receipt of Services						
	Greaves Cotton Middle East FZC	2.11	-	2.11	0.23	-	0.23
5	Commission and Sitting Fees						
	Mr. Karan Thapar	-	1.07	1.07	-	1.30	1.30
6	Lease Rent expense						
	Greaves Leasing Finance Limited	0.40	-	0.40	0.85	-	0.85
7	Dividend received / accrued						
	Greaves Leasing Finance Limited	-	-	-	1.60	-	1.60
8	Purchase of Investments (Net)						
	Greaves Cotton Middle East FZC	0.43	-	0.43	-	-	-
9	Redemption of Investment						
	Greaves Leasing Finance Limited	-	-	-	20.53	-	20.53
10	Dividend Distributed						
	Karan Thapar	-	-	-	-	-	-
	DBH International Private Limited	-	55.14	55.14	-	19.69	19.69
	Bharat Starch Products Limited	-	7.71	7.71	-	2.76	2.76
	Karun Carpets Private Limited	-	6.89	6.89	-	2.72	2.72

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

40. DETAILS OF RELATED PARTY TRANSACTIONS: (CONTD.)

III. Amount Due to / from related parties:

Sr No.	Transactions	₹ Crore					
		2015-16			2014-15		
		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	0.15	-	0.15	8.42	-	8.42
	Premium Transmission Limited	-	0.03	0.03	-	0.04	0.04
3	Trade Payables						
	Greaves Cotton Middle East FZC	0.18	-	0.18	0.08	-	0.08
	Premium Transmission Limited	-	0.12	0.12	-	0.12	0.12

No amounts are written off / written back during the year (Previous Year Nil). During the year, provision which was created in the previous year on amount due from Greaves Cotton Middle East FZC ₹ 3.7 crore has been reversed ₹ 3.7 crore.

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

IV. Key Management Personnel (KMP):

Transactions	₹ Crore					
	2015-16			2014-15		
	Subsidiaries	Other Related Parties	Total	Subsidiaries	Other Related Parties	Total
Remuneration to Managing Director & CEO	-	3.78	3.78	-	2.09	2.09
Remuneration to Chief Financial Officer	-	1.20	1.20	-	1.03	1.03
Remuneration to Executive Director - Legal & Company Secretary	-	1.41	1.41	-	0.83	0.83
Dividend to Executive Director - Legal & Company Secretary	-	-	-	-	-	-
Dividend to Chief Financial Officer	-	-	-	-	-	-
Deposit Paid on behalf of MD	-	0.20	0.20	-	0.20	0.20

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

41. SEGMENT REPORTING:

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

PRIMARY SEGMENTS (BUSINESS SEGMENTS):

Particulars	Engines		Infrastructure Equipment		Others		Total	
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Segment revenue (excluding excise duty)	1,561.50	1,617.12	19.19	47.83	35.51	23.75	1,616.20	1,688.70
Inter-segment revenue	-	-	-	-	-	-	-	-
Total revenue	1,561.50	1,617.12	19.19	47.83	35.51	23.75	1,616.20	1,688.70
Result:								
Segment Result	298.74	255.40	(1.55)	(35.36)	2.40	(0.90)	299.59	219.14
Add / Less : Unallocable Expenditure (Net)							(31.85)	(42.11)
Operating Profit							267.74	177.03
Less: Interest expense							(1.01)	(2.37)
Profit before exceptional items							266.73	174.66
Exceptional items :								
Provision / write off of Inventories							-	(34.62)
Provision / write off of Advances / Receivables							-	(11.20)
Profit on Sale of Properties							33.96	-
One time settlement with supplier							-	(2.73)
Employee Separation Cost							(1.91)	(6.41)
Impairment of Assets							(6.83)	(8.08)
Provision for diminution in value of investment / Write off on Liquidation of Companies							(0.45)	-
Loss on Capital Reduction in Subsidiary							-	(2.88)
Profit before Tax							291.50	108.74
Less: Provision for tax (Net of adjustment in respect of earlier years)							(86.15)	(44.10)
Add: Deferred tax (charge) / credit							(6.57)	16.89
Profit after tax							198.78	81.53
Other Information:								
Segment assets	606.72	647.71	35.59	48.17	4.28	4.03	646.59	699.91
Unallocable corporate assets							526.62	418.99
Total assets							1,173.21	1,118.90
Segment liabilities	215.09	201.36	6.22	13.54	2.85	1.53	224.16	216.43
Unallocable corporate liabilities							93.77	82.67
Total liabilities							317.93	299.10
Capital expenditure	32.06	51.03	1.45	0.28	-	-		
Depreciation and amortisation	46.33	40.85	1.45	4.32	-	-		
Non-cash expenses other than depreciation and amortisation	4.40	31.45	-	39.09	0.81	1.75		

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

41. SEGMENT REPORTING (CONTD.)

SECONDARY SEGMENTS (GEOGRAPHICAL SEGMENTS):

Particulars	₹ Crore					
	Domestic		Overseas		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
External revenue by location of customers	1,555.95	1,617.72	60.25	70.98	1,616.20	1,688.70
Carrying amount of segment assets by location of assets	640.63	681.89	5.96	18.02	646.59	699.91
Cost incurred on acquisition of tangible and intangible fixed assets	33.51	51.31	-	-	33.51	51.31

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 incomes 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.

42. 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 31.03.2016	Year Ended 31.03.2015
Payable not later than one year	7.59	4.43
Payable later than one year and not later than five years	0.73	4.59

- Rent expense in respect of operating lease, for year ended, 31st March, 2016, was ₹ 13.18 crore (Previous Year ₹ 13.29 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, 2016

43. 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:

	Buy / Sell	Year Ended 31.03.2016		Year Ended 31.03.2015	
		Fx	₹ Crore	Fx	₹ Crore
Export of goods and services	Sell	\$1,643,246	10.90	\$938,432	5.87
	Sell	€ 117,249	0.88	€ 41,802	0.28

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

	Buy / Sell	Year Ended 31.03.2016		Year Ended 31.03.2015	
		Fx	₹ Crore	Fx	₹ Crore
Import of goods and services	Buy	\$49,432	0.33	\$47,477	0.30
	Buy	€ 0	-	€ 39,231	0.26

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 31.03.2016			Year Ended 31.03.2015		
No. of Contracts	Fx	₹ Crore Equivalent	No. of Contracts	Fx	₹ Crore Equivalent
4	\$1,500,000	10.22	3	\$1,500,000	9.43
1	€ 753,730	5.79	1	€ 1,647,032	11.41

44. EXCHANGE DIFFERENCE ARISING ON FOREIGN CURRENCY TRANSACTIONS HAVE BEEN ACCOUNTED UNDER RESPECTIVE ACCOUNTS:

		₹ Crore	
		Year Ended 31.03.2016	Year Ended 31.03.2015
Revenue (Note No 23)	{{Gain}/ Loss}	(0.39)	(0.76)
Consumption (Note No 25 &26)	{{Gain}/ Loss}	(0.48)	0.19
Other Expenses (Note No. 31)	{{Gain}/ Loss}	(0.61)	3.03

45. 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 31.03.2016	Year Ended 31.03.2015
a) Principal amount and Interest Due		
Principal amount	31.84	36.39
Interest Due	0.02	0.01
b) Interest paid by Buyer in terms of Section 16 of MSMED Act	-	-
c) Amount paid beyond the appointed day	14.90	20.91
d) Interest due and payable to supplier, for payment already made under MSMED Act	2.75	3.12
e) Amount of Interest accrued and remaining unpaid at the end of accounting year	2.77	3.13
f) Amount of further interest remaining due and payable even in succeeding years	-	-

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

46. DETAILS ON BORROWING COSTS:

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

No borrowing costs have been capitalised during the year

47. DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD (AS) - 20 'EARNINGS PER SHARE' (EPS):

		Year Ended 31.03.2016	Year Ended 31.03.2015
a) From continuing operations			
Basic / Diluted 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)	200.51	135.25
Basic / Diluted EPS (₹)	(B / A)	8.21	5.54
b) From total profit			
Basic / Diluted 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)	198.78	81.53
Basic / Diluted EPS (₹)	(B / A)	8.14	3.34

48. 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 ₹ 2.49 crore (Previous Year ₹ 4.59 crore) and ₹ 3.14 crore (Previous Year ₹ 4.05 crore) respectively.

49. Figures for the previous year have been regrouped / reclassified, wherever necessary.

For and on behalf of the Board

Karan Thapar
Chairman

Navneet Singh
Director

Sunil Pahilajani
Managing Director & CEO

Narayan Barasia
Chief Financial Officer

Monica Chopra
Executive Director-Legal &
Company Secretary

Mumbai
6th May, 2016

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***
Financial Year ended 31 st March, 2016			
A) Capital	0.25	0.13	4.73
B) Reserves / Surplus in profit & loss	3.74	0.08	(4.41)
C) Total Assets	1.04	0.02	0.99
D) Total Liabilities	0.06	-	0.67
E) Investments (as per details attached)	3.00	0.20	-
F) Turnover (including other income)	0.62	0.01	2.68
G) Profit / (Loss) before taxation	(3.81)	₹ (28,608/-)	(0.14)
H) Provision for taxation	0.02	-	-
I) Profit / (Loss) after taxation	(3.83)	₹ (28,608/-)	(0.14)

NOTES:

1. EXCHANGE RATE: *** BALANCE SHEET AT CLOSING RATE @ 1 AED = ₹ 18.0330
 *** STATEMENT OF PROFIT AND LOSS AT AVERAGE RATE @ 1 AED= ₹ 17.8069

PART "B" : ASSOCIATES AND JOINT VENTURES

NOT APPLICABLE

For and on behalf of the Board

Karan Thapar
Chairman

Navneet Singh
Director

Sunil Pahilajani
Managing Director & CEO

Narayan Barasia
Chief Financial Officer

Monica Chopra
Executive Director-Legal &
Company Secretary

Mumbai
6th May, 2016

INFORMATION ON SUBSIDIARY COMPANIES

DETAILS OF INVESTMENT OF SUBSIDIARIES AS AT 31ST MARCH, 2016

	₹ Crore	
	As at 31.03.2016	As at 31.03.2015
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
1,575 Shares (Previous Year 90) of Greaves Cotton Middle East (FZC) of AED 1,500/- each	-	0.24
	0.01	0.25
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 Siel 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
	0.01	0.01
	0.01	0.26

INFORMATION ON SUBSIDIARY COMPANIES

DETAILS OF INVESTMENT OF SUBSIDIARIES AS AT 31ST MARCH, 2016 (CONTD.)

	₹ Crore	
	As at 31.03.2016	As at 31.03.2015
Quoted investments		
- Book value	0.01	0.01
- Market value	0.05	0.04
Unquoted investments		
- Book value	0.01	0.25
CURRENT INVESTMENTS:(AT COST)		
Greaves Leasing Finance Limited		
Mutual Funds (Quoted):		
Nil Units (Previous Year 10.774 of ₹ 10/-) of ₹ 1,000/- of Peerless Liquid fund- Daily Dividend	-	-
827.96 Units (Previous Year Nil) of ₹ 1,000/- of Kotak Floater Short Term-Growth	0.20	-
Nil Units (Previous Year 22,901) 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	2.79	4.76
Nil Units (Previous Year 3,76,563) of ₹ 10/- Franklin India Low Duration -Growth	-	0.58
Nil Units (Previous Year 1,75,812) of ₹ 10/- L & T Short Term Opportunity Fund- Growth	-	0.24
Nil Units (Previous Year 2,619) of ₹ 1,500/- Reliance Liquid Fund Treasury Plan - Daily Dividend Option	-	0.39
	2.99	8.28
Dee Greaves Limited		
19,730.735 Units {(Previous Year 20,183.506 (Units))} of ICICI Prudential Money Market Fund - Regular Plan - Daily Dividend	0.20	0.20
	3.19	8.48
Current Investments		
- Book value	3.19	8.48

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREAVES COTTON LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GREAVES COTTON LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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 (hereinafter referred to as "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 Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, 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

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 audit report under the provisions of the Act and the Rules made thereunder.

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.

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 control 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. 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.

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 (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

- a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 5.26 crore as at 31st March, 2016, total revenues of ₹ 2.66 crore and net cash outflows amounting to ₹ 0.79 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have 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 these subsidiaries, is based solely on the reports 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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.
- b) 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.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's / subsidiary companies' incorporated in India internal financial controls over financial reporting.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 46930)

Place: Mumbai
Date: 6th May, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of Greaves Cotton Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on “the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of

the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 46930)

Place: Mumbai
Date: 6th May, 2016

CONSOLIDATED BALANCE SHEET

	Note No.	As at 31.03.2016	₹ Crore As at 31.03.2015
I. EQUITY AND LIABILITIES:			
1. SHAREHOLDERS' FUNDS:			
(a) Share Capital	3	48.84	48.84
(b) Reserves & Surplus	4	810.79	774.23
		859.63	823.07
2. NON CURRENT LIABILITIES:			
(a) Deferred Tax Liabilities (Net)	5	18.68	12.58
(b) Other Long-Term Liabilities	6	4.59	4.01
(c) Long-Term Provisions	7	7.85	10.38
		31.12	26.97
3. CURRENT LIABILITIES:			
(a) Trade Payables:	8		
(i) Total outstanding dues of Micro enterprises and small enterprises		31.84	36.39
(ii) Total outstanding dues of creditor's other than Micro enterprises and small enterprises		129.27	109.46
(b) Other Current Liabilities	9	78.70	80.12
(c) Short-Term Provisions	10	47.39	48.33
		287.20	274.30
TOTAL		1,177.95	1,124.34
II. ASSETS:			
1. NON-CURRENT ASSETS:			
(a) Fixed Assets:	11		
(i) Tangible Assets		275.36	311.35
(ii) Intangible Assets		12.15	14.97
(iii) Capital Work-in-progress		24.46	8.39
		311.97	334.71
(b) Non-Current Investments	12	0.01	0.01
(c) Long-Term Loans and Advances	13	29.96	31.00
(d) Other Non-Current Assets	14	1.29	1.84
		343.23	367.56
2. CURRENT ASSETS:			
(a) Current Investments	15	355.86	292.51
(b) Inventories	16	108.13	106.44
(c) Trade Receivables	17	205.25	231.41
(d) Cash and Cash Equivalents	18	21.15	35.76
(e) Short -Term Loans and Advances	19	121.17	69.13
(f) Other Current Assets	20	23.16	21.53
		834.72	756.78
TOTAL		1,177.95	1,124.34
The Notes are an integral part of these financial statements		1 to 41	

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K. Bhatt
Partner

Mumbai
6th May, 2016

For and on behalf of the Board

Karan Thapar
Chairman

Narayan Barasia
Chief Financial Officer

Mumbai
6th May, 2016

Navneet Singh
Director

Monica Chopra
Executive Director-Legal &
Company Secretary

Sunil Pahilajani
Managing Director & CEO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	Note No.	Year Ended 31.03.2016	Year Ended 31.03.2015
₹ Crore			
INCOME			
Revenue from Operations (Gross)	23	1,806.80	1,865.02
Less: Excise duty		187.94	167.31
Revenue from Operations (Net)		1,618.86	1,697.71
Other Income	24	45.53	24.92
TOTAL REVENUE		1,664.39	1,722.63
EXPENDITURE			
Cost of Materials Consumed	25	992.55	1,060.89
Purchase of Stock-in-Trade	26	64.83	62.07
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	(13.17)	24.24
Employee Benefits Expense	28	154.71	163.66
Finance Costs	29	1.01	2.37
Depreciation and Amortisation Expense	30	45.71	47.69
Less: Transferred from Revaluation Reserve		-	0.04
Other Expenses	31	45.71	47.65
		150.82	187.76
		1,396.46	1,548.64
Profit Before Exceptional Items and Tax		267.93	173.99
Less / (Add): Exceptional Items	32	(25.22)	63.04
Profit Before Tax		293.15	110.95
Tax Expense:			
Current Tax		86.17	44.23
Tax Adjustment in respect of earlier years		-	(0.02)
Deferred Tax		6.57	(16.89)
		92.74	27.32
Profit for the year		200.41	83.63
Profit from continuing operations before tax		295.79	192.43
Tax Charge		93.66	55.09
Profit from continuing operations after tax		202.13	137.34
Loss from discontinuing operations before tax		(2.65)	(81.49)
Tax Credit		(0.92)	(27.77)
Loss from discontinuing operations after tax	33	(1.73)	(53.72)
Earnings per share from Continuing Operation (Face Value of ₹ 2/- per share)	39		
(i) Basic		8.28	5.62
(ii) Diluted		8.28	5.62
Earnings per share (Face Value of ₹ 2/- per share)	39		
(i) Basic		8.21	3.42
(ii) Diluted		8.21	3.42

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K. Bhatt
Partner

Mumbai
6th May, 2016

For and on behalf of the Board

Karan Thapar
Chairman

Narayan Barasia
Chief Financial Officer

Mumbai
6th May, 2016

Navneet Singh
Director

Monica Chopra
Executive Director-Legal &
Company Secretary

Sunil Pahilajani
Managing Director & CEO

CONSOLIDATED CASH FLOW STATEMENT

	₹ Crore	
	Year Ended 31.03.2016	Year Ended 31.03.2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	293.15	110.95
Adjustment for:		
Provision / write off of Advances / Receivables	-	11.20
Depreciation / Amortisation	45.71	47.65
Impairment of Assets	6.83	8.08
Foreign Currency translation difference	(0.56)	(0.11)
Profit on sale of properties	(33.96)	-
Profit on sale of investments	(23.35)	(0.66)
Interest income	(6.48)	(1.44)
Finance costs	1.01	2.37
Loss on sale of fixed assets (net)	0.13	1.97
Dividend from current investments	(3.54)	(15.96)
Net unrealised exchange loss	0.30	0.01
Operating profit before working capital changes	279.24	164.06
Adjustment for:		
(Increase) / decrease in inventories	(1.68)	56.47
(Increase) / decrease in trade receivables	25.82	89.57
(Increase) / decrease in other receivables	(0.76)	(1.20)
Increase / (decrease) in trade payables / provisions	12.63	(39.70)
Cash from operating activities	315.25	269.20
Direct taxes paid (net)	(85.09)	(44.10)
Net cash from operating activities	230.16	225.10
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(35.12)	(55.29)
Sale of fixed assets	38.78	11.19
Investment in subsidiaries	-	-
Purchase and reinvestment of current investments (net)	(40.00)	(111.14)
Bank Deposits placed	(10.86)	(30.00)
Bank Deposits matured	20.00	15.00
Inter Corporate Deposits placed	(75.85)	(25.00)
Inter Corporate Deposits matured	25.00	-
Dividend from current investments	3.54	15.96
Interest received	4.46	0.25
Net cash used in investing activities	(70.05)	(179.03)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	-	(0.10)
Finance Costs	(1.01)	(2.37)
Dividend (including dividend tax) paid	(165.35)	(57.14)
Net cash used in financing activities	(166.36)	(59.61)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6.25)	(13.54)
Opening Cash and Cash Equivalents	14.07	27.61
Closing Cash and Cash Equivalents	7.82	14.07

CONSOLIDATED CASH FLOW STATEMENT

	Year Ended 31.03.2016	Year Ended 31.03.2015
₹ Crore		
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	7.82	14.07
	13.33	21.69
	21.15	35.76
3	Purchase of fixed assets includes movement of capital work-in-progress during the year.	
4	Figures for the previous year have been regrouped / reclassified, wherever necessary.	

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K. Bhatt
Partner

Mumbai
6th May, 2016

For and on behalf of the Board

Karan Thapar
Chairman

Narayan Barasia
Chief Financial Officer

Mumbai
6th May, 2016

Navneet Singh
Director

Monica Chopra
Executive Director-Legal &
Company Secretary

Sunil Pahilajani
Managing Director & CEO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

1 General Information:

Greaves Cotton Limited (the 'Company') is engaged in manufacturing of engines, engine applications, manufacturing and trading of agro products, trading of 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.

2 Summary of significant accounting policies:

2.1 Basis of accounting and preparation of financial statements

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

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 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 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management continually evaluates all of its estimates and judgements based on available information and its experience and believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

2.4 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities are segregated based on the available information.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

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 equipment's and other expenses incidental to its acquisition but which are not yet ready for use.

2.7 Impairment of assets

The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.8 Investments

Long term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value.

2.9 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.

2.10 Foreign currency transactions

- a) The reporting currency of the Company is Indian Rupee.
- b) Transactions in foreign currencies (other than firm commitments and highly probable forecast transactions) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognised as income or expense, as the case may be.

Integral foreign operations:

Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate on the date of the transaction. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

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.

- c) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

of the transaction. The exchange differences arising on consolidation of integral operations is recognised in the Statement of Profit and Loss.

- d) 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 the disposal of the net investment.

2.11 Depreciation and Amortisation

- a) Tangible assets:
- i) 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.
 - ii) Extra shift depreciation is provided on location basis.
 - iii) Leasehold land is amortised over the primary period of the lease.
 - iv) 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 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.

2.12 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.

2.13 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.

2.14 Employee benefits

Defined Contribution Plans:

Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund, Life Insurance Corporation and is charged to the Statement of Profit and Loss. There are no other obligations other than the contribution payable to the Superannuation Fund.

The eligible employees of the Company are entitled to receive benefits under provident fund schemes defined contribution plans, in which both employees and the Company make monthly contributions at a specified percentage of the employees' salary. The contributions are paid to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. There are no other obligations other than the contribution payable to the Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

Defined Benefit Plans:

The Company's liabilities towards gratuity and ex-gratia are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses based on valuation done by the independent actuary carried out annually are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of the estimated future cash flows using a discounted rate that is determined by reference to market yields of Government bonds.

Compensated Absences:

Compensated absences which accrue to employees and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit, and where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

2.15 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.

2.16 Operating leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Operating lease expenses / income are recognised in the Statement of Profit and Loss on Straight Line Basis over the primary term of lease, representative of the time pattern of the user's benefit.

2.17 Taxes on income

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred Tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such losses. Other Deferred Tax Assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.18 Segment reporting

The primary segments are identified based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies used in the preparation of the financial statements of the Company are also applied for Segment Reporting. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

2.19 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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.

Contingent assets are neither recognised nor disclosed.

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, 2016

	₹ Crore	
	As at 31.03.2016	As at 31.03.2015
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 31.03.2016		As at 31.03.2015	
	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

Name of the shareholder	As at 31.03.2016		As at 31.03.2015	
	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	9,84,69,662	40.32
Reliance Capital Trustee Company Limited	-	-	1,43,32,027	5.87
Bharat Starch Products Limited	1,37,75,865	5.64	1,37,75,865	5.64
Karun Carpets Private Limited	1,23,08,199	5.04	1,36,07,199	5.57

d) Terms / Rights attached to equity shares

- (i) The Company has only one class of equity shares having a face value of ₹ 2 per share. The equity share rank pari passu in all respects including voting rights and entitlement of dividend.
- (ii) 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, 2016

	As at 31.03.2016	₹ Crore As at 31.03.2015
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
Lease Equilisation Reserve		
As per last Balance Sheet	(1.06)	(1.06)
Revaluation Reserve:		
As per last Balance Sheet	3.91	3.95
Less: Transferred to Statement of Profit and Loss	-	0.04
	3.91	3.91
Statutory Reserve:		
As per last Balance Sheet	5.49	5.10
Add: Transferred from Surplus in Statement of Profit and Loss	-	0.39
	5.49	5.49
General Reserve:		
As per last Balance Sheet	326.22	318.07
Add: Transferred from Surplus in Statement of Profit and Loss	20.00	8.15
	346.22	326.22
Foreign Currency Translation Reserve:		
As per last Balance Sheet	(0.30)	(0.19)
Add: Addition / (Deduction) during the year	(0.55)	(0.11)
	(0.85)	(0.30)
Surplus in Statement of Profit and Loss:		
As per last Balance Sheet	403.90	408.80
Less: Transitional adjustment on account of Schedule II to Companies Act, 2013*	0.89	7.51
Profit for the period	200.41	83.63
Less: Appropriations		
Statutory Reserve	-	0.39
Interim Dividend	109.89	34.19
Proposed Final Dividend	24.42	26.86
Tax on Dividend	28.10	11.43
Transfer to General Reserve	20.00	8.15
	18.00	
	421.01	403.90
	810.79	774.23

*As at 1st April, 2015, in accordance with Schedule II to Companies Act, 2013 the company carried out exercise of componentisation of fixed assets. The impact of additional depreciation (net of deferred tax benefit of ₹ 0.47 crore) was adjusted against the opening balance of Retained Earnings.

In previous year it 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 1st April, 2014. These balances (net of deferred tax benefit of ₹ 3.89 crore) have been adjusted against the opening balance of Retained Earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

	As at 31.03.2016	₹ Crore As at 31.03.2015
5. DEFERRED TAX LIABILITIES (NET):		
Deferred Tax Liabilities:		
Depreciation / Amortisation*	36.67	33.64
Deferred Tax Assets:		
Provision for Doubtful Debts / Advances	8.87	10.72
Provision for Leave Encashment, Exgratia & Sick leave	3.54	2.07
Others	5.58	8.27
	17.99	21.06
	18.68	12.58
* Net of deferred tax benefit of ₹ 0.47 crore (Previous Year ₹ 3.89 crore) due to impact of additional depreciation on componentisation of fixed asset, as per Schedule II to the Companies Act, 2013 as at 1 st April, 2015 and in the previous year due to impact of additional depreciation on change in useful life of the fixed assets in accordance with Schedule II of the Companies Act, 2013.		
6. OTHER LONG-TERM LIABILITIES:		
Deposits received from Dealers	4.59	4.01
	4.59	4.01
7. LONG-TERM PROVISIONS:		
Compensated Absences	7.58	5.13
Gratuity	0.27	5.25
	7.85	10.38
8. TRADE PAYABLES:		
Acceptances	0.46	2.71
Trade Payables - Due to Micro, Small and Medium Enterprises	31.84	36.39
Trade Payables - Other than Micro, Small and Medium Enterprises	128.81	106.75
	161.11	145.85
9. OTHER CURRENT LIABILITIES:		
Unpaid Dividends *	2.47	1.69
Advance from Customers	10.46	8.01
Employee Benefits Payable	16.09	11.99
Statutory Dues Including Provident Fund and Tax Deducted at Source	4.73	6.83
Capital Creditors	5.70	5.18
Accrual for Expenses	39.25	46.42
	78.70	80.12

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2016 as per the Companies Act, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

	As at 31.03.2016	As at 31.03.2015
₹ Crore		
10. SHORT-TERM PROVISIONS:		
Provision for Employee Benefits:		
Compensated Absences	1.61	0.84
Gratuity	0.15	-
Other Provisions :		
Warranty	8.19	7.10
Provision for Tax (Net)	7.91	7.91
Proposed Dividend	24.42	26.86
Provision for Tax on Dividend	5.11	5.62
	47.39	48.33
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	7.10	8.48
Additional provision made during the year	7.17	8.16
Amount used / reversed during the year	6.08	9.54
Balance as at the end of the year	8.19	7.10

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, 2016

11. FIXED ASSETS:

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	1 st April, 2015	Additions	Adjustments	Disposals / Adjustments	Assets Held for Sale*	31 st March, 2016	For the Year 2015	Impairment & Disposal Componentisation**	Assets Held for Sale*	31 st March, 2016	31 st March, 2015
TANGIBLE ASSETS											
Freehold Land	3.44	-	-	-	-	3.44	-	-	-	3.44	3.44
Leasehold Land	20.39	1.44	-	-	1.44	20.39	0.21	1.44	1.44	18.94	19.15
Freehold Building	102.60	1.00	-	4.21	-	99.39	3.38	2.04	1.18	71.73	79.18
Leasehold Building	0.25	-	-	-	-	0.25	-	-	-	0.01	0.01
Plant and Equipment	425.79	13.70	0.36	6.62	-	433.23	33.95	4.80	6.25	169.49	194.55
Office Equipment	5.96	0.18	0.04	0.01	-	6.17	0.81	0.01	0.01	1.79	2.39
Furniture and Fixture	21.83	0.26	0.06	1.91	-	20.24	1.08	0.26	1.29	7.07	8.71
Vehicles	2.97	0.03	-	0.47	-	2.53	0.31	-	0.29	0.75	1.21
Leasehold Improvement	3.07	-	-	-	-	3.07	0.58	-	-	2.14	2.71
Total (A)	586.30	16.61	0.46	13.21	1.44	588.71	40.32	8.55	9.02	275.36	-
31 st March, 2015	595.40	52.09	-	24.25	36.94	586.30	42.54	11.40	12.73	274.95	311.35
Capital work-in-progress											
INTANGIBLE ASSETS											
Goodwill	0.33	-	-	-	-	0.33	0.05	-	-	0.18	0.20
Technical Know-how	15.79	1.70	-	-	-	17.49	3.03	-	-	9.03	9.79
Computer software	21.69	0.87	-	-	-	22.56	2.31	-	-	19.02	4.98
Total (B)	37.81	2.57	-	-	-	40.38	5.39	-	-	28.23	-
31 st March, 2015	40.58	2.60	-	2.05	3.32	37.81	5.15	-	0.66	22.84	14.97
Intangible Assets Under Development											
TOTAL Including Capital work-in-progress & Intangible Assets Under Development (C)	624.11	19.18	0.46	13.21	1.44	629.10	45.71	8.55	9.02	341.59	311.97
31 st March, 2015	635.98	54.69	-	26.30	40.26	624.11	47.69	11.40	13.39	297.79	334.71

- NOTES :
- (I) Net block of Freehold Land and Building includes ₹ 3.91 crore (Previous Period ₹ 3.91 crore) added on revaluation as on 31st May, 1987.
 - (II) Freehold Building includes ₹ 5.84 crore (Previous Period ₹ 5.94 crore) towards cost of ownership flats in Co-operative Housing Societies / Condominium and cost of Nil shares (Previous Period 5 shares) of ₹ 50/- each.
 - (III) *Represents the assets of dis-continued manufacturing operations of Construction Equipment (Infrastructure) Business, which are identified by management as 'Assets held for sale'.
 - (IV) **During the year componentisation of fixed assets was carried out, in accordance with Schedule II to Companies Act, 2013 as at 1st April, 2015. The impact of additional depreciation ₹ 1.36 crore. It also includes the impairment of certain assets ₹ 6.47 crore (net of impairment reversal of previous year ₹ 0.36 crore).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

	As at 31.03.2016	As at 31.03.2015
₹ Crore		
12. NON-CURRENT INVESTMENTS: (LONG TERM)		
Other Investments (Quoted): (at Cost)		
Fully Paid Equity Shares of listed entities	0.01	0.01
	0.01	0.01
Aggregate amount of quoted investments	0.01	0.01
Market Value of quoted investment	0.04	0.04
13. LONG-TERM LOANS AND ADVANCES:		
Unsecured, considered good (unless otherwise stated):		
Capital Advances	3.46	3.07
Security Deposits	5.48	5.88
Advance Income Tax (Net)	18.92	20.00
Advances recoverable in cash or in kind or for value to be received		
Considered good	2.10	2.05
Considered doubtful	3.52	4.00
Less: Provision for doubtful advances	(3.52)	(4.00)
	-	-
	29.96	31.00
14. OTHER NON-CURRENT ASSETS:		
Margin Money Deposits with banks	1.29	1.84
	1.29	1.84
15. CURRENT INVESTMENTS:		
Mutual Funds (unquoted): At cost or market value, whichever is less	355.86	292.51
	355.86	292.51
Aggregate amount of unquoted investments	355.86	292.51
16. INVENTORIES:		
Stores and Spares	3.10	2.64
Loose Tools	3.39	4.11
Raw & Packing Materials {Including In-Transit ₹ 3.65 crore, (Previous Year ₹ 3.96 crore)}	36.05	47.27
Work-in-Progress	5.36	5.92
Finished Goods	47.55	35.70
Stock-in-Trade {Including In-Transit ₹ Nil crore, (Previous Year ₹ 0.01 crore)}	12.68	10.80
	108.13	106.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

	As at 31.03.2016	₹ Crore As at 31.03.2015
16. INVENTORIES: (CONTD.)		
Details of Inventory:		
a) Work-In-Progress:		
Engines, Gensets and Spares	4.61	5.79
Power Tillers	0.75	0.13
	5.36	5.92
b) Finished Goods: *		
Engines, Gensets and Spares	23.41	26.97
Vibratory Compactors, Rollers, High Pressure Pumps, Transit Mixers and Spares	-	3.48
Power Tillers	1.23	0.48
Others	22.91	4.77
	47.55	35.70
c) Stock-in-Trade: *		
Power Tillers	2.69	1.33
Motor Graders, Milling Machines and Pavers	0.03	0.04
Lubricant Oil	0.10	0.06
Others	9.86	9.37
	12.68	10.80

* 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		
Considered good	6.00	9.78
Considered doubtful	22.10	26.92
Less: Provision for Doubtful Debts	(22.10)	(26.92)
Others	199.25	221.63
	205.25	231.41
18. CASH AND CASH EQUIVALENTS:		
(A) Cash and Cash Equivalents: As per Accounting Standard 3 'Cash Flow Statements'		
Cash on hand	0.02	0.04
Cheques on hand	5.08	8.52
Balances with Banks: On Current Accounts	2.72	5.51
	7.82	14.07
(B) Other Bank Balances:		
Earmarked Balances with Banks	2.47	1.69
Balances with Banks:		
Fixed Deposits with original maturity greater than 3 months	10.86	20.00
	21.15	35.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

	As at 31.03.2016	₹ Crore As at 31.03.2015
19. SHORT TERM LOANS AND ADVANCES: (UNSECURED, CONSIDERED GOOD)		
Other Loans and Advances		
Advance Income Tax (Net)	-	-
Prepaid Expenses	2.01	1.46
Gratuity	2.51	-
Others	24.54	18.35
Balances with Customs, Port Trust, Central Excise etc.	16.26	24.32
Fixed Deposits with Financial Institutions	75.85	25.00
	121.17	69.13
20. OTHER CURRENT ASSETS:		
Unsecured, Considered Good:		
Interest Accrued on Deposits	3.21	1.19
Unamortised Expense:		
Unamortised Premium on Forward Contract	0.02	0.19
Assets held for Sale	27.41	26.82
Less: Impairment Loss	(7.48)	(6.67)
	19.93	20.15
	23.16	21.53
21. CONTINGENT LIABILITIES:		
a) Sales Tax liability that may arise in respect of matters in appeal	4.23	11.04
b) Sales Tax Liability that may arise on account of uncollected 'C' Forms	2.53	3.50
c) Excise Duty liability that may arise in respect of matters in appeal	7.63	3.94
d) Claims made against the Company, not acknowledged as debts	41.57	44.53
e) Bonds executed in favour of Collector of Customs / Central Excise	11.59	11.79
f) Wage demand not acknowledged by the Company in respect of matter in appeal	1.20	1.43
Notes:		
1. The Company 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 (a) to (d) and (f) above, pending resolution of the appellate proceedings.		
22. CAPITAL COMMITMENTS:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	15.33	30.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

	₹ Crore	
	Year Ended 31.03.2016	Year Ended 31.03.2015
23. REVENUE FROM OPERATIONS:		
Sale of Products		
Finished Goods	1,695.77	1,749.23
Service Income	1.18	1.58
Stock-in-Trade	103.93	110.23
Other Operating Income		
Royalty	2.49	2.23
Export Incentive	3.15	1.75
Others	0.28	-
	1,806.80	1,865.02
Details of Sales: (Finished Goods)		
Engines, Gensets, Agro Products and Spares	1,685.39	1,702.67
Vibratory Compactors, Rollers, High Pressure Pumps, Transit Mixers and Spares	10.38	46.56
	1,695.77	1,749.23
Details of Sales: (Stock-in-Trade)*		
Power Tillers	30.43	36.68
Motor Graders, Milling Machines and Pavers	-	2.98
Lubricant Oil	6.68	7.64
Others	66.82	62.93
	103.93	110.23
* Traded Spares and goods have been identified to the extent information was available with the Company.		
24. OTHER INCOME:		
Dividend - Current Investments	3.54	15.96
Interest - Others	6.48	1.44
Profit on Sale of Fixed Assets (net)	-	0.03
Profit on Sale of Current Investments	23.35	0.66
Scrap Sales	2.13	3.50
Miscellaneous Income	10.03	3.33
	45.53	24.92
25. COST OF MATERIALS CONSUMED:		
Raw & Packing Materials and Components Consumed:		
Opening Inventory	47.27	78.16
Add: Purchases	981.33	1,030.00
	1,028.60	1,108.16
Less: Closing Inventory	36.05	47.27
	992.55	1,060.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

	Year Ended 31.03.2016	Year Ended 31.03.2015
₹ Crore		
26. PURCHASE OF STOCK-IN-TRADE:		
Power Tillers	23.18	24.53
Lubricant Oil	3.61	4.31
Others	38.04	33.23
	64.83	62.07
27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:		
(Increase) / Decrease in Inventory		
Closing Inventory		
Work-In-Progress	5.36	5.92
Finished Goods	47.55	35.70
Stock-in-Trade	12.68	10.80
	65.59	52.42
Opening 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
	(13.17)	24.24
28. EMPLOYEE BENEFITS EXPENSE:		
Salaries, Wages and Bonus	133.18	134.83
Contributions to Provident, Gratuity, Superannuation and other Funds	9.93	16.69
Staff Welfare	11.60	12.14
	154.71	163.66

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, 2016 towards Provident Fund (including admin charges), ESIC contribution and Superannuation is ₹ 6.27 crore (Previous Year ₹ 7.06 crore), ₹ 0.21 crore (Previous Year ₹ 0.31 crore) and ₹ 3.33 crore (Previous Year ₹ 3.65 crore) respectively.

2. Defined Benefit Plans:

A) Gratuity & Exgratia:

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, 2016

28. EMPLOYEE BENEFITS EXPENSE: (CONTD.)

	₹ Crore	
	Year Ended 31.03.2016 Wholly Funded	Year Ended 31.03.2015 Wholly Funded
a) Amounts recognised in Balance Sheet:		
i) Present Value of Defined Benefits obligations	32.95	34.61
Less: Fair value of Plan Assets	34.71	29.82
Amount to be recognised as Liability / (Assets)	(1.76)	4.79
ii) Amounts reflected in the Balance Sheet		
Liabilities	(1.76)	4.79
Net Liabilities / (Assets)	(1.76)	4.79
b) Amounts recognised in Statement of Profit and Loss		
i) Current Service Cost	1.92	1.79
ii) Settlement Cost	-	0.12
iii) Interest Cost	2.50	2.66
iv) Expected (Return) on Plan Assets	(2.61)	(2.26)
v) Past Service Cost	(1.05)	-
vi) Actuarial losses / (gains)	(1.30)	2.16
Total Expense	(0.54)	4.47
c) Actual Return on Plan Assets	3.04	3.37
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	34.61	31.44
ii) Add: Current Service Cost	1.92	1.79
iii) Add: Settlement Cost	-	0.12
iv) Add: Interest Cost	2.50	2.66
v) Plan Amendments Cost / (Credit)	(1.05)	-
vi) Add: Actuarial (Gain) / Losses	(0.87)	3.26
vii) Exgratia	0.21	0.32
viii) (Less): Benefits paid during the year	(4.37)	(4.98)
ix) Closing balance of the present value of Defined Benefits Obligations	32.95	34.61
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	29.82	26.88
ii) Add: Expected Return on Plan Assets	2.61	2.26
iii) Add: Actuarial Gain / (Losses)	0.43	1.10
iv) Add: Contribution by the employer	6.22	4.56
v) (Less): Benefits paid during the year	(4.37)	(4.98)
vi) Closing balance of Plan Assets	34.71	29.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

28. EMPLOYEE BENEFITS EXPENSE: (CONTD.)

		₹ Crore				
		31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16
f)	Experience History					
i)	Defined Benefit Obligation at end of the period	(27.81)	(29.79)	(31.44)	(34.61)	(32.95)
ii)	Plan Assets at end of the period	23.48	23.69	26.88	29.82	34.71
iii)	Funded Status	(4.33)	(6.10)	(4.56)	(4.79)	1.76
iv)	Experience Gain / (Loss) adjustments on plan liabilities	(2.07)	(2.16)	(2.35)	(1.16)	0.72
v)	Experience Gain / (Loss) adjustments on plan assets	0.30	0.70	(0.75)	1.10	1.72
vi)	Actuarial Gain / (Loss) due to change on assumptions	0.45	(3.08)	0.40	(2.10)	0.15
					Year Ended 31.03.2016 Wholly Funded	Year Ended 31.03.2015 Wholly Funded
g)	The major categories of plan assets as a percentage of total plan assets are as follows:					
i)	Bank Deposits				0.21%	0.34%
ii)	Government Securities				0.00%	0.64%
iii)	Group Gratuity Scheme of Insurance Companies				99.75%	98.99%
iv)	Others				0.04%	0.03%
h)	Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):					
i)	Discount rate per annum				7.90%	7.80%
ii)	Expected rate of Return on Plan Assets				8.50%	8.50%
iii)	Expected salary increase per annum				8% for Top management 6% for others	8% for Top management 6% for others
iv)	Average past service of employees				13.07 Years	12.33 Years
v)	Attrition rate				Age Rate Up to 30 25% 30-34 15% 35-44 10% 45 and above 5%	Age Rate Up to 30 25% 30-34 15% 35-44 10% 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 ₹ 6.52 crore (Previous Year ₹ 2.65 crore).

C) Retirement Pension Scheme:

For UK branch employees, based on the estimation given by the actuary, the Company has recognised a write back of ₹ 0.94 crore, equivalent to GBP 96,700 (Previous year charge of ₹ 0.58 crore, equivalent to GBP 62,300) towards present value of post retirement pension. The year end balance amounts to ₹ Nil, equivalent to GBP Nil (Previous year ₹ 3.25 crore, equivalent to GBP 352,000).

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, 2016

	₹ Crore	
	Year Ended 31.03.2016	Year Ended 31.03.2015
29. FINANCE COSTS:		
Interest	0.92	2.19
Other Borrowing Cost	0.09	0.18
	1.01	2.37
30. DEPRECIATION AND AMORTISATION EXPENSE:		
Depreciation on Tangible Assets	40.32	42.54
Amortisation on Intangible Assets	5.39	5.15
	45.71	47.69
31. OTHER EXPENSES:		
Stores and Spares Consumed	7.17	8.46
Power, Fuel and Electricity	15.77	16.04
Repairs and Maintenance		
Building	1.01	1.28
Plant & Equipment	3.81	4.43
Others	2.29	2.25
Brokerage and Commission	2.75	5.36
Rent	12.82	12.81
Insurance	1.69	1.75
Bad Debts	0.09	2.49
Provision for Doubtful Debts/Advances	(2.46)	15.96
Rates and Taxes	6.82	3.69
Advertising and Sales Promotion	1.89	4.09
Travelling	12.85	15.40
Loss on Sale of Fixed Assets	0.13	1.97
Carriage and Freight	13.86	22.59
Directors' Sitting Fees	2.47	0.17
Printing and Stationery	0.89	1.13
Postage, Telephone and Fax	2.66	2.86
Legal, Professional and Consultancy Charges	17.26	9.86
Miscellaneous Expenses	47.05	55.17
	150.82	187.76
32. EXCEPTIONAL ITEMS:		
a) Employee Separation Cost	1.91	6.41
b) Profit on sale of properties (Refer Note 1 below)	(33.96)	-
c) Impairment of Assets (Refer Note 2 below)	6.83	8.08
d) Provision / write off of Advances / Receivables	-	11.20
e) One time settlement with supplier	-	2.73
f) Provision / write off of Inventories	-	34.62
g) Loss on Capital Reduction in Subsidiary	-	-
	(25.22)	63.04

Notes:

- During the year the company sold some of its immovable properties.
- Based on the assessment of carrying value of some of the assets, its reliable value & the expected future economic benefits, the company provided for impairment on Land & Building at Gummidipoondi, Plant and Equipment at various locations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

	₹ Crore	
	Year Ended 31.03.2016	Year Ended 31.03.2015
33. On 18 th September, 2014, the Company discontinued manufacturing operations of Construction Equipment (Infrastructure) due to non-viability and accordingly the related assets are being disposed off.		
The following statement shows the revenue and expenses of discontinued operations:		
Revenue	1.22	38.97
Expenses	3.87	120.46
Loss before tax	(2.65)	(81.49)
Tax Credit	(0.92)	(27.77)
Loss after tax	(1.73)	(53.72)
The carrying amounts of total assets and liabilities of discontinued operations are as follows:		
Total Assets	23.14	33.40
Total Liabilities	(3.19)	(11.01)
The net cash flows attributable to the discontinued operations are stated below:		
Operating Activities	0.12	(5.06)
Investing Activities	(1.38)	6.31
Financing Activities	1.02	(0.48)
Net cash inflows / (outflows)	(0.24)	0.77

34. The notes and significant accounting policies to the Consolidated Financial Statement 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".

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

Name of the Subsidiary	Country of incorporation
Greaves Leasing Finance Limited	India
Dee Greaves Limited (wholly owned subsidiary of Greaves Leasing Finance Limited)	India
Greaves Cotton Middle East (FZC) (*10% held by Greaves Cotton Limited and 90% held by Greaves Leasing Finance Limited)	UAE

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 ₹ 0.03 crore (Previous Year ₹ 0.03 crore).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

36. FOREIGN CURRENCY TRANSACTION:

- 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:

	Buy / Sell	Year Ended 31.03.2016		Year Ended 31.03.2015	
		Fx	₹ Crore	Fx	₹ Crore
Export of goods and services	Sell	\$1,618,532	10.75	\$803,113	5.03
	Sell	€ 117,249	0.88	€ 41,802	0.28

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

	Buy / Sell	Year Ended 31.03.2016		Year Ended 31.03.2015	
		Fx	₹ Crore	Fx	₹ Crore
Import of goods and services	Buy	\$49,432	0.33	\$47,477	0.30
	Buy	€ 0	-	€ 39,231	0.26

- 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 31.03.2016			Year Ended 31.03.2015		
No. of Contracts	Fx	₹ Crore Equivalent	No. of Contracts	Fx	₹ Crore Equivalent
4	\$1,500,000	10.22	3	\$1,500,000	9.43
1	€ 753,730	5.79	1	€ 1,647,032	11.41

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

		₹ Crore	
		Year Ended 31.03.2016	Year Ended 31.03.2015
Revenue (Note No 23)	{{Gain}/ Loss}	(0.39)	(0.76)
Consumption (Note No 25 &26)	{{Gain}/ Loss}	(0.48)	0.19
Other Expenses (Note No. 31)	{{Gain}/ Loss}	(0.61)	3.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

37. 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 31.03.2016	Year Ended 31.03.2015						
Segment revenue (excluding excise duty)	1,564.16	1,617.12	19.19	47.83	35.51	32.76	1,618.86	1,697.71
Inter-segment revenue	-	-	-	-	-	-	-	-
Total revenue	1,564.16	1,617.12	19.19	47.83	35.51	23.75	1,618.86	1,697.71
Result:								
Segment Result	299.93	255.40	(1.55)	(35.36)	2.40	(2.56)	300.78	217.48
Add / Less : Unallocable Income / (Expenditure) (Net)							(31.85)	(41.12)
Operating Profit							268.93	176.36
Less: Interest expense							(1.01)	(2.37)
Profit before exceptional items							267.92	173.99
Exceptional items :								
Provision / write off of Inventories							-	(34.62)
Provision / write off of Advances / Receivables							-	(11.20)
Profit on Sale of Properties							33.96	-
One time settlement with supplier							-	(2.73)
Employee Separation Cost							(1.91)	(6.41)
Impairment of Assets							(6.83)	(8.08)
Profit before Tax							293.14	110.95
Less: Provision for tax (Net of adjustment in respect of earlier years)							(86.17)	(44.21)
Add: Deferred tax (charge) / credit							(6.57)	16.89
Profit after tax							200.40	83.63
Other Information:								
Segment assets	607.44	647.71	35.59	48.17	8.32	9.72	651.35	705.60
Unallocable corporate assets							526.60	418.74
Total assets							1,177.95	1,124.34
Segment liabilities	215.41	201.36	6.22	13.54	2.91	2.41	224.54	217.31
Unallocable corporate liabilities							93.78	83.96
Total liabilities							318.32	301.27
Capital expenditure	32.06	51.03	1.45	0.28	-	-		
Depreciation and amortisation	46.35	40.85	1.45	4.32	0.28	0.06		
Non-cash expenses other than depreciation and amortisation	4.40	31.45	-	39.09	0.81	1.75		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

37. SEGMENT REPORTING (CONTD.)

SECONDARY SEGMENTS (GEOGRAPHICAL SEGMENTS):

Particulars	₹ Crore					
	Domestic		Overseas		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
External revenue by location of customers	1,555.96	1,617.72	62.90	79.99	1,618.86	1,697.71
Carrying amount of segment assets by location of assets	645.12	681.89	6.23	23.71	651.35	705.60
Cost incurred on acquisition of tangible and intangible fixed assets	33.51	51.31	-	-	33.51	51.31

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 incomes 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

38. 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
Others		
Bharat Starch Products Limited	Associate Company	Yes
DBH Consulting Limited	Associate Company	No
DBH Global Holdings Limited	Associate Company	No
DBH International Private Limited	Associate Company	Yes
DBH Investments Private Limited	Associate Company	No
DBH Stephan Limited	Associate Company	No
EICL Limited	Associate Company	No
Karun Carpets Private Limited	Associate Company	Yes
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:

Sr No.	Transactions	₹ Crore	
		2015-16	2014-15
1	Sale of goods and contract revenue		
	Premium Transmission Limited	0.01	0.03
2	Rendering of Services / Reimbursement of expenses		
	Premium Transmission Limited	0.16	0.25
3	Commission and Sitting Fees		
	Mr Karan Thapar	1.07	1.30
4	Dividend Distributed		
	Karan Thapar	-	-
	DBH International Private Limited	55.14	19.69
	Bharat Starch Products Limited	7.71	2.76
	Karun Carpets Private Limited	6.89	2.72

III. Amount Due to / from related parties:

Sr No.	Transactions	₹ Crore	
		2015-16	2014-15
1	Trade Receivables		
	Premium Transmission Limited	0.03	0.04
2	Trade Payables		
	Premium Transmission Limited	0.12	0.12

No amounts are written off / written back during the year (Previous Year Nil). During the year, provision which was created in the previous year on amount due from Greaves Cotton Middle East FZC ₹ 3.7 crore has been reversed ₹ 3.7 crore.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: 31ST MARCH, 2016

38. DETAILS OF RELATED PARTY TRANSACTIONS: (CONTD.)

IV. Key Management Personnel (KMP):

Transactions	₹ Crore	
	2015-16	2014-15
Remuneration to Managing Director & CEO	3.78	2.09
Remuneration to Chief Financial Officer	1.20	1.03
Remuneration to Executive Director - Legal & Company Secretary	1.41	0.83
Dividend to Executive Director - Legal & Company Secretary	-	-
Dividend to Chief Financial Officer	-	-
Deposit Paid on behalf of MD	0.20	0.20

39. DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD (AS) - 20 'EARNINGS PER SHARE' (EPS):

		Year Ended 31.03.2016	Year Ended 31.03.2015
a) From continuing operations			
Basic / Diluted 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)	202.13	137.34
Basic / Diluted EPS (₹)	(B / A)	8.28	5.62
b) From total profit			
Basic / Diluted 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)	200.41	83.63
Basic / Diluted EPS (₹)	(B / A)	8.21	3.42

40. 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 ₹ 2.49 crore (Previous Year ₹ 4.59 crore) and ₹ 3.14 crore (Previous Year ₹ 4.05 crore) respectively.

41. Figures for the previous year have been regrouped / reclassified, wherever necessary.

For and on behalf of the Board

Karan Thapar
Chairman

Navneet Singh
Director

Sunil Pahilajani
Managing Director & CEO

Narayan Barasia
Chief Financial Officer

Monica Chopra
Executive Director-Legal &
Company Secretary

Mumbai
6th May, 2016

INFORMATION ON SUBSIDIARY COMPANIES

Name of the Entity	Financial Year ended 31 st March, 2016			
	Net Assets		Share in Profit or Loss	
	As % of Consolidated net assets	₹ Crore	As % of Consolidated profit or loss	₹ Crore
a) Indian				
Greaves Cotton Limited	100.31%	862.31	100.98%	202.37
Greaves Leasing Finance Limited	1.31%	11.23	-0.03%	(0.06)
Dee Greaves Limited	0.09%	0.80	0.00%	0.01
b) Foreign				
Greaves Cotton Middle East FZC	-1.71%	(14.71)	-0.95%	(1.91)
Minority Interest in all subsidiaries Associates (Investment as per the equity methods)	Nil	Nil	Nil	Nil

For and on behalf of the Board

Karan Thapar
Chairman

Navneet Singh
Director

Sunil Pahilajani
Managing Director & CEO

Narayan Barasia
Chief Financial Officer

Monica Chopra
Executive Director-Legal &
Company Secretary

Mumbai
6th May, 2016



GREAVES

SINCE 1859

GREAVES COTTON LIMITED