

GREAVES LEASING FINANCE LIMITED

ACCOUNTS : 31st March,2016



NISAR & KUMAR

CHARTERED ACCOUNTANTS

31/College Road, Bajaj Manor,
3rd Floor, Flat 3rd C,
Chennai - 600 006.
Tel. : 044 - 2822230

Independent Auditor's Report to the members of Greaves Leasing Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Greaves Leasing Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 statement that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and the auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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 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 statement.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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.
 - c) The Balance sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the Directors, as on March 31, 2016, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 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 of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivatives contract for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Nisar & Kumar
Chartered Accountants
F.R.No: 107117W

S. Sivakumar

Sivakumar S.
Partner
M.no. 027825



Place of Signature: Mumbai
Date: 6th May 2016

Annexure to the Independent Auditors' Report

[Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory requirements' of the Independent Auditors' Report to the members of Greaves Leasing Finance Limited on the financial statements for the year ended March 31, 2016]

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) Fixed Assets have been physically verified by the Management during the year, which in our opinion is reasonable having regard size to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- ii. During the year under audit, 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 Act.
- iii. According to the information and explanations given to us, the company has not given any loans, guarantees, and security covered under Section 185 and 186 of the Companies Act, 2013.
In our opinion and according to the information and explanation given to us, provision of Section 186 of the Companies Act, 2013, have been complied with in respect of investments made by the company.
- iv. The maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act 2013.
- v. In our opinion and according to the information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income tax, Service Tax and other statutory dues to the extent applicable to it. We were informed that PF, ESIC, Customs, Excise, Investor Protection Fund do not apply to the Company for year under audit. There are no undisputed statutory dues, payable for a period of more than six months from the date they became payable, as at March 31, 2016.
- vi. In our opinion and On the basis of information and explanations provided by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- vii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the Accounting Standard 18.
- viii. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- x. According to the information and explanations given to us, the Company was required to and is registered under section 45-IA of the Reserve Bank of India Act, 1934.



- xi. The other paragraphs of paras 3 and 4 of the Order are not applicable to the company for the financial year under audit.

**For Nisar & Kumar
Chartered Accountants
F.R.No: 107117W**

S. Sivakumar

**Sivakumar S.
Partner
M.no. 027825**



**Place of Signature: Mumbai
Date: 6th May 2016**



NISAR & KUMAR

CHARTERED ACCOUNTANTS

31/College Road, Bajaj Manor,
3rd Floor, Flat 3rd C,
Chennai - 600 006.
Tel. : 044 - 28222230

Annexure B to the Independent Auditor's Report to the members of Greaves Leasing Finance Limited

Report on the Internal Financial Controls under Clause (f) 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 Leasing Finance Limited ("the Company") as of March 31, 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.

Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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.

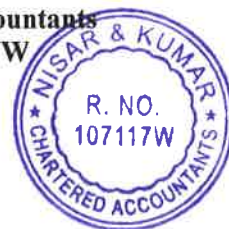
Opinion

In our opinion, 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 March 31, 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 Nisar & Kumar
Chartered Accountants
F.R.No: 107117W

S. Sivakumar

Sivakumar S.
Partner
M.no. 027825



Place of Signature: Mumbai
Date: 6th May 2016

GREAVES LEASING FINANCE LIMITED
BALANCE SHEET
I. EQUITY AND LIABILITIES:
1. SHAREHOLDERS' FUNDS:

(a) Share Capital

(b) Reserves and Surplus

2. CURRENT LIABILITIES:

(a) Other Current Liabilities

(b) Short-Term Provisions

TOTAL
II. ASSETS:
1. NON-CURRENT ASSETS:

(a) Fixed Assets:

Tangible Assets

(b) Non-Current Investments

(c) Long-Term Loans and Advances

2. CURRENT ASSETS

(a) Current Investments

(b) Cash and Bank Balances

(c) Short-Term Loans and Advances

(d) Other Current Assets

TOTAL

Note No.	As at 31.03.2016		As at 31.03.2015
	₹	₹	₹
3	25,00,000		25,00,000
4	3,73,71,041		7,56,95,255
		3,98,71,041	7,81,95,255
5	3,50,952		3,12,465
6	2,03,000		2,06,30,200
		5,53,952	2,09,42,665
		4,04,24,993	9,91,37,920
7	54,52,404		90,11,932
		54,52,404	90,11,932
8		1,23,746	25,71,940
9		26,98,706	23,01,787
10		2,99,21,483	8,27,13,916
11		18,56,550	8,20,963
12		3,67,104	16,57,382
13		5,000	60,000
		4,04,24,993	9,91,37,920

The Notes are an integral part of these financial statements.

1 TO 21

As per our report of even date attached

 For Nisar & Kumar
Chartered Accountants
F.R.No. 107117W

 Sivakumar S
Partner
M.No.027825

 Date: 06 MAY 2016
Mumbai


Manager

Director

Director

GREAVES LEASING FINANCE LIMITED

STATEMENT OF PROFIT AND LOSS

		Year Ended 31.03.2016 ₹	Year Ended 31.03.2015 ₹
Revenue from Operations			
Lease Rentals		35,57,723	76,86,319
Other Income	14	25,93,066	1,76,45,459
Total Revenue		<u>61,50,789</u>	<u>2,53,31,778</u>
Expenditure			
Other Expenses	15	4,12,188	4,98,395
Depreciation and Amortisation Expenses	16	28,02,703	43,05,905
Total Expenditure		<u>32,14,891</u>	<u>48,04,300</u>
Profit Before Exceptional Item & Tax		29,35,898	
Less : Exceptional Items	17	4,10,56,338	-
Profit Before Tax		(3,81,20,440)	2,05,27,478
Tax Expense:			
Current Tax		2,03,000	12,83,000
Tax adjustment in respect of earlier years		-	(2,38,368)
		<u>2,03,000</u>	<u>10,44,632</u>
Profit for the year		<u>(3,83,23,440)</u>	<u>1,94,82,846</u>
Earnings per share (Face Value of ₹ 10/- per share)	18		
(i) Basic		(153.29)	1.20
(ii) Diluted		(153.29)	1.20

The Notes are an integral part of these financial statements

1 TO 21

As per our report of even date attached

For Nisar & Kumar
Chartered Accountants
F.R.No. 107117W



Sivakumar S
Partner
M.No.027825

Date: 06 MAY 2016
Mumbai




Manager


Director


Director

GREAVES LEASING FINANCE LIMITED

CASH FLOW STATEMENT	Year Ended 31.03.2016	Year Ended 31.03.2015
A CASH FLOW FROM OPERATING ACTIVITIES	₹	₹
Profit before tax	(3,81,20,440)	2,05,27,477
Adjustment for:		
Depreciation	28,02,703	43,05,905
Profit on sale of fixed assets (net)	(89,941)	(3,18,417)
Profit on sale of investments	(2,23,899)	-
Diminuation on Investments	4,10,56,338	-
Sundry Balance Written Back (Net)	(9,133.00)	-
Dividend Income from investments	(22,52,733)	(1,70,58,846)
Operating profit before working capital changes	31,62,895	74,56,119
Adjustment for:		
(Increase) / decrease in other current assets	55,000	(50,000)
(Increase) / decrease in loans and advances	(22,535)	22,539
Increase / (decrease) in provisions	47,621	(1,75,541)
Cash from operating activities	32,42,981	72,53,117
Direct taxes refunded / (paid) (net)	(3,67,106)	(9,42,638)
Net cash from operating activities	28,75,875	63,10,479
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of fixed assets	8,46,766	69,07,483
Purchase of non current investments	(3,86,08,144)	-
Purchase of current investments	(2,74,61,136)	(36,43,99,359)
Sale of current investments	8,27,22,921	55,64,32,722
Dividend received from investments	22,52,733	1,70,58,846
Dividend reinvested in current investments	(22,45,454)	(1,30,65,286)
Net cash from / (used in) investing activities	1,75,07,686	20,29,34,406
C CASH FLOW FROM FINANCING ACTIVITIES		
Reduction in Share Capital	-	(20,53,10,690)
Dividend paid (including tax on dividend)	(1,93,47,974)	(35,05,027)
Net cash used in financing activities	(1,93,47,974)	(20,88,15,717)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS(A+B+C)	10,35,587	4,29,168
Cash and cash equivalents at the beginning of the year	8,20,963	3,91,795
Cash and cash equivalents at the end of the year	18,56,550	8,20,963

Notes on cash flow statement

- The cash flow statement has been prepared under the indirect method as set out in Accounting Standard [AS]-3, 'Cash Flow Statements'.
- Cash and cash equivalents represent cash and cash equivalents as per Note 11.
- Previous year's figures have been regrouped, wherever applicable.

As per our report of even date attached

For Nisar & Kumar
Chartered Accountants
F.R.No. 107117W

S. Suran
Sivakumar S
Partner
M.No.027825

Date: 06 MAY 2016
Mumbai



Manager

Director

Director

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

1 General Information

Greaves Leasing Finance Limited (the 'Company') is engaged in the business of Lease Financing. Presently, the Company is giving vehicles on lease to the parent company only. The Company is a wholly owned subsidiary of Greaves Cotton Limited.

In Financial Year 2014-2015 the Equity Share Capital of the Company was reduced from ₹ 20,78,10,690 (2,07,81,069 Equity Shares of ₹ 10 each fully paid) to ₹ 25,00,000 (2,50,000 Equity Shares of ₹ 10 each fully paid). The Honourable High Court, Bombay had also confirmed the Company Scheme Petition No. 834 of 2014 on 9th January, 2015.

2 Significant Accounting Policies

2.1 Basis of accounting

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

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

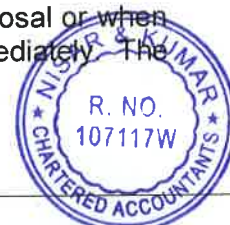
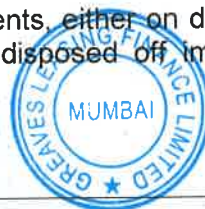
All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in Schedule III to the Companies Act, 2013. Based on nature of products/services, the Company has ascertained its operating cycle as 12 months for the purpose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

2.2 Revenue Recognition:

Income from hire purchase and lease transactions is accounted on straight line basis in accordance with the respective lease/hire purchase agreements. Income from bill discounting and other financing activities are accounted on accrual basis.

2.3 Fixed assets:

- (a) Fixed assets are stated at cost, including directly attributable costs such as freight, insurance and specific installation charges for bringing the assets to their working condition for use.
- (b) Fixed assets are eliminated from financial statements, either on disposal or when retired from active use. The retired assets are disposed off immediately. The



NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

capitalized cost, accumulated depreciation and written down value of such disposed/retired assets, are removed from the fixed assets records.

- (c) Fixed assets are recorded as given below:
- (i) Assets held for own use and assets given on operating lease after 1st April, 2001 at original cost less accumulated depreciation.
 - (ii) Assets given on operating lease prior to 1st April, 2001 at original cost less accumulated depreciation and lease terminal adjustment.

2.4 Depreciation:

Depreciation on fixed assets is provided under the straight line method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013 with residual value of 5%. Depreciation is calculated *pro-rata* from/to the date of additions/deductions.

2.5 Investments:

- (a) Long term investments are carried at cost after providing for any diminution in value, if such diminution is of permanent nature.
- (b) Current investments are carried at lower of cost or market value. The determination of carrying cost of such investments is done on the basis of specific identification.

2.6 Leases:

- (a) Lease transactions entered prior to 1st April, 2001.

Assets given on lease are stated at original cost. Lease terminal adjustment is the difference between capital recovery included in the lease rentals and depreciation provided in the books.

Lease rentals in respect of assets given on lease are recognized in the statement of profit and loss.

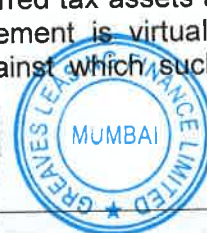
- (b) Lease transactions entered into on or after 1st April, 2001

Assets given on operating leases are capitalized. Rental income is recognized in the statement of profit and loss on straight line method over the lease term.

2.7 Taxes on income:

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

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted on the balance sheet date. Where there are unabsorbed business losses and/or unabsorbed depreciation, deferred tax assets are recognised and carried forward only to the extent that management is virtually certain that sufficient future taxable income will be available against which such deferred tax



NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

assets can be realised. Deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each balance sheet date to reassess realisation.

2.8 Impairment of assets:

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

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

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

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

2.9 Provisions and Contingent Liabilities:

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



GREAVES LEASING FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016
3. Share Capital:

	As at 31.03.2016	As at 31.03.2015
	₹	₹
a) Authorised Share Capital:		
3,20,00,000 (Previous Year 3,20,00,000) Equity shares of ₹ 10 each	32,00,00,000	32,00,00,000
	<u>32,00,00,000</u>	<u>32,00,00,000</u>
b) Issued, Subscribed and Paid up:		
2,50,000 (Previous Year 2,50,000) Equity Shares of ₹ 10 each fully paid	25,00,000	25,00,000
	<u>25,00,000</u>	<u>25,00,000</u>

Reconciliation of the share capital (Equity)	As at 31.03.2016		As at 31.03.2015	
	Number of Shares	₹	Number of Shares	₹
Balance at the beginning of the year	2,50,000	25,00,000	2,07,81,069	20,78,10,690
Less:Reduction of Shares during the year			2,05,31,069	20,53,10,690
Balance at the end of the year	2,50,000	25,00,000	2,50,000	25,00,000

c) Terms / Rights attached to equity shares

- i. The entire share capital is held by Greaves Cotton Limited, the holding company.
- ii. The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Any fresh issue of equity shares shall rank pari-passu with the existing shares.
- iii. 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.

4. Reserves and Surplus :
Capital Reserve:

As per last Balance Sheet	4,921	4,921
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Statutory Reserve u/s.45-IC of RBI Act, 1934 :

As per last Balance Sheet	5,49,39,359	5,10,42,792
Add: Transferred from statement of profit and loss	-	38,96,567
	<u>5,49,39,359</u>	<u>5,49,39,359</u>

Surplus in Statement of Profit and Loss

As per last Balance Sheet	2,07,50,975	2,45,11,907
Add : Profit for the year	(3,83,23,440)	1,94,82,835
Less: Appropriations		
Statutory Reserve u/s.45-IC of RBI Act, 1934	-	38,96,567
Proposed Dividend	-	1,60,00,000
Tax on Proposed Dividend	-	33,47,200
Tax on Dividend (Earlier Years)	774	-
	<u>(1,75,73,239)</u>	<u>2,07,50,975</u>
	<u>3,73,71,041</u>	<u>7,56,95,255</u>

5. Other Current Liabilities:

Statutory Dues	87,237	2,00,480
Others	2,63,717	1,11,985
	<u>3,50,954</u>	<u>3,12,465</u>



GREAVES LEASING FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016**

	As at 31.03.2016	As at 31.03.2015
	₹	₹
6. Short-Term Provisions:		
Provision for :		
Income Tax (Current Year)	2,03,000	12,83,000
Proposed Dividend	-	1,60,00,000
Tax on Proposed Dividend	-	33,47,200
	<u>2,03,000</u>	<u>2,06,30,200</u>



GREAVES LEASING FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS: 31st March, 2016

7. Fixed Assets

Assets	Gross Block (at cost)				Depreciation			Net Block	
	Opening as at 01.04.2015	Additions	Deletions/ adjustments	Closing as at 31.03.2016	Opening as at 01.04.2015	For the year	Deductions	Closing as at 31.03.2016	As at 31.03.2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible assets under lease :									
Plant and equipment	3,45,739	-	-	3,45,739	3,45,738	1	-	3,45,739	-
Office equipment	9,40,937	-	-	9,40,937	9,40,937	-	-	9,40,937	-
Computers	5,69,04,351	-	1,07,86,178	4,61,18,173	5,69,04,351	-	1,07,86,178	4,61,18,173	-
Vehicles	2,24,85,838	-	24,78,442	2,00,07,396	1,34,73,907	28,02,702	17,21,617	1,45,54,992	54,52,404
As at 31.03.2016	8,06,76,865	-	1,32,64,620	6,74,12,245	7,16,64,933	28,02,703	1,25,07,795	6,19,59,841	54,52,404
As at 31.03.2015	10,19,34,772	-	2,12,57,907	8,06,76,865	8,20,27,869	43,05,905	1,46,68,841	7,16,64,933	90,11,932

i) No amounts were written off due to reduction of capital / written off on revaluation or were added to assets on revaluation during the previous 5 years. None of the assets has been revalued during the year.



GREAVES LEASING FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

	As at 31.03.2016		As at 31.03.2015
	₹	₹	₹
8. Non-Current Investments (at cost) :			
Trade Investments: (Unquoted):			
Fully paid equity shares			
1,33,851 Shares (Previous Year 1,33,851) of Dee Greaves Limited of ₹ 10/- each		59,200	59,200
1 Share (Previous Year 1) of ₹ 2/- of Alfa Laval India Limited		1,396	1,396
1,575 Shares (Previous Year 90) of Greaves Cotton Middle East (FZC) of AED 1,500/-	24,48,196		24,48,196
(During the year Greaves Cotton Middle East (FZC) issued 1485 (Previous year Nil) shares of AED 1,500/- each at par)	3,86,08,144		
Less : Diminution in Investment	4,10,56,338	2	-
		60,598	25,08,792
Others: (Quoted)			
Fully paid equity shares			
1 Share (Previous Year 1) of ₹ 2/- of ABB India Limited	855		855
20 Shares (Previous Year 20) of ₹ 1/- of Ashok Leyland Limited	198		198
20 Shares (Previous Year 20) of ₹ 10/- of Bajaj Auto Limited	3,119		3,119
10 Shares (Previous Year 10) of ₹ 10/- of Bajaj Finance Services Limited	3,119		3,119
10 Shares (Previous Year 10) of ₹ 10/- of Bajaj Holdings and Investment Limited	3,119		3,119
5 Shares (Previous Year 5) of ₹ 2/- of Bharat Heavy Electricals Limited	2,475		2,475
1 Share (Previous Year 1) of ₹ 10/- of Bosch Limited	5,652		5,652
14 Shares (Previous Year 14) of ₹ 2/- of Cummins India Limited	1,055		1,055
150 Shares (Previous Year 150) of ₹ 2/- of Elecon Engineering Limited	359		359
10 Shares (Previous Year 10) of ₹ 10/- of Force Motors Limited	4,169		4,169
1 Share (Previous Year 1) of ₹ 1/- of Hindustan Unilever Limited	259		259
10 Shares (Previous Year 10) of ₹ 10/- of Honda Sael Power Products Limited	1,348		1,348
10 Shares (Previous Year 10) of ₹ 10/- of Ingersoll Rand (India) Limited	2,546		2,546
10 Shares (Previous Year 10) of ₹ 10/- of Kennametal Widia Limited	1,998		1,998
5 Shares (Previous Year 5) of ₹ 10/- of Kirloskar Industries Limited	781		781
75 Shares (Previous Year 75) of ₹ 2/- of Kirloskar Oil Engines Limited	2,344		2,344
30 Shares (Previous Year 30) of ₹ 2/- of Larsen & Toubro Limited	3,968		3,968
66 Shares (Previous Year 66) of ₹ 5/- of Mahindra & Mahindra Limited	9,225		9,225
1 Share (Previous Year 1) of ₹ 5/- of Maruti Suzuki India Limited	1,216		1,216
200 Shares (Previous Year 200) of ₹ 1/- of Shanthi Gears Limited	2,759		2,759
1 Share (Previous Year 1) of ₹ 2/- of Siemens Limited	727		727
1 Share (Previous Year 1) of ₹ 10/- of Steel Authority of India Limited	205		205
30 Shares (Previous Year 30) of ₹ 10/- of Swaraj Engines Limited	2,891		2,891
25 Shares (Previous Year 25) of ₹ 2/- of Tata Motors Limited	2,103		2,103
4 Shares (Previous Year 4) of ₹ 10/- of UltraTech Cement Limited	1,825		1,825
10 Shares (Previous Year 10) of ₹ 10/- of Vesuvias Limited	1,380		1,380
15 Shares (Previous Year 15) of ₹ 10/- of VST Tillers Tractors Limited	633		633
120 Shares (Previous Year 120) of ₹ 1/- of Birla Power Solutions Limited	194		194
10 Shares (Previous Year 10) of ₹ 10/- of Wartsila India Limited	1,812		1,812
100 Shares (Previous Year 100) of ₹ 10/- of Wellwind Industry Limited	814		814
		63,148	63,148
		1,23,746	25,71,940
Quoted investments			
- Book value		63,148	63,148
- Market value		4,66,862	4,46,446
Unquoted investments			
- Book value		60,598	25,07,396
9. Long-Term Loans and Advances:			
Other Loans and Advances			
Advance Income Taxes (net)		21,07,986	17,33,602
Others		5,90,720	5,68,185
		26,98,706	23,01,787



GREAVES LEASING FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
10. Current Investments (at lower of cost or market value) :		
Mutual Funds (Quoted):		
Nil Units (Previous Year 10.774 of ₹ 10/-) of ₹ 1,000/- of Peerless Liquid fund- Daily Dividend	-	10,758
827.96 Units (Previous Year Nil) of ₹ 1,000/- of Kotak Floater Short Term-Growth	20,00,000	-
Nil Units (Previous Year 22,901) of ₹ 1,000/- of SBI Magnum Insta Cash Fund Liquid Floater- Regular Pla	-	2,31,27,857
47,569 Units (Previous Year Nil) of ₹ 1,000/- Religare Invesco Credit Opportunity Fund - Daily Dividend	2,79,21,483	4,75,82,429
Nil Units (Previous Year 376,563) of ₹ 10/- Franklin India Low Duration -Growth	-	57,83,891
Nil Units (Previous Year 175,812) of ₹ 10/- L & T Short Term Opportunity Fund- Growth	-	23,55,627
Nil Units (Previous Year 2,619) of ₹ 1,500/- Reliance Liquid Fund Treasury Plan - Daily Dividend Option	-	38,53,354
	2,99,21,483	8,27,13,916
	2,99,21,483	8,27,13,916
Quoted investments	2,99,21,483	8,27,13,916
- Book value	2,99,21,483	8,27,13,916
- Market value		
11. Cash and Bank Balances:		
Cash on hand	-	43
Bank balance :		
In Current Accounts	18,56,550	8,20,920
	18,56,550	8,20,963
12. Short-Term Loans and Advances: (Unsecured, considered good)		
Other Loans and Advances		
Advance Income Tax (Current Year)	3,67,104	16,57,382
	3,67,104	16,57,382
13. Other Current Assets		
Other Receivables	-	55,000
Balance with Sales Tax Authority	5,000	5,000
	5,000	60,000



GREAVES LEASING FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

	Year Ended 31.03.2016 ₹	Year Ended 31.03.2015 ₹	
14. Other Income:			
Dividen Income	7,279	5,138	
- Non - current Investments	22,45,454	1,70,53,708	
- Current Investments	-	2,68,196	
Interest on Income Tax Refund	2,23,899	-	
Profit on Sale of Investment	9,133	-	
Sundry Balance Written Back (Net)	89,941	3,18,417	
Profit on sale of fixed assets	17,360	-	
Miscelleaneous Income	25,93,066	1,76,45,459	
15. Other Expenses:			
Rates and taxes	46,040	48,449	
Registration and filing fees	10,200	7,174	
Legal and professional charges	1,98,000	3,03,072	
Auditors' remuneration (refer note (a) below)	84,350	55,000	
Office Rent	56,928	33,208	
Conveyance	43	-	
Other Sundry Expenses	16,627	51,492	
	4,12,188	4,98,395	
a) <u>Auditors' remuneration</u> :-			
Statutory Audit	50,000	40,000	
Transfer Pricing Audit	34,350	-	
Tax Audit	-	15,000	
	84,350	55,000	
16. Depreciation and Amortisation Expenses			
Depreciation on Tangible Assets	28,02,703	43,05,905	
	28,02,703	43,05,905	
17. Exceptional Items :			
Provision for diminution in value of investment (Refer note below)	4,10,56,338	-	
	4,10,56,338	-	
Note :-			
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.			
18. Earnings per share:			
Disclosure as required by Accounting Standard (AS)-20 'Earnings per share' (EPS)			
Basic and Diluted EPS			
Weighted average number of shares issued of ₹ 10/- each	(A)	2,50,000	1,62,24,859
Profit for the year after tax	(B)	(3,83,23,440)	1,94,82,835
(after dividend on Cumulative Preference shares and dividend tax payable)			
Basic and Diluted EPS (₹)	(B / A)	(153.29)	1.20



GREAVES LEASING FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016****19 Segment Reporting:**

The Company operates in only one segment and the entire business operations are centralised and controlled through Head Office. There are no significant geographical differences on risks and rewards associated with the business.

20 Disclosures as required by Accounting Standard (AS) -18 "Related Party Disclosures"**I Relationship with Related Party:**

Name of the Related Party	Relationship	Transactions during the year
Greaves Cotton Limited	Holding Company	Yes
Dee Greaves Limited	Wholly Owned Subsidiary	No
Greaves Cotton Middle East (FZC)	Subsidiary Company	No

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

₹

Sr. No.	Transactions	2015-16			2014-15		
		Holding Company	Other Related Parties	Total	Holding Company	Other Related Parties	Total
1	Lease rent received Greaves Cotton Limited	35,57,723	-	35,57,723	76,86,319	-	76,86,319
2	Reimbursement of expenses Greaves Cotton Limited	1,94,172	-	1,94,172	33,208	-	33,208
3	Capital Greaves Cotton Limited	-	-	-	20,53,10,690	-	20,53,10,690
4	Dividend paid on 6% Cumulative Redeemable Preference Shares (including arrears) Greaves Cotton Limited	-	-	-	29,95,877	-	29,95,877



GREAVES LEASING FINANCE LIMITED

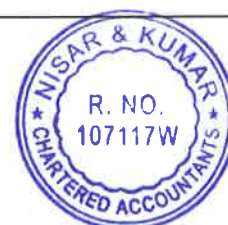
NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016

21 Other Notes

- 21.1 The Company has complied with the guidelines issued by the Reserve Bank of India in respect of Prudential Norms for Income Recognition and provisioning for non-performing assets.
- 21.2 No provision has been made in respect of Gratuity and Compensated Absences since there are no
- 21.3 Operating lease rental income recognised in the Statement of Profit and Loss amounts to ₹ 35,57,723 (Previous Year: ₹ 76,86,319). The vehicles owned by the Company and disclosed as fixed assets are given on operating lease with lease term of 3 years. These leases are further renewable subject to negotiation of rent on the expiry of lease period. There are no restrictions imposed by the Company
- 21.4 The Company has no amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March, 2016.
- 21.5 Schedule to the Balance Sheet of a Non - Banking Financial Company as required in terms of Paragraph 9BB of Non - Banking Finance Companies Prudential Norms (Reserve Bank) Directions, 2007.

₹(in Lacs)

Particulars			
1.	<u>Liabilities side :</u>		
	<u>Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:</u>	Amount outstanding	Amount overdue
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits)		
	(b) Deferred credits	-	-
	(c) Term loans	-	-
	(d) Inter-corporate loans and borrowings	-	-
	(e) Commercial paper	-	-
	(f) Public deposits	-	-
2.	(g) Other loans – Cash credit	-	-
	(h) Lease finance	-	-
	<u>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</u>		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
3.	<u>Asset Side:</u>		
	<u>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</u>	Amount outstanding	
	(a) Secured		-
	(b) Unsecured		-



NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016



GREAVES LEASING FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS: 31ST MARCH, 2016****6. Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :**

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	54.52	54.52
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
Total	-	54.52	54.52

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	-	0.59
QUOTED		
(b) Companies in the same group	-	-
UNQUOTED		
(c) Companies in the same group	-	-
(d) Other related parties	-	-
2 a. Other than related parties - Equity	4.67	0.63
2 b. Other than related parties - Mutual Fund	299.21	299.21
Total	303.88	300.46

8. Other information

Particulars	Amount
(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debts	-

21.6 Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached

For Nisar & Kumar
Chartered Accountants
F.R.No. 107117W



Sivakumar S
Partner
M.No.027825

Manager

Director

Director

Director



Date: 06 MAY 2016
Mumbai