GREAVES
SINCE 1859

16th August, 2018

Stock Code: BSE- 501455
NSE- GREAVESCOT

The Secretary
BSE Limited
Corporate Relationship Department
2nd Floor, New Trading Wing
Rotunda Building, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C /1, G Block
Bandra - Kurla Complex
Bandra (E)
Mumbai - 400 051

Dear Sir/Madam,

Sub: Submission of Annual Report
Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please note that the shareholders of the Company at its Annual General Meeting held on 13th August, 2018 have approved and adopted the Annual Report for the Financial Year 2017-18.

A copy of the same is enclosed. Kindly take the same on record.

Yours faithfully,
For Greaves Cotton Limited

Atindra Basu
Head – Legal, Internal Audit
& Company Secretary

ANNUAL REPORT 2017-18

GREAVES
SINCE 1859

Greaves

Redefine.

Reinvent.

Reimagine.

GREAVES COTTON LIMITED

Across the Report

FORWARD-LOOKING STATEMENT

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

To get this report online and for any other information log on to **www.greavescotton.com**

The automotive world is on the cusp of revolutionary change.

Driven by unprecedented advances in technology, these changes are transforming the industry, impacting every aspect – from product to processes and from manufacturing to marketing.

To remain relevant and sustain the momentum of growth amidst these defining changes, organisations need to re-think, re-align and re-structure their strategy, capabilities and business models.

At Greaves Cotton, we believe that every change brings with it new opportunities.

We have already embarked on our journey to tomorrow. We have invested in creating new capabilities, new technologies and new infrastructure to unlock future opportunities.

From lining up new offerings in our automotive business to co-developing new technologies with our alliance partners, to create relevant solutions aimed at enhancing farm productivity to incubating new ideas in hybrid and electric solutions, to providing a robust service backup for overall business with retail focus, we are ready to –

Redefine. Reinvent. Reimagine.

Chairman's Letter

Dear Shareholders,

It is my privilege to update you on the performance of the Company for FY 2017-18 as well as share with you the high-points of our future direction and journey.

The global economy continues on a steady growth path. Risks remain but volatility is generally low. Commodity prices continue their rise putting pressure on margins.

India witnessed one of the boldest reforms in history with the implementation of GST, ushering in an unprecedented era of a single unified market with the one-nation, one-tax level playing field. GST is also expected to further formalise the economy by bringing the unorganised sector into the mainstream. India is likely to top the list of fastest growing economies in the world for the coming decade and is projected to grow at over 7 per cent annually, ahead of China and the US.

Capitalising on the positive macro-environment and leveraging its leadership position and presence in multiple diversified segments, the Company delivered outstanding performance for the year. Revenues and Profits both witnessed double-digit growth for the year - a strong validation of our strategic plan.

Globally, the automotive industry is undergoing a change. Technological advances and innovations have brought us at the doorstep of a new revolution in mobility with the advent of hybrid and electric-powered vehicles. Adapting to these changes would require more than incremental improvements – what is needed is transformative re-imagination and re-invention, radical and holistic.

At Greaves Cotton, we initiated significant steps in this direction. From people to processes to products and partnerships, we are re-thinking delivery across the value chain as we transform to become a more dynamic organisation. Last year, we have stepped up our focus on Engines, Farm and Energy with the introduction of new solutions and services. Aligned with this, we showcased two new powertrain solutions at the Auto Expo 2018 offering class-leading fuel efficiency and reduced emissions. We have lined up a wide range of fuel agnostics powertrain solutions that will be BS-VI norms ready. This year has also been a year of partnerships and alliances. We are working with a U.S. based partner to further strengthen our presence in the CNG/Petrol segment. We are also collaborating with many other start-ups in all our business verticals for new technologies by investing, incubating and ideating innovative disruptions. Our collaboration with a Bengaluru-based partner is working on electric and hybrid powertrain solutions. At the Auto Expo 2018, we demonstrated the new EV powertrain solution with EV-charging infrastructure.

With an increasing thrust on the rural economy by the Government and the rising need for mechanisation, we have expanded our range of Made in India products and solutions in the Agri-business, to improve the productivity of farmers. Our endeavour is to enhance the prosperity of these farmers with affordable and reliable farm-tech solutions. Similarly, we expanded our presence in the higher kVA band of the Energy business with Gensets finding usage in large industrial applications.

In the fast-growing Aftermarket segment, Greaves Cotton has added multiple products in various categories to cater to the growing needs of the discerning customers. As part of our forward integration, we have introduced Greaves Care, a venture in the organised service retail business. This will further enhance the footprint of Greaves' offering and help customers in last-mile mobility to get superior lifetime value for their products. Greaves Care is a one-stop shop providing high-quality repair and service for 3-Wheelers and Small Commercial 4-Wheelers with Company-trained expert mechanics, authentic spare parts with a warranty of up to six months. Our strong distribution and service network will facilitate our proposition in this business, which I see entrenching us further into the high potential aftermarket space.

As we move forward, customer-centricity will continue to remain a strong propeller of our growth, giving us a clear edge in a tough market environment and enabling us to weather the external challenges effectively. As I look ahead into the future, I am confident and convinced that we are on the right track. We are synergising decades of experience, market understanding and customer relationships with cutting-edge futuristic capabilities and that makes us not only future-ready but also future-relevant. As new opportunities unfold and unravel, Greaves Cotton is well-prepared and poised for an exciting phase of growth and expansion.

On behalf of the Board of Directors, let me thank all our customers as well as members of the Greaves Cotton family for their support and faith in the Company. I would also like to take this opportunity to thank all shareholders, bankers, lenders, financial institutions, vendors and business partners for their continued support, which has made it possible for us to sustain business growth year after year.

Yours truly,

Karan Thapar
Chairman

Corporate Information

BOARD OF DIRECTORS

Mr. Karan Thapar
Chairman

Mr. Nagesh Basavanhalli
Managing Director & CEO

Mr. Vijay Rai

Mr. Vikram Tandon

Mr. Navneet Singh

Mr. Arvind Kumar Singhal

Mr. Kewal Handa

Ms. Sree Patel

Mr. Vinay Sanghi
(w.e.f. 4th August, 2017)

CHIEF FINANCIAL OFFICER

Ms. Neetu Kashiramka
(w.e.f. 5th February, 2018)

COMPANY SECRETARY

Mr. Amit K. Vyas

AUDITORS

Deloitte Haskins & Sells LLP

COST AUDITORS

Dhananjay V. Joshi & Associates

INTERNAL AUDITORS

Ernst & Young LLP

BANKERS

State Bank of India
Bank of India
ICICI Bank
HDFC Bank

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 No: 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

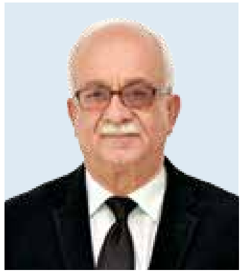
Expertise - Managing companies, both private and public, having interest in diversified areas

Mr. Nagesh A. Basavanhalli

Position - Managing Director & CEO

Educational Qualification - B.E. (Mechanical) - M.S., University of Texas, MBA - University of Chicago Booth School of Business

Expertise - Building New Business and Brands , Strategic tie-ups & Partnerships, Multicultural Global exposure



Mr. Vijay Rai

Position - Non Executive, Non 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

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

Ms. Sree Patel

Position - Independent Director

Educational Qualification - Bachelor of Commerce, H. R. College of Economics, Bombay University, Bachelor of Law, Government Law College, Bombay University

Expertise - Business Strategy & Advisory, Corporate Law, M&A, Divestment & Acquisition of Business, Corporate Governance, Indirect Tax, Government Affairs and FCPA Compliance

Mr. Vinay Sanghi

Position - Independent Director

Educational Qualification - Bachelor's degree from Sydenham College of Commerce and Economics, Mumbai

Expertise - Auto industry expert, Conceptualised & executed numerous successful business ventures, Entrepreneur, Instrumental in taking a company to market leadership

Redefine. Reinvent. Reimagine.

Change always unleashes challenges for all. But for leaders, challenges are opportunities in disguise.
At Greaves Cotton, we have always endeavoured to be ahead of the curve. At every epoch-making change over a century and a half, we have transformed ourselves to reaffirm, reinstate and resurge, and yet retain our values.

REINVENT LAST-MILE AUTOMOTIVE ENGINE SEGMENT

At Greaves Cotton, our vision is to reinvent the last-mile automotive engine segment with future-ready solutions and provide consumers with efficient, technologically superior products and services. With a 160 years of legacy, Greaves Cotton has touched the lives of over 5 million customers and we aim to bring about prosperity to the lives of countless more. In pursuit of this endeavour, we continue to invest in new technologies, build capabilities and collaborate with leading players in the segment. Our technology partnerships with Pinnacle Engines-USA & Altigreen Solutions-Bengaluru to launch new powertrain solutions for the Indian market, the launch of Greaves Care targeted at the 3-wheeler and micro 4-wheeler consumers and our upgraded range of Diesel and CNG engines meeting BS-VI norms are initiatives that bring us closer to our vision.

Powered by this breakthrough technology, the engines deliver remarkable improvement in fuel efficiency and performance with significantly lower emissions. With up to 30% higher fuel efficiency in Petrol and CNG fuelled vehicles compared to conventional engines in this space available today, these engines ensure very low tailpipe emissions, thereby meeting stringent emission norms and thus helping achieve the carbon load reduction in

Powering last-mile transportation

160
YEARS OF LEGACY

the environment. This technologically-advanced engine will help Greaves Cotton foray into the CNG/Petrol space with the strong value proposition of low total cost of ownership, lending high daily savings to the end user.

Our internally developed powertrain solutions for 3W and small 4W commercial vehicle OEMs are in line with our goal to be BS-VI compliant well in time by 2019.

To capitalise on the massive electrification opportunity, we have multiplied our in-house capabilities through our alliance with Altigreen Solutions, Bengaluru. We are developing hybrid and electric powertrain solutions aimed at our OEM customers. Our unique Electric Assist retrofit solution will enable the huge vehicle

parc of over 5 million vehicles. This will not only reduce carbon load but will also provide compulsive savings to end customers.

We are also redefining the standard of our operations across our reach and distribution network by continuing to invest in brand building and improving systems and processes.

REDEFINE STANDARDS

With the new engine and technology offerings, Greaves Cotton is redefining the last-mile transportation services space with "Greaves Care", a one-stop shop for all service needs of the last-mile vehicle user. It is an organised service setup that provides customers high-quality repair of 3W & small 4W commercial vehicle and all aggregates through expert hands of company-trained mechanics; a wide range of high-quality parts and lower labour cost with the post-service cover up to 6 months warranty. Greaves Cotton understands the customers' need in the last-mile transportation segment, which has a huge capability from its high scale in manufacturing and is fast developing into a sustainable solution to take care of its customers in the future.

REIMAGINE THE BUSINESS

We are continuously reimagining our business and capabilities by ensuring our people and processes. To ensure that our people are at the cutting-edge of the latest technology and management methods, our HR relentlessly pursues learning and development initiatives across functions, geographies, and divisions. We firmly believe that it is our people and processes which will take us to the next phase of growth and expansion, handling this large scale of operation.

We have numerous people-centric initiatives that are paving the way for the future by nurturing talent and grooming the next layer of leadership to take care of the future-focussed businesses as part of achieving our strategic goals. At the heart of our capability-building mission is to create a dynamic, customer-facing and nimble organisation that thrives on challenging the status quo and is responsive to evolving the customer needs.

GREAVES
MULTIBRAND
SPARES

Financial Highlights

(₹ in Crores)

Particulars	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	16-17 Apr-Mar 12 mths	17-18 Apr-Mar 12 mths
Revenue from Operations (Gross)	1152	1462	1370	1926	2096	1915	1856	1800	1819	1840
Less: Excise Duty	115	114	118	173	223	196	167	187	185	48
Revenue from Operations (Net)	1037	1347	1252	1753	1873	1719	1689	1613	1634	1792
EBIDTA (before exceptional item)	115	206	193	237	242	194	200	267	243	255
EBIDTA (%)	11%	15%	15%	13%	13%	11%	12%	17%	15%	14%
EBIT (before exceptional item)	101	186	185	211	219	177	177	269	247	248
Profit before Tax	80	173	184	251	200	164	109	295	252	296
Profit after Tax	56	118	127	185	138	113	82	199	181	203
Total Comprehensive Income	-	-	-	-	-	-	-	200	181	201
ROCE (%)	22%	39%	48%	34%	30%	22%	21%	31%	27%	26%
Equity	48.84	48.84	48.84	48.84	48.84	48.84	48.84	48.84	48.84	48.84
Earnings Per Share (₹)	2.29	4.83	5.21	7.60	5.65	4.63	3.34	8.17	7.40	8.30
Net Worth	404	437	522	645	738	814	816	887	921	960
Debt	44	5	6	20	2	-	-	-	-	-
Capital Employed	478	471	558	700	779	851	832	906	938	981
Debt : Equity	0.11	0.01	0.01	0.03	0.00	-	-	-	-	-
Dividend (%)	40	150	75	110	80	65	125	280 #	250 #	275 #

Represents dividends actually paid, excludes proposed dividends

EBIDTA does not include Other Income and EBIT includes Other Income

EBIDTA - Earning Before Interest, Depreciation, Taxes and Amortisation

EBIT - Earning Before Interest and Tax

ROCE - Return On Capital Employed

PBT - Profit Before Tax

PAT - Profit After Tax

EPS - Earnings Per Share (₹)

Directors' Report

The Directors have pleasure in presenting the 99th Annual Report for the financial year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

(₹ in Crore)

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Total Income*	1,884.99	1,869.28
Profit Before Tax and Exceptional items	247.42	246.15
Gain on Exceptional Items	48.17	5.98
Profit Before Tax	295.59	252.13
Less: Provision for Tax	92.97	68.02
Profit after Tax	202.62	184.11
Loss from discontinued operations (Net of Tax)	-	-3.48
Profit for the year	202.62	180.63
Total Comprehensive Income for the year	201.08	181.29
Dividend paid and Tax on Dividend	161.65	147.15
Balance of the Profit carried forward	529.45	490.02

*Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Ind AS 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT, etc are not part of Revenue. Accordingly, the figures of the period upto 30th June, 2017 are not strictly relatable to those thereafter. Following, information is provided to facilitate such understanding:

(₹ in Crore)

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Revenue from operations	1,839.70	1,819.09
Less: Excise duty on Sale	47.60	184.83
Revenue from operations excluding Excise Duty	1,792.10	1,634.26

REVIEW OF OPERATIONS

The Company registered total income of ₹ 1,884.99 crore during the year under review as against ₹ 1,869.28 crore in the previous financial year. The profit after tax was ₹ 202.62 crore for the year under review as against ₹ 180.63 crore in the previous financial year. The profit after tax for the year under review includes an exceptional gain of ₹ 48.17 crore as against ₹ 5.98 crore in the previous financial year.

The profit before tax and exceptional items as a percentage of total income for the year under review was at 13.13% as against 13.17% in the previous financial year.

The Company's performance and 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 ₹ 1.50 per share which together with the interim dividend of ₹ 4.00 per share on face value of ₹ 2 each paid during the year, aggregates to ₹ 5.50 per share on face value of ₹ 2 each which is same as of previous year. The total dividend for the year (interim and final dividend) under review, excluding tax on dividend is ₹ 134.31 crore which is same as of previous year. Dividend including Dividend Distribution Tax as a percentage of Profit for the year is 80.43% as compared to 89.17% 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.

REPORT ON PERFORMANCE OF SUBSIDIARIES

During the year, no new company became 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 ₹ 0.46 crore and profit before tax of ₹ 0.28 crore during 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 total revenue of ₹ 0.01 crore and loss of ₹ 16,199/- during the year under review.

During the year under review, Greaves Cotton Middle East (FZC), a wholly owned step down subsidiary of the Company, which was registered at Sharjah Airport International Free Zone, UAE, has been liquidated with effect from 20th April, 2017.

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 99th 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 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.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report, as required pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations forms 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 2017-18, as required under Schedule V of the SEBI (LODR) Regulations, forms a part of this Annual Report.

ENVIRONMENT, HEALTH AND SAFETY

The Company's manufacturing units are governed by "Environment, Occupational Health and Safety Policy" and are certified ISO 14001 and Occupational Health and Safety Assessment Series 18001 Standards. The Company has various safety guidelines 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.

The Company has taken various steps to promote environment, health and safety measures across the Company, which, inter alia, includes:

1. Systems implementation to ensure zero compromise on safety through 'Work permit system' and ownership of adherence to the safety norms.
2. Regular safety drives coupled with effective trainings are conducted to help spread awareness among employees on how to maintain a safe work environment.
3. The Company places equal emphasis on safety processes, behavioural safety and strives to create safety positive culture towards achieving the ultimate goal of zero accidents.
4. Increased focus on training & awareness, safety observations and various audits like Internal Audit, SMAT audit, theme based safety inspection, safety patrolling, fire equipment audit & emergency equipment audit.
5. Identification of safety hazards, near misses and accident-prone areas through safety management audit.
6. Employees are also required to take a safety oath and are encouraged to actively participate in various competitions like poster, slogan, poem, essay competition during the national safety week celebration.
7. Annual health check-up of all the employees conducted to take care of their wellbeing.
8. Various health programs like blood donation camps, neuropathy, eye check-up, tetanus toxoid vaccination camp and sessions on stress management, brain stroke, etc., were undertaken.
9. World environment day and earth day are observed on annual basis.
10. Environmental measures like planting saplings is conducted across all the facilities.

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 total number of permanent employees of the Company as on 31st March, 2018 was 1,750 (1,778 as on 31st March, 2017).

During the year under review, the Company focussed on building a highly capable leadership team which would enable the organisation to implement a profitable, high-growth strategy. This included building both sales and service excellence capability as well as technological excellence, through the recruitment of dynamic, highly qualified and experienced leaders.

On the training front, every employee is required to undergo minimum training days specifically required for the 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 Committee. There were no cases filed during the year under review. The required annual report has been filed with appropriate authority.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Vinay Sanghi has been appointed as an Additional Director (non-executive, independent) of the Company with effect from 4th August, 2017 to hold office upto the date of the forthcoming 99th Annual General Meeting and is eligible to be appointed as an Independent Director. It is proposed to appoint Mr. Sanghi as an Independent Director, not liable to retire by rotation for a period of three years, and accordingly, Members' approval is being sought at the forthcoming 99th Annual General Meeting.

Mr. Vijay Rai has been a Director of the Company since March 2002. The second tenure of Mr. Rai as an Independent Director was upto 12th October, 2017, and thus, as per the provisions of the Companies Act, 2013, he ceased to be an Independent Director of the Company from the close of business hours on 12th October, 2017. Mr. Rai is having rich experience in varied fields especially in farm business. In order to continue to avail the benefit of his rich experience, the Board appointed him as an Additional Director (non-executive, non-independent) with effect from 13th October, 2017 to hold office upto the date of the forthcoming 99th Annual General Meeting and is eligible to be appointed as a Director.

Mr. Karan Thapar retires by rotation at the forthcoming 99th 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 and Secretarial Standard - 2 on General Meetings, are given in the Notice of the forthcoming 99th Annual General Meeting.

The above appointments and re-appointments form a part of the Notice of the forthcoming 99th Annual General Meeting and the Resolutions are recommended for Members' approval.

During the year under review, Ms. Neetu Kashiramka was appointed as the Chief Financial Officer of the Company with effect from 5th February, 2018, in place of Mr. Narayan Barasia; the latter now devotes his full attention to the running of the Auxillary Power Business which has grown rapidly under his charge as well as returned to profitability.

Mr. Nagesh Basavanhalli, Managing Director & CEO, Ms. Neetu Kashiramka, Chief Financial Officer and Mr. Amit K. Vyas, Company Secretary, Head - Legal & Internal Audit 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 have 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, 2018 and of the profit of the Company for that period;
3. The Directors have 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 have prepared the annual accounts on a going concern basis;
5. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. The Directors have 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 qualifications, positive attributes and independence of a Director ("the Criteria"). The said 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 include, 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, etc., with a proven track record.

As required under Section 197 (14) of the Companies Act, 2013, the Managing Director of the Company confirms that he does not receive any remuneration or commission from any of its subsidiaries 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 99th 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 familiarise 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. 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 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 2nd May, 2018 to review the performance of the Non-independent Directors, the Board as a whole and the Chairman, on the parameters of effectiveness. They also assessed 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, 2018 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.

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

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 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 Report 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 believes that CSR is a process by which an organisation thinks about its relationships with the stakeholders and integrates its economic, environmental and social objectives in such a manner that it will contribute for the social good. The CSR initiatives have an underlying rationale of 'benefitting the community at large'. The Company is focussed on identifying the communities/beneficiaries of the projects and understanding their needs. The Company has adopted the CSR Theme of ''Training and Re-skilling for gainful employment and better livelihood'' covering the aspect of 'Re-skilling' as top priority.

The Program on Real Independence & Mechanic Empowerment (PRIME) is an initiative that recognises mechanics as valuable contributors to mobility ecosystem and enables them to play on their strengths and grow in the field of automotives and spares. PRIME is responsible for reskilling mechanics to ensure that they become independent entrepreneurs by opening up their own spares shop, service center / small garage and by advising customers. To help ease this process of setting up a new business, the program also provides financial assistance to the mechanics. Through a 90-day plan on growing business developments coupled with expert training, the Company is all geared up to help mechanics move up in life, be independent and be empowered.

The Company has recently introduced another project focusing on Reskilling called – DEEP (DEVELOPMENT : EDUCATION : EMPOWERMENT : PROGRESS), a concerted effort to provide skill to those people who aspire to grow but lack financial support. Through DEEP, the Company provided around 60,000 hours of theoretical & practical training and helped needy students from the underserved population of Aurangabad and get proficient in repairing engines.

As a part of its CSR initiatives the Company also seeks to support the farming fraternity by addressing small and marginal farmers, in respect of upskilling of farmers to improve their productivity. Inventory pooling for productivity increase is also been envisaged. The implementation of the said initiatives is monitored by the Risk, CSR & Strategy Committee.

VIGIL MECHANISM

The Company has established a vigil mechanism, through a Whistle Blower Policy, where under, 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 standalone 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 subsidiary 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.

STATUTORY AUDITORS' REPORTS

Reports issued by the Statutory Auditors on the Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2018 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 & Associates, Company Secretary in Practice, Thane to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2018.

The Secretarial Audit Report (Form MR - 3) is attached as **Annexure 6** to this Directors' Report. The said 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, 2019. 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 99th Annual General Meeting and the Resolution is recommended for your approval.

DIVIDEND DISTRIBUTION POLICY

Securities and Exchange Board of India (SEBI), by its notification dated 8th July, 2016, has amended the SEBI LODR Regulations, introducing new Regulation 43A mandating the top 500 listed entities, based on market capitalisation calculated as on 31st March of every financial year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Reports and on their websites.

Accordingly, the Board of the Company has adopted a Dividend Distribution Policy, which is attached as **Annexure 7**. The Policy is also available on the website of the Company under the "Investors" section.

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 dividend in respect of the 3rd interim dividend and final & special dividend for the financial year 2009-10, 1st and 2nd interim dividend for the financial year 2010-11 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.

In terms of the requirements of Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended ("the Rules"), the Company is required to transfer the shares in respect of which the dividend has remained unpaid or unclaimed for a period of seven consecutive years to the IEPF Account.

Members are requested to take note of the same and claim their unclaimed dividends immediately to avoid transfer of the underlying shares to the IEPF Account. The shares transferred to the IEPF Account can be claimed back by the concerned Members from IEPF Authority after complying with the procedure prescribed under the Rules.

During the Financial Year 2017-18, the Company has transferred 8,27,769 shares to the IEPF Account.

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, co-operation 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

Mumbai
3rd May, 2018

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, 2017 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:

a. Fixed Pay: It is based on role and responsibilities, business, grade and level in the organisation.

b. Variable Pay: It is based on the individual and organisation's performance for the given assessment year.

4. IMPLEMENTATION OF ELEMENTS OF REMUNERATION INCREMENT POLICY

a. 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 experience and education, but on merit as well as market standards. Quantum of increment will be based on capacity of the Company to pay.

b. 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.

c. Long Term Incentive Program: This is applicable to the Managing Director and his direct reports (M1 and M2) only.

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

- Holiday homes (Club Mahindra)
- Mediclaim insurance scheme
- Group Life and Personal Accident Insurance
- Mobile monthly usage charges
- Paid Leaves

5. NORMALISATION

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 normalisation pattern is followed for level wise increments:

Performance Rating	Percentage Distribution For M1 to M6
5	10%
4	15%
3	60%
2	10%
1	05%

6. GOVERNANCE OF THE REMUNERATION POLICY

i. The Executive Directors' remuneration will be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors including the annual increments based on principle of elements of remuneration.

ii. 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
3rd May, 2018

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, 2018, 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, 2018.

For and on behalf of the Board

Mumbai
3rd May, 2018

Karan Thapar
Chairman

Annexure 3

Extract of Annual Return as on 31st March, 2018 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, 2018)

I. REGISTRATION AND OTHER DETAILS

Sr. No.	Particulars	Details
1	Corporate Identity Number	L99999MH1922PLC000987
2	Registration Date	29th 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	3rd Floor, Motilal Oswal Tower Junction of Gokhale & Sayani Road, Prabhadevi, Mumbai – 400 025 Tel : +91 22 62211700 Fax: +91 22 62217499 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	96%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Greaves Leasing Finance Limited 3rd Floor, Motilal Oswal Tower, Junction of Gokhale & Sayani Road, Prabhadevi, Mumbai - 400025	U29299MH1958PLC011250	Subsidiary Company	100%	2(87)
2	Dee Greaves Limited 3rd Floor, Motilal Oswal Tower, Junction of Gokhale & Sayani Road, Prabhadevi, Mumbai - 400025	U28920MH1960PLC011788	Step-down Subsidiary Company	100%	2(87)

IV. SHARE HOLDING PATTERN

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

(A) Category wise shareholding

	Category of Shareholder	Number of Shares held at the beginning of the year				Number of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Promoters**									
(1)	**Indian**									
(a)	Individuals / H.U.F	-	-	-	-	-	-	-	-	-
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	12,45,53,726	-	12,45,53,726	51.00	12,45,53,726	-	12,45,53,726	51.00	-
(e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**12,45,53,726**	**-**	**12,45,53,726**	**51.00**	**12,45,53,726**	**-**	**12,45,53,726**	**51.00**	**-**
(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)	**12,45,53,726**	**-**	**12,45,53,726**	**51.00**	**12,45,53,726**	**-**	**12,45,53,726**	**51.00**	**-**

	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	4,52,14,162	-	4,52,14,162	18.51	2,39,82,524	-	2,39,82,524	9.82	-8.69
(b)	Financial Institutions / Banks	1,73,937	21,995	1,95,932	0.08	2,34,939	21,995	2,56,934	0.11	0.02
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	2,04,64,418	10,525	2,04,74,943	8.38	2,20,32,673	10,525	2,20,43,198	9.03	0.65
(g)	Foreign Portfolio Investors	1,60,14,435	-	1,60,14,435	6.56	1,64,21,206	-	1,64,21,206	6.72	0.16
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**8,18,66,952**	**32,520**	**8,18,99,472**	**33.54**	**6,26,71,342**	**32,520**	**6,27,03,862**	**25.68**	**-7.86**
(2)	**Non Institutions**									
(a)	Bodies Corporate									
	i) Indian	61,61,210	35,635	61,96,845	2.54	72,59,537	28,820	72,88,357	2.98	0.44
	ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals -									
	i) Individuals shareholders holding nominal share capital up to ₹ 1 lakh	2,10,91,221	26,19,750	2,37,10,971	9.71	3,78,00,783	22,15,645	4,00,16,428	16.39	6.68
	ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	47,13,345	58,540	4,771,885	1.95	62,57,057	58,540	63,15,597	2.59	0.63
(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	16,20,168	40,125	16,60,293	0.68	24,42,845	36,715	24,79,560	1.02	0.34
(c-iii)	Trusts	16,958	100	17,058	0.01	8,920	100	9,020	0.00	-0.01
(c-iv)	Share lying in unclaimed shares demat suspense account	6,21,545	-	6,21,545	0.25	65,245	-	65,245	0.03	-0.22
	Sub-Total (B)(2)	**3,42,24,447**	**35,29,150**	**3,77,53,597**	**15.46**	**5,38,34,387**	**31,14,820**	**5,69,49,207**	**23.32**	**7.86**
	Total Public shareholding (B)=(B)(1)+ (B)(2)	**11,60,91,399**	**35,61,670**	**11,96,53,069**	**49.00**	**11,65,05,729**	**31,47,340**	**11,96,53,069**	**49.00**	-
(C)	**Shares held by Custodians for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**24,06,45,125**	**35,61,670**	**24,42,06,795**	**100.00**	**24,10,59,455**	**31,47,340**	**24,42,06,795**	**100.00**	-

(B) Shareholding of Promoters

Sr. No	Shareholders' Name	Shareholding as on 1st April, 2017			Shareholding as on 31st March, 2018			% 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	DBH International Pvt. Ltd.	9,84,69,662	40.32	-	9,84,69,662	40.32	-	-
2	Bharat Starch Products Pvt. Ltd.	1,37,75,865	5.64	-	1,37,75,865	5.64	-	-
3	Karun Carpets Pvt. Ltd.	1,23,08,199	5.04	-	1,23,08,199	5.04	-	-
		12,45,53,726	**51.00**	**-**	**12,45,53,726**	**51.00**	**-**	-

(C) Change in Promoters' Shareholding

Sr. No	Shareholders' Name	Shareholding		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		Number of Shares at the beginning (01.04.2017)/ end of the year 31.03.2018	% of total shares of the Company				No. of shares	% of the total shares of the Company
1	DBH International Pvt. Ltd.	9,84,69,662	40.32	01.04.2017	-			
		9,84,69,662	40.32	31.03.2018	-	no change	9,84,69,662	40.32
2	Bharat Starch Products Pvt. Ltd	1,37,75,865	5.64	01.04.2017	-			
		1,37,75,865	5.64	31.03.2018	-	no change	1,37,75,865	5.64
3	Karun Carpets Pvt. Ltd.	1,23,08,199	5.04	01.04.2017	-			
		1,23,08,199	5.04	31.03.2018	-	no change	1,23,08,199	5.04
		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 (01.04.2017 to 31.03.2018)	
		Number of Shares at the beginning (01.04.2017)/ end of the year 31.03.2018	% of total shares of the Company				No. of shares	% of the total shares of the Company
1	IDFC Premier Equity Fund	1,11,14,410	4.55	01.04.2017				
			-0.04	21.07.2017	-93,102	sold	1,10,21,308	4.51
			-0.03	18.08.2017	-65,551	sold	1,09,55,757	4.49
			-0.14	25.08.2017	-3,49,001	sold	1,06,06,756	4.34
			-0.08	01.09.2017	-1,88,516	sold	1,04,18,240	4.27
			-0.01	20.10.2017	-13,048	sold	1,04,05,192	4.26
			-0.03	27.10.2017	-66,381	sold	1,03,38,811	4.23
			-0.08	10.11.2017	-1,93,492	sold	1,01,45,319	4.15
			-0.10	12.01.2018	-2,50,000	sold	98,95,319	4.05
			0.00	02.02.2018	-10,000	sold	98,85,319	4.05
		98,85,319	4.05	31.03.2018				
2	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	81,55,447	3.34	01.04.2017				
			-0.01	07.04.2017	-25,300	sold	81,30,147	3.33
			0.01	25.08.2017	25,000	bought	81,55,147	3.34
			-0.04	13.10.2017	-1,06,424	sold	80,48,723	3.30
			-0.04	20.10.2017	-1,07,244	sold	79,41,479	3.25
			0.00	27.10.2017	-4,172	sold	79,37,307	3.25
			-0.12	31.10.2017	-2,83,411	sold	76,53,896	3.13
			-0.07	03.11.2017	-1,76,670	sold	74,77,226	3.06
			-0.49	05.01.2018	-12,00,000	sold	62,77,226	2.57
			-0.86	12.01.2018	-20,96,176	sold	41,81,050	1.71
			-1.12	19.01.2018	-27,42,001	sold	14,39,049	0.59
			-0.59	26.01.2018	-14,39,049	sold	-	-
		-	-	31.03.2018				
3	The New India Assurance Company Limited	63,81,732	2.61	01.04.2017				
			0.01	02.03.2018	29,105	bought	64,10,837	2.63
			0.12	16.03.2018	2,86,527	bought	66,97,364	2.74
			0.11	23.03.2018	2,63,030	bought	69,60,394	2.85
			0.04	30.03.2018	92,932	bought	70,53,326	2.89
		70,53,326	2.89	31.03.2018				
4	SBI Magnum Midcap Fund	63,10,663	2.58	01.04.2017				
			-0.13	03.11.2017	-3,17,554	sold	59,93,109	2.45
			-0.31	10.11.2017	-7,63,262	sold	52,29,847	2.14
			-0.33	24.11.2017	-8,10,000	sold	44,19,847	1.81
			-0.29	01.12.2017	-7,00,230	sold	37,19,617	1.52
			-0.47	08.12.2017	-11,53,690	sold	25,65,927	1.05
			-0.02	15.12.2017	-55,638	sold	25,10,289	1.03
			-0.25	09.02.2018	-6,19,340	sold	18,90,949	0.77
			-0.32	16.02.2018	-7,92,706	sold	10,98,243	0.45
			0.00	23.02.2018	-10,227	sold	10,88,016	0.45
			-0.22	02.03.2018	-5,26,606	sold	5,61,410	0.23
			0.01	09.03.2018	-27,603	sold	5,33,807	0.22
			-0.17	16.03.2018	-4,27,000	sold	1,06,807	0.04
			-0.04	23.03.2018	-1,06,807	sold	-	-
		-	-	31.03.2018				
5	General Insurance Corporation of India	60,75,000	2.49	01.04.2017				
			-0.03	02.06.2017	-75,000	sold	60,00,000	2.46
		60,00,000	2.46	31.03.2018				

Sr. No	Shareholders' Name	Shareholding		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		Number of Shares at the beginning (01.04.2017)/ end of the year 31.03.2018	% of total shares of the Company				No. of shares	% of the total shares of the Company
6	Life Insurance Corporation of India	59,34,813	2.43	01.04.2017				
		59,34,813	2.43	31.03.2018				
7	Franklin India Smaller Companies Fund	36,50,653	1.49	01.04.2017				
			-0.10	14.04.2017	-2,55,179	sold	33,95,474	1.39
			-0.04	21.04.2017	-97,536	sold	32,97,938	1.35
			-0.06	28.04.2017	-1,47,285	sold	31,50,653	1.29
			-0.08	16.06.2017	-2,00,000	sold	29,50,653	1.21
			-0.04	28.07.2017	-1,08,574	sold	28,42,079	1.16
			-0.01	04.08.2017	-28,432	sold	28,13,647	1.15
			0.00	11.08.2017	-1,737	sold	28,11,910	1.15
			-0.01	15.09.2017	-24,415	sold	27,87,495	1.14
			-0.02	06.10.2017	-37,171	sold	27,50,324	1.13
			-0.09	13.10.2017	-2,26,660	sold	25,23,664	1.03
			-0.03	20.10.2017	-73,011	sold	24,50,653	1.00
			-0.02	31.10.2017	-57,392	sold	23,93,261	0.98
			-0.06	03.11.2017	-1,42,608	sold	22,50,653	0.92
			-0.88	29.12.2017	-21,37,404	sold	1,13,249	0.05
			-0.05	05.01.2018	-1,13,249	sold	-	-
		-	0.00	31.03.2018				
8	Armor Qualified, Lp	24,70,436	1.01	01.04.2017				
			0.02	19.05.2017	45,600	bought	25,16,036	1.03
			0.02	14.07.2017	59,698	bought	25,75,734	1.05
			0.01	15.09.2017	25,392	bought	26,01,126	1.07
			0.02	27.10.2017	43,652	bought	26,44,778	1.08
			0.01	08.12.2017	32,355	bought	26,77,133	1.10
			0.00	05.01.2018	-8,300	sold	26,68,833	1.09
			-0.05	19.01.2018	-126,427	sold	25,42,406	1.04
			-0.08	09.02.2018	-189,367	sold	23,53,039	0.96
			-0.03	16.02.2018	-81,648	sold	22,71,391	0.93
		22,71,391	0.93	31.03.2018				
9	L and T Mutual Fund Trustee Ltd-L and T Tax Advantage	23,52,100	0.96	01.04.2017				
		23,52,100	0.96	31.03.2018				
10	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus	23,00,000	0.94	01.04.2017				
			-0.12	07.04.2017	-3,00,000	sold	20,00,000	0.82
			-0.19	14.04.2017	-4,55,180	sold	15,44,820	0.63
			-0.04	21.04.2017	-97,536	sold	14,47,284	0.59
			-0.06	28.04.2017	-1,47,284	sold	13,00,000	0.53
			-0.06	16.06.2017	-1,51,000	sold	11,49,000	0.47
			-0.04	23.06.2017	-1,06,842	sold	10,42,158	0.43
			-0.02	30.06.2017	-38,128	sold	10,04,030	0.41
			-0.08	07.07.2017	-2,00,457	sold	8,03,573	0.33
			-0.04	14.07.2017	-1,08,728	sold	6,94,845	0.28
			-0.25	21.07.2017	-6,10,372	sold	84,473	0.03
			-0.03	28.07.2017	-84,473	sold	-	0.00
		-	0.00	31.03.2018				

(E) Shareholding of Directors and Key Managerial Personnel

Sr. No	Shareholders' Name	Shareholding		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		Number of Shares at the beginning (01.04.2017)/ end of the year 31.03.2018	% of total shares of the Company				No. of shares	% of the total shares of the Company
1	Mr. Vijay Rai - Independent Director	18,150	0.007	01.04.2017				
				16.02.2018	2,000	bought	20,150	0.008
		20,150	0.008	31.03.2018				
2	Ms. Neetu Kashiramka - Chief Financial Officer*	0	-	01.04.2017				
				05.02.2018	2,100	(Opening Balance)	2,100	0.001
		2,100	0.001	31.03.2018				

*appointed with effect from 5th February, 2018

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

GREAVES
SINCE 1859

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lakh)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Nagesh Basavanhalli	
	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	328.14	328.14
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	47.72	47.72
	(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 (Long term Incentive)	-	-
	Total (A)	**375.86**	**375.86**
	Ceiling as per the Act (being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		2223.43

B. Remuneration to other directors:

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Karan Thapar	Mr. Vijay Rai	Mr. Vikram Tandon	Mr. Navneet Singh	Mr. Arvind Kumar Singhal	Mr. Kewal Handa	Ms. Sree Patel	Mr. Vinay Sanghi*	
1	Independent Directors									
	• Fee for attending board / committee meetings			1.40	1.90	1.60	2.40	1.60	0.60	9.50
	• Commission			14.28	13.26	14.28	13.67	12.44	6.22**	74.15
	• Others, please specify			-	-	-	-	-	-	-
	Total(1)			**15.68**	**15.16**	**15.88**	**16.07**	**14.04**	**6.82**	**83.65**
2	Non-Executive Directors / Promoter									
	• Fee for attending board / committee meetings	2.00	1.50							3.50
	• Commission	131.00	12.85							143.85
	• Others, please specify	-	-							-
	Total(2)	**133.00**	**14.35**							**147.35**
	Total (B)=(1+2)									**231.00**
	Total Managerial Remuneration (A)+(B) (excluding sitting fees)									593.86
	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)									2445.77

*appointed with effect from 4th August, 2017

**For part of the year

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

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Narayan Barasia, Chief Financial Officer*	Ms. Neetu Kashiramka* Chief Financial Officer	Amit K. Vyas, Company Secretary	
	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	156.91	16.87	51.34	225.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.74	0.22	0.22	1.18
	(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 (Long Term Incentive)	-	-	-	-
	Total	**157.65**	**17.09**	**51.56**	**226.30**

*Ms. Neetu Kashiramka was appointed as Chief Financial Officer w.e.f. 5th February, 2018 in place of Mr. Narayan Barasia.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

Annexure 4

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

A. CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy

1. Real time clock incorporated for switching off the Blowers and cooling pump during shift end and week end for Engine Assembly.
2. Excess capacity reduced from 5Hp to 3Hp for Solar evaporation in Effluent Treatment Plant (ETP) area.
3. PLC Program modified to stop hydraulic motor & coolant motors in idle running hours in crank shaft HMT Hobbing machines.
4. Wiring circuit modified to stop coolant motor in idle running hours in crank case Mazak machines.
5. Installation of “Air Saving Unit” to compressors to reduce loading hours and save energy by 3-5%.
6. Installation of Inverter drive pack in hydraulic circuit of Vertical machining centres.
7. Auto Power Factor Control Panel (APFC) with detuned capacitor to get Clean Power without harmonic distortion.
8. Control contractors provided for fume killers with machine and linked with machine idle power saving mode.
9. Incorporation of Variable Frequency Drive (VFD) at D-Assembly & D-Testing blowers.
10. Elimination of Hydraulic Powerpack Motor on AMS, VMC & HMC Machine.
11. Power saving through use of Condition Base Monitoring (CBM) tool for efficiency improvements.

(ii) Steps taken by the Company for utilizing alternate source of energy

1. Solar rooftop system installed at manufacturing facility in Aurangabad.

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

1. The Auxiliary Power Business (APB) has successfully developed the MEGA series (1010 kVA/1250 kVA) diesel generators. The products will significantly expand Company’s product portfolio into the Megawatt range and the models will be rolled out in a phased manner in FY 2018-19.
2. The Company has launched Power Tiller (Bahubali) which is the first indigenously designed and developed engine for Power Tiller in India.
3. Introduction of procedure for vibration analysis and measurements for design verification of farm equipment.
4. Strategic partnerships for electrical pump sets done and innovative validation techniques introduced.
5. Proof of concepts for IOT and for power tillers done successfully.
6. Feature additions for power tillers, power weeders and boom sprayers along with proof of concepts.
7. Launch of 1-cylinder diesel BS IV engine for cleaner environment with Mechanical fuel injection to cater to 3 wheeler application and also for small commercial 4 wheeler vehicle.
8. Efforts are made to generate in-house solutions for emission compliance and service interval improvement.
9. Development of existing GL400 Alternate Fuel engine for BS IV 3 wheeler application.
10. Efforts are being made to develop cleaner BS VI engines for 3 wheeler and 4 wheeler vehicles.

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

1. Compact sized, improved diesel generators in 10 kVA to 40 kVA range was developed to enhance the competitiveness of the product.
2. A new version of 160 kVA diesel generator was developed to improve the performance and competitiveness with best in class fuel economy.
3. Techniques of Value Analysis/ Value Engineering (VA/VE) have been adopted to enhance the value proposition and drive costs down across the board through “Propel+” initiative.

4. Improved validation protocol & component wear analysis and failure investigation methodology introduced for Farm Equipment products.

5. Product feedback for newly launched Farm Equipment products and improvements done successfully.

6. Cost improvement, improvements in emissions control, Noise Vibration Harshness and service interval.

7. New launches in Alternate fuel segment

8. Reduced field failures and customer complaints.

(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 (₹ in crore)
Capital	6.38
Revenue	22.04
Total	**28.42**

The total R&D expenditure as a percentage of Revenue from Operations: 1.54% (2016-17:1.50%)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Amount (₹ in crore)
Inflow	67.64
Outflow	50.03

For and on behalf of the Board

Mumbai
3rd May, 2018

Karan Thapar
Chairman

Annexure 5

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

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

The Company believes that CSR is a process by which an organisation thinks about its relationships with the stakeholders and integrates its economic, environmental and social objectives in such a manner that it will contribute for the social good.

The CSR initiatives have an underlying rationale of 'benefitting the community at large'. The Company is focussed on identifying the communities/beneficiaries of the projects and understanding their needs. The Company has adopted the CSR Theme of ''Training and Re-skilling for gainful employment and better livelihood'' covering the aspect of 'Re-skilling' as top priority. Re-skilling would cover local mechanics to entrepreneurs under the project PRIME (Program on Real Independence and Mechanic Empowerment). As a part of its CSR initiatives the Company also seeks to support the farming fraternity by addressing small and marginal farmers, in respect of upskilling of farmers to improve their productivity. Inventory pooling for productivity increase is also been envisaged. The implementation of the said initiatives is monitored by the Risk, CSR & Strategy Committee.

The Company has adopted a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and can be accessed through the following link http://www.greavescotton.com/php/media/brochure_files/CSR_Policy.pdf

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

Name	Category
Mr. Karan Thapar	Chairman, Non-executive Director
Mr. Arvind Singhal	Independent Director
Mr. Kewal Handa	Independent Director
Mr. Nagesh Basavanhalli	Managing Director

3. Average net profit of the Company for last three financial years: ₹ 201.43 crore

4. Prescribed CSR Expenditure (2% of the amount as in Sr. No. 3 above): ₹ 4.03 crore

5. Details of CSR spend for the financial year:

a) Total amount to be spent for the financial year: ₹ 4.03 crore

b) Amount unspent: ₹ 3.45 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 the projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads:**		**Cumulative expenditure upto the reporting period**	**Amount spent; Direct or through implementing agency**
					Direct Expenditure on projects or programs	Overheads		
1	DEEP (Development: Education: Empowerment : Progress)	Skilling	Local (Aurangabad)	₹ 80 lakhs	₹ 38.71 lakhs	₹ 0.75 lakhs	₹ 39.46 lakhs	Yuva Shakti Foundation
2	PRIME (Program on Real Independence & Mechanic Empowerment)	Skilling	Orissa, Gujarat, MP, West Bengal, Delhi, Karnataka, TN, Rajasthan & UP		₹ 18.39 lakhs	-	₹ 18.39 lakhs	Self

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.

   The Company identified 2 projects supporting key people from communities-students and mechanics. The program was implemented towards skill building and converting them to become professionals. We have initiated these projects and are poised to take this to higher scale in times to come.

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

Nagesh Basavanhalli	**Karan Thapar**
Managing Director & CEO	Chairman

Mumbai
3rd May, 2018

Annexure 6

Secretarial Audit Report

Form No. MR-3

For the Financial Year ended 31st March, 2018
[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 authorised 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, 2018 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, 2018 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) 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 (Share Based Employee Benefits) Regulations, 2014;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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: 3rd May, 2018

Annexure 7

Dividend Distribution Policy

1. PREAMBLE

Greaves Cotton Limited has consistent dividend paying track record. This Dividend Distribution Policy is in terms of the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. EFFECTIVE DATE

The Board of Directors of the Company at its meeting held on 14th February, 2017 has adopted the Dividend Distribution Policy of the Company. The Policy is effective from the financial year 2016-2017.

3. PARAMETERS FOR DECLARATION OF DIVIDEND

The Board of Directors of the Company shall declare dividends at its own discretion and at such periodicity as it may deem fit. The Board will consider the following parameters for declaration of Dividend:

Financial Parameters / Internal Factors

The Board of Directors of the Company would consider the Free Cash Flow projections for the year under consideration for declaring or recommending dividend to shareholders.

External Factors

The Board of Directors of the Company would consider the prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws for declaring or recommending dividend to shareholders.

Circumstances under which the shareholders may or may not expect Dividend

The shareholders of the Company may not expect Dividend under the following circumstances

a. In the event of Force Majeure events outside the control of the Company.

b. If the prevailing regulatory environment does not permit declaration or payment of dividend

Utilisation of retained earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

Parameters adopted with regard to various classes of shares

a. At present, the issued and paid-up share capital of the Company comprises only equity shares.

b. The factors and parameters for declaration of dividend to different class of shares of the Company shall be in compliance with the existing laws, governing the dividend payout.

c. The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

4. GENERAL

a. This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities and Exchange Board of India or such other regulatory authority as may be authorised, from time to time, on the subject matter.

b. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

c. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board

Mumbai
3rd May, 2018

Karan Thapar
Chairman

Management Discussion and Analysis

ECONOMIC OVERVIEW

Global Economy

The global recovery that began at the end of 2016 gained traction in 2017 and continued to evolve on the growth trajectory even in the first three months of 2018. This recovery has been supported by higher commodity prices and growth in international trade volumes. According to IMF estimates, the global economy grew at 3.8% in 2017 and is expected to grow at 3.9% through 2018. The pace of economic recovery is likely to remain unabated on account of reducing supply-side excesses and revival in demand prompted by supportive monetary policies in the developed nations.

Indian Economy

FY 2017-18 was an eventful year for the Indian economy. The country successfully implemented Goods and Services Tax (GST) – one of the biggest indirect tax reforms post-Independence. A continued recovery in consumer demand, signs of a turning investment cycle and sustained farm-sector growth, despite pockets of stress reflect growth drivers for the Indian economy. Besides this, India is expected to get a boost from a recovering rural demand due to higher foodgrain output, better Minimum Support Price (MSP) realisation, improvement in the livestock, forestry and fisheries segment and lastly, a construction surge across the country.

The waning of the transient impact of GST, recovery in credit growth, massive government spending on rural infrastructure development, prediction of a normal monsoon and the benign inflation outlook is likely to lift the business sentiment in FY 2018-19. The improvement in earnings is likely to be driven by a sustained improvement in consumption as well as investment demand.

As per the RBI's assessment, the Indian economy is likely to grow at 7.4% in FY 2018-19.

Company Performance

Greaves Cotton Ltd ('the Company') is a large diversified engineering company that has business interest across Automotive Engine, Genset, Farm, Aftermarket Spares, Aftermarket Service Segment and International Business. The Company sustains its leadership through six manufacturing units which produce world-class products backed by comprehensive spares and service through its 3,500 plus service outlets across India.

In the Automotive Engine segment, the Company provides fuel agnostic powertrain solutions to three-wheeled passenger and cargo vehicles and four-wheeled mini-trucks. The Company has a history of 160 years and enjoys a leadership position, with around

75% market share in the 3-wheeler Diesel engines market. This segment provides affordable automotive engine solutions to the majority of population in India, moving more than 1 crore passengers and 5 lakh tonnes of cargo every day.

The Company's manufacturing facilities are supported by comprehensive R&D and testing capabilities. The Company has leveraged its pan-India network of over 3,500 dealers to grow its presence in aftermarket solutions and services. As part of its plan to be future-ready, the Company has collaborated with technology partners globally, to create high performance products with best-in-class ownership cost and environment-friendly solutions meeting future emission norms. The growth is planned by employing strong indigenous capabilities and leveraging strategic partnerships.

FY 2017-18 marked the beginning of a transformation at Greaves Cotton Ltd. The Company took several new initiatives to drive future growth and maintained growth momentum despite transient effects of macro-economic disruptions. The implementation of GST and lag effect of demonetisation capped the volume growth across business segments in the first-half, which in turn affected the top line growth. On the other hand, EBITDA margins marginally fell on account of rising commodity prices. The Consolidated revenues of the Company improved 9.7% in FY 2017-18 to ₹ 1,792.10 crore mark against revenue of ₹ 1,634.26 crore recorded in FY 2016-17. In accordance with Ind AS 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of revenue. Accordingly, the revenue from operations as compared to previous year are not comparable and should be compared net of excise. PAT grew 12% to ₹ 202.62 crore on Y-o-Y basis. Irrespective of that, the Company accelerated the growth pace, increased operating profits and delivered a record last quarter growth after seeing stagnancy in the last 5 years.

In FY 2017-18, the Company demonstrated its future-readiness by showcasing powertrain solutions in the alternate fuel categories, new electric vehicle with possibility of charging infrastructure facility at Greaves Care and the ability to operate in the overall ecosystem at the Auto Expo 2018, the biggest show for Automotive industry in India. In parallel, the Company continued to launch new products across other business segments – Farm, Genset, Aftermarket and engage with its strategic alliance partners.

New Initiatives

In order to de-risk the current businesses and plan for future growth and sustainability, the Company has laid out a long-term strategic plan to become a fuel agnostic powertrain solutions and services player across Automotive Engine, Farm, Genset and Services segments. As part of the strategic road-map, the Company would move closer to the customer by enhancing the B2C play and leveraging the strong brand that has been built over the years. With a view to achieve the above strategic imperatives, the Company has been building capabilities and technologies in clean energy across its businesses.

The Company entered into a technological alliance with Pinnacle Engines of the U.S. and with Bangalore-based Altigreen Propulsion Labs. These partnerships will enable the Company to cater to the fast-growing alternate fuel segments and also capture opportunities in the Aftermarket with retrofit solutions.

Enhancing the aftermarket business, Greaves tied up with AMSOIL for premium synthetic Oil category and Fuchs for mineral oil category, catering to a wide range of consumer segments. Widening the Multi-brand portfolio, the Company introduced multiple new products including the 3W and 2W battery and tyres. The Company also started selling products in the light construction equipment segment through tie-ups with leading global organisations – Mikasa from Japan and Roxar from Italy.

As a new future-ready business initiative, the Company introduced **Greaves Care** - India's unique chain of multi-brand service outlets with proposition of superior lifetime value to the customer. With this, the Company aims to become a one-stop shop for all service and repair needs, quick turnaround time, and genuine spare parts, thus providing assurance of good service for the customers using Greaves engine, Farm and Genset products across India.

Besides the above initiatives, the Company made an impressive display at the Auto Expo 2018 with a full range of BS-VI ready solutions in the Automotive Engine space. Single cylinder to multi cylinder engines catering to vehicles from 2W, 3W, small 4W commercial vehicle and pick-up truck range (SCV range) – with a full portfolio of Diesel, Petrol and alternate fuel options, along with Greaves electric powertrain solutions in all new E3 – electric vehicle on display was key attraction at the Auto Expo 2018.

AUTOMOTIVE ENGINE BUSINESS

India is now the 4th largest market of automobiles in the world by volumes and ranks first as far as the manufacturing of two-wheelers (2W), three-wheelers (3W) and tractors are concerned.

Improved safety standards, technological enhancements, environment-friendly policies and green automotive engine initiatives all aimed at reducing emissions will be the critical quality parameters for benchmarking future growth.

3W segment also recorded a stellar performance led by 28.7% growth in the passenger fleet and 7.9% in cargo. Pent-up demand on account of 3 years of stagnation and open permits issued by a few major cities shored up 3W demand.

Business Overview

In line with the Government's focus on reducing emissions and making last-mile automotive engine much safer, the Company took several steps in FY 2017-18 towards becoming a fuel agnostic powertrain solutions and services company.

In the automotive engine segment with an objective of de-risking the dependency on single cylinder diesel product, the Company announced wide product portfolio with multi cylinder and multi fuel options in tune with the upcoming BS-VI norms. The Company now has a superior powertrain solution offering for Diesel, CNG, Petrol, Hybrid and Electric– a healthy product mix well-aligned for the future opportunities. New strategic tie-ups will allow the Company to tap the new segment of alternate fuel.

Implementation of GST had a temporary negative impact on the Company's business in the H1 of FY 2017-18. However, the situation improved in H2. The division recorded 3% volume growth in FY 2017-18.

Risks and Concerns

Rising commodity prices: While higher crude oil prices may hamper the potential demand for automobile, rising commodity prices affect the margins. The Company has prepared to tackle this challenge through better efficiencies and strong risk mitigation policies.

Change in the interest rate regime: Interest rates have been on a downward spiral for over two years now. If borrowing costs escalate in the future, it may have an adverse impact on the automobile demand.

Rapidly changing fuel preferences: As the Government has set April 2020 deadline for the implementation of BS-VI norms, demand for conventional 3W diesel engines is likely to be affected in the future. The BS-VI tie-up with several OEMs and tech partnerships mentioned above, de-risks and makes Greaves future-ready meeting in advance the April 2020 BS-VI mandate and tap high growth opportunities.

Outlook

In FY 2018-19, the Government is likely to spend ₹ 5.97 lakh crore on infrastructure development as against the estimated expenditure of ₹ 4.94 lakh crore it incurred in FY 2017-18. Faster economic growth and improvement in rural consumption is likely to drive the demand for last-mile automotive engine solutions. The Company may benefit from the broader economic trends.

Although changing environmental norms and fuel preferences pose challenges, they open up multiple growth opportunities as well. While the future belongs to electric and hybrid automotive engine vehicles for the last-mile automotive engine, the demand for an internal combustion engine is unlikely to dry up since affordability is a crucial determinant of choice. Power, performance and fuel economy are the critical parameters for making ownership of the automobile affordable. Government's emphasis on achieving 100% electric vehicles by 2030 is likely to aid the Company to achieve higher growth in future. With its extended range of future-ready engines, the Company is expected to remain a preferred OEM partner of automobile manufacturers.

AUXILIARY POWER BUSINESS

Indian auxiliary power market is dominated by the diesel gensets segment. Based on generation capacity, Indian diesel genset market can be divided into 4 segments – 5 kVA-75 kVA (low), 75 kVA-375 kVA (medium), 375 kVA-750 kVA (high), 750 kVA and above (very high). Nearly 85% gensets sold in India are used for back-up power applications. Thus, despite the improved electricity supply, its unpredictable nature drives the market growth, especially in the low kVA rating segment. Medium and high kVA rating segments are primarily driven by the pace of economic activity, infrastructure

development and capacity additions among others. In FY 2017-18, the industry continued to grow at a low single-digit rate.

Business Overview

The Company offers CPCB-II compliant new generation gensets that meet the demand of hospitality, BFSI, retail, real estate, housing, telecom, railways and defence sectors. Besides, higher efficiencies, this Company-assembled gensets are compact, reliable, dependable, have a compact footprint with reliable after sales service. While the Company strengthens its base in the existing product range and bagged orders from some marquee customers.

With its superior technology, an expanded range and strong distribution network, the Company will keep providing uninterrupted power to growing customer base, thus powering progress in their lives.

The Company is also making keen progress to expand its product range in the above 500 kVA segment, thus increasing the addressable market and fuelling further growth and profitability in this business.

The Company also manufactures small engines for non-automotive applications and large industrial engines ranging from 4HP to 700HP. These engines are fuel-efficient and low on maintenance, thus making a great value proposition in their respective categories. They find applications primarily in agriculture, construction, defense, shipping, marine and railways among others.

Risk and Concerns

Growing penetration of renewable energy sources: Renewable energy now accounts for 18% of India's total installed power capacity. The roof-top solar energy is also gaining traction as it is mandatory for smart cities to source 10% of total energy demand from roof top solar. Taking cognisance of these changing trends in consumer preference and environmental norms, the Company has been working to expand its product portfolio.

Competition: The lower kVA sector has become extremely price sensitive as organised players are trying to increase their market share. The Company has been expanding its product offerings to address specific demands of various industries and has also been growing its footprint in the higher kVA segments. Players from the organised sector with complete offering – Product Sales, Service and Spares are expected to gain traction. The Company has a comprehensive product portfolio to address the demand for lower kVA and medium kVA gensets.

Outlook

The Indian economy has witnessed a tangible recovery from the third quarter (Q3) of FY 2017-18. As per the CSO (Central Statistics Office) estimates, the capacity utilisation levels have gone up substantially and are likely to improve further going forward. If the private sector capex cycle posts stronger-than-expected recovery, then that would be a positive for the genset industry. Further, front-loading of the government spending on infrastructure development and highest-ever allocations to the road and railways sector are likely to offer tailwinds to the Indian genset industry. Revival in the housing industry and the growing

count of data centres would further accelerate their demand. All the aforementioned factors are likely to boost the prospects for '750 kVA and above' segment. The Company is well-poised to take advantage of the uptick in the industrial cycle.

FARM EQUIPMENT BUSINESS

Industry Overview

India is an agrarian economy and has been the largest producer in many crop categories such as rice, wheat, sugarcane, fruits and vegetables. However, India ranks low in per hectare productivity. Increased fragmentation with rising population has made the landholdings small, calling for low-cost mechanised equipment for small and marginal farmers. Getting more produce from the farm is a challenge and there has been an increased focus on improving yield per acre. Shortage of labour is one of the key challenges the agriculture sector faces today.

India received normal rainfall in 2017 for the second consecutive year. As a result of a bumper harvest in many crop categories, farm realisations have been highly unremunerative. Several states were hit by climatic uncertainties in FY 2017-18. Owing to factors such as lower discretionary income, high indebtedness, delay in farm subsidy payments and loss in production on account of natural calamities, farmers made lower investments in farm mechanisation equipment in FY 2017-18.

On the positive side, the Government assured higher MSPs for all unannounced crops of kharif. The Government has also allocated higher monetary resources to increasing the penetration of crop insurance and irrigation facilities. The total layout for the agriculture and allied sectors will be 12.9% higher in FY 2018-19.

Business Overview

The Company aims to increase farmers' productivity at each stage of the crop cycle – right from the soil preparation stage to the post-harvest stage through mechanisation. It offers a comprehensive product portfolio of farm equipment consisting of power tillers, pump sets and light agri-equipment.

In FY 2017-18, the Company continued to invest in developing technological capacities for making more indigenous products in the farm equipment space. It launched 'The Bahubali' – India's first indigenously designed and manufactured 14HP high power tiller. In FY 2017-18, it also unveiled eHD (Electric Heavy Duty) series of electric pumps keeping in mind changing consumer preferences.

The first half of the year witnessed a slowdown in the market due to the macroeconomic environment. GST-related de-stocking also impacted the performance of the Company in the H1 of FY 2017-18. Floods in some agri-dominant states negatively affected the demand for pump sets and other light agricultural equipment due to loss of crop. The demand however, revived in H2 of FY 2017-18.

Risks and Concerns

Price sensitivity: Since the Company offers most of its solutions to small and marginal farmers, the demand for its products is highly price sensitive. The Company endeavours to tackle this challenge through better products and services, value-engineering through localisation and cost-efficiencies.

Farm distress: Unremunerative prices for farm produce and unforeseen natural calamities have led to widespread farm distress especially among small and marginal farmers since they suffer the most during such situations. At the policy level, the Government has taken several steps such as revision in MSPs and higher budgetary allocation to alleviate farmers' pain.

Outlook

The Company has been expanding its product portfolio keeping in mind the growth potential of the farm equipment industry.

As the farm labour costs have nearly doubled over the last few years and are still ticking upwards, the wave of farm mechanisation is expected to emerge even stronger. Adding to this, a new wave of digitally-controlled farm productivity enhancement with advisory solutions is gaining traction. The Company with its comprehensive product portfolio is well-placed to ride this wave. The implementation of GST is likely to offer immense benefits to the players in the organised sectors in the long run. The Company is well poised to benefit from such opportunities.

AFTERMARKET BUSINESS

Quality of spares is a critical factor in enhancing the life of an asset and protecting its value. As the market for autos and other high value engineering products across the Company portfolio is growing, the demand for high-quality spares is also fast catching up. Traditionally, unorganised players have dominated the Indian spares markets. Counterfeiting of products has been another critical area that has always haunted the buyer. After the implementation of GST, many players from the unorganised sector are now finding it difficult to sustain their operations.

Business Overview

The Company holds a leadership position in 3W diesel engines and has been rapidly growing its presence in the farm equipment and genset market. The Company has also been growing its presence in the multi-brand spares business.

The Company offers wide range of spare parts for all the 3 business groups – Automotive Engine, Farm and Genset. In FY 2017-18, the Company added a new range of product categories and adopted a focussed approach to promoting multi-brand business and strengthening its network. In FY 2017-18, the Company, in association with competing authorities, conducted raids at multiple locations against the spurious parts thereby protecting consumers from these unauthentic parts which can cause higher damage to the engine over a period of time.

Risks and Concerns

Changing preferences: Diesel is becoming a less preferred fuel option due to growing environmental awareness. However, the Company has been rapidly growing its presence in alternate fuel categories. Multi-brand spares business is likely to offer better growth opportunities as it deals with parts of all fuel range (CNG, Petrol, etc.) and multiple products in the last-mile automotive engine segment.

Counterfeiting: At present, the counterfeit market impacts a big portion of the 3-wheeler spares market. Like all the other organised players, the Company also faces a major threat from the counterfeit industry. Nonetheless, the Company fights the danger of unauthentic products by conducting several raids, supported by the authorities.

Rising commodity prices: Spares is a price-sensitive business. Rising commodity prices can have a negative impact on margins. The Company tackles this challenge through greater efficiencies and better procurement strategies.

Outlook

The Company has entered into strategic partnerships with multiple brands for the aftermarket products. Its strong distribution network is likely to facilitate further growth. Better prospects for the farm sector and heavy public spending on infrastructure are expected to drive the spares demand in agri-equipment and genset segments.

INTERNATIONAL BUSINESS

Industry Overview

In sync with the upsurge in global trade, India's merchandise exports grew by 9.8% in FY 2017-18. India's ranking improved by 30 places – from 130th to 100th on World Bank's Ease of Doing Business list as per its report titled '*Doing Business 2018*'. The implementation of far-reaching reforms is likely to take India closer to the best business practices.

Engineering exports which contribute over 23% of India's total exports are estimated to have reached an all-time high in FY 2017-18. Various initiatives such as Make in India, Start-up India and Digital India have fuelled the growth in engineering exports.

Business Overview

The exports business has shown a growth momentum despite political uncertainties in the Middle East and Africa coupled with currency devaluations. Improvement in Channel network and introduction of new distributors helped in strengthening the international business. Strong cost focus and improved product-mix led to a better growth than last year.

Risks and Concerns

Geo-political tensions: A rift in international relations of some of the world's developed economies has been a sentiment damper. To negate the region-specific negatives, the Company exports to countries across the region with a lower concentration of revenues in any one region.

Currency movement: Although the Company hedges its currency positions, any unexpected rise in the value of Indian Rupee may adversely affect the Company's performance. The Company takes

all viable and appropriate measures to mitigate the impact of currency fluctuations.

Outlook

India with its competitive advantages is likely to witness healthy growth in engineering exports in FY 2018-19 as well. Despite much-feared tariff wars, the global recovery is expected to stay on course. The Company is well-placed to explore the emerging opportunities in the export market.

Commodity Prices & Fluctuations

Rising crude oil price poses a challenge. Aluminium, steel, copper and plastic are the primary raw material components for the Company. Since any significant fluctuation in the raw material prices can severely affect the Company's production performance and EBITDA margins, it follows a well-articulated and board-approved foreign exchange risk mitigation policy. The Company actively participates in the currency futures market, purely for the hedging purpose.

The Company also follows dynamic sourcing strategies and efficient inventory management practices to ensure smooth production.

INTERNAL CONTROLS FRAMEWORK

The Company has a robust system of internal controls. Its internal audit programme is a vital part of its management control systems. The Company regularly upgrades its internal control systems and benchmarks them to ensure that they are in line with globally accepted framework as issued by the Committee of Sponsoring Organisations 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

Besides this, the Company also follows standardised operating procedures, policies and guidelines, including regular monitoring procedures and self-assessment exercises as a part of the overall internal control system. The Code of Conduct established by the Company guides the fundamental standards that all employees need to follow in their regular working.

The Company also has in place a well-defined whistle blower policy which encourages its employees to report activities which they suspect are unethical or have a potential conflict of interest. The Company is committed to enforcing the highest standards of integrity and transparency and has adopted a robust self-monitoring mechanism.

Key controls have been tested during the year and corrective and preventive actions are taken for any weakness identified. The effectiveness of the internal control systems is continuously monitored by the Internal Auditors and Corporate Audit Department of the Company. The primary function of the Internal Auditors is to provide 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 firmly believes that people are critical to an organisation's growth and success. An organisation culture that fosters development and growth of the people, in turn, helps build organisational capability to meet the current and future business needs in complete alignment with interests of customers, shareholders and the community at large. The Company seeks to create an environment of fairness, transparency and mutual respect, wherein the aspirations of employees and goals of the enterprise are aligned to achieve mutual benefit on a continuous long-term basis.

With a view to creating a diverse workforce, the Company continued to induct technically qualified female employees in manufacturing operations last year. The Company also provided an opportunity for women to enrol as a part of the CSR programme on skill development and employability enhancement called DEEP (Development, Education, Empowerment, Progress) in Aurangabad.

In FY 2017-18, the relation of the Company with all its employees and trade unions remained harmonious. The payroll count of the Company's permanent employees was 1,750 as on March 31, 2018.

INFORMATION TECHNOLOGY

IT has become an integral enabler of organisation for growth and sustenance. IT at Greaves is delivering advantages of automation, integration, collaboration, optimisation building security and controls for operations. This year, the key IT initiatives were IT enablement of core business processes for customer insight and new product introduction.

To comply with GST requirements, the Company has redefined and mapped changes in sales, purchase, financial reporting and tax filing processes in SAP ERP.

The Company is also reimagining and redefining core business processes and models with path-breaking digital technologies to achieve manufacturing and service excellence.

Productivity and engagement has been enhanced by setting up world-class collaboration communication systems. Appropriate infrastructure and controls are in place to combat cyber threats and information security with a fail-safe network that will ensure business processes continuity.

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth for sustainable development of all stakeholders.

Corporate Governance practices constitute the strong foundation on which successful organizations are built to last. The Company is committed to the adoption of best governance practices and their adherence in true spirit at all times. The Company always aims towards building trust and enhancing its stakeholders' values on a sustainable basis. The Company strives to promote good governance practices through "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. 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	1	1	0
Mr. Nagesh Basavanhalli	Managing Director & CEO	2	0	0
Mr. Vijay Rai	Non-Executive Non-Independent Director	6	3	1
Mr. Vikram Tandon	Independent Director	1	1	1
Mr. Navneet Singh	Independent Director	2	2	0
Mr. Arvind Kumar Singhal	Independent Director	2	0	0
Mr. Kewal Handa	Independent Director	4	4	2
Ms. Sree Patel	Independent Director	0	0	0
Mr. Vinay Sanghi[3]	Independent Director	3	0	0

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

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

3. Appointed as an Additional Director of the Company with effect from 4th August, 2017.

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

During the financial year 2017-18, the Board met four times i.e. on 4th May, 2017, 3rd August, 2017, 1st November, 2017 and 5th February, 2018. The gap between 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. Nagesh Basavanhalli	4 of 4
Mr. Vijay Rai	4 of 4
Mr. Vikram Tandon	3 of 4
Mr. Navneet Singh	4 of 4
Mr. Arvind Kumar Singhal	4 of 4
Mr. Kewal Handa	4 of 4
Ms. Sree Patel	4 of 4
Mr. Vinay Sanghi*	2 of 2

*appointed as an Additional Director (Independent) with effect from 4th August, 2017

Annual General Meeting

The Annual General Meeting for the year ended 31st March, 2017 was held on 3rd August, 2017. Except Mr. Vikram Tandon and Mr. Arvind Kumar Singhal, all the other directors 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 and the strategic business plan. 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 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.

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 & Share Transfer Committee and a Risk, CSR & Strategy Committee. The functioning of each 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 committee memberships / chairmanships, of the specified committees in other public limited companies as on 31st March, 2018 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 annual financial statements and the 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;

(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 of three qualified Directors, all of whom are Non - executive and Independent. 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. Kewal Handa	Chairman	Independent Director
Mr. Navneet Singh	Member	Independent Director
Ms. Sree Patel*	Member	Independent Director
Mr. Vijay Rai**	Member	Independent Director

*Appointed as a Member with effect from 5th May, 2017

**Ceased to be a Member with effect from 5th May, 2017

3.1.3 Meetings and attendance

During the financial year 2017-18, the Committee met four times i.e. on 4th May, 2017, 2nd August, 2017, 31st October, 2017 and 5th February, 2018. The gap between any two meetings did not exceed 120 days. The details of the attendance of the Directors at these Meetings are as follows:

Name	Number of Meetings attended
Mr. Kewal Handa	4 of 4
Mr. Navneet Singh	4 of 4
Ms. Sree Patel	3 of 3
Mr. Vijay Rai	1 of 1

The Chairman of the Committee was present at the 98th Annual General Meeting held on 3rd August, 2017.

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

3.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee ensures that the Company's remuneration and incentive policies, practices and 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 recommend to the Board, the remuneration of the Executive Directors', 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. Karan Thapar	Member	Non-executive Director
Mr. Vinay Sanghi*	Member	Independent Director
Mr. Vijay Rai**	Member	Independent Director

*Appointed as a Member with effect from 13th October, 2017

**Ceased to be a Member with effect from 13th October, 2017

3.2.3 Meetings and attendance

During the financial year 2017-18, the Nomination and Remuneration Committee met three times i.e. on, 4th May, 2017, 31st October, 2017 and 6th February, 2018. The details of the attendance of the Directors at these Meetings are as follows:

Name	Number of Meetings attended
Mr. Vikram Tandon	3 of 3
Mr. Karan Thapar	3 of 3
Mr. Vinay Sanghi	1 of 2
Mr. Vijay Rai	1 of 1

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 Director is recommended by the Nomination and Remuneration Committee to the Board of Directors. The Nomination and Remuneration Committee takes into account the qualification, experience, and prevailing industry practices while recommending the remuneration.

The remuneration paid to the Executive Director comprises salary and allowances, perquisites, retirement benefits, performance linked incentive and long term incentive. Details of remuneration paid to Mr. Nagesh Basavanhalli, Managing Director & CEO for the financial year 2017-18 are as follows:

(₹ in lakhs)

Name of the Director	Fixed component			Variable Component		Total
	Salary and Allowance	Perquisites	Retirement benefit	Performance Linked Incentives	Long Term Incentive	
Mr. Nagesh Basavanhalli	213.50	47.72	14.64	100.00	-	375.86

No severance fee is payable 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. Nagesh Basavanhalli:

Service Contract – 27th September, 2016 to 26th September, 2019

Notice Period - 6 months

2. **For Non - executive Directors**

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

a. **Sitting Fees**

The Non - executive Directors are entitled to sitting fees of ₹ 20,000 for attending each meeting of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Risk, CSR & Strategy Committee and Independent Directors. For each meeting of Stakeholders' Relationship & Share Transfer Committee and Managing Committee, the Non-Executive Directors are entitled to sitting fees of ₹ 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 98th Annual General Meeting held on 3rd August, 2017, commission is payable at a rate not exceeding 1% per annum of the Net Profits of the Company. The actual amount of commission payable to each Non - executive Director is decided by the Board on the following criteria:

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

Details of the remuneration paid / payable to the Non - executive Directors for the financial year 2017-18 are as follows:

(₹ in lakhs)

Name of the Directors	Sitting fees	Commission*	Total
Mr. Karan Thapar	2.00	131.00	133.00
Mr. Vijay Rai	1.50	12.85	14.35
Mr. Vikram Tandon	1.40	14.28	15.68
Mr. Navneet Singh	1.90	13.26	15.16
Mr. Arvind Kumar Singhal	1.60	14.28	15.88
Mr. Kewal Handa	2.40	13.67	16.07
Ms. Sree Patel	1.60	12.44	14.04
Mr. Vinay Sanghi**	0.60	6.22***	6.82

*Subject to approval of the audited financial statements for the financial year 2017-18 by the Members at the forthcoming 99th Annual General Meeting.

**Appointed as an Additional Director with effect from 4th August, 2017

***For part of the year

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 has any other pecuniary interest in the Company.

3.2.5 Shareholding of Non-Executive Directors of the Company

Name of the Non - Executive Director	Number of Shares of ₹ 2 each held	% of Total Paid-up Equity Capital
Mr. Karan Thapar	-	-
Mr. Vijay Rai	20,150	0.008
Mr. Vikram Tandon	-	-
Mr. Navneet Singh	-	-
Mr. Arvind Kumar Singhal	-	-
Mr. Kewal Handa	-	-
Ms. Sree Patel	-	-
Mr. Vinay Sanghi	-	-

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 & Share Transfer Committee

The Stakeholders' Relationship & 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 authorized by the Board of Directors in this regard and the issue of share certificates in exchange for sub-divided, consolidated, defaced, torn, etc;

- To appoint and remove the Registrar and Share Transfer Agent, decide the terms and conditions, remuneration, service charge / fees and review their performance;
- To decide the frequency of audit of the Registrar and Share Transfer Agent and to consider the Auditor's Report thereon.

3.3.2 Composition

The composition of Stakeholders' Relationship and Share Transfer Committee is as under:

Name	Designation	Category
Mr. Vijay Rai	Chairman	Non-Executive & Non-Independent Director
Mr. Navneet Singh	Member	Independent Director
Mr. Nagesh Basavanhalli	Member	Executive Director

3.3.3 Meetings and attendance

During the year under review, the Stakeholders' Relationship and Share Transfer Committee met twice i.e. on 3rd August, 2017 and 5th February, 2018, where all the Members were present.

3.3.4 Name and designation of Compliance Officer

Mr. Amit K. Vyas - Company Secretary, Head – Legal & Internal Audit, 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 eleven complaints during the year under review which were satisfactorily addressed. There are no pending complaints as on 31st March, 2018.

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 62211700.

Complete details of the past unpaid / unclaimed dividends lying with the Company have been uploaded 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 (IEPF) of the Government.

3.3.6 Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Account:

In terms of the requirements of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended ("the Rules"), the Company is required to transfer the shares in respect of which the dividend has remained unpaid or unclaimed for a period of seven consecutive years to the IEPF Account.

Members are requested to take note of the same and claim their unclaimed dividends immediately to avoid transfer of the underlying shares to the IEPF Account. The shares transferred to the IEPF Account can be claimed back by the concerned Members from IEPF Authority after complying with the procedure prescribed under the Rules.

During the Financial Year 2017-18, the Company has transferred 8,27,769 shares to the Investor Education and Protection Fund (IEPF) Account.

4. General Body Meetings

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

Date of AGM	Time	Venue	Special Resolution passed, if any
3rd August, 2017	3.30 p.m	Hall of Culture, Nehru Centre, Worli, Mumbai - 400 018	Payment of Commission to Non- Executive Directors
26th September, 2016	3.00 p.m	Hall of Culture, Nehru Centre, Worli, Mumbai - 400 018	1. Re-appointment of Mr. Vijay Rai as an Independent Director 2. Change in place of keeping Registers and Returns
6th August, 2015	3.00 p.m	Hall of Culture, Nehru Centre, Worli, Mumbai - 400 018	Appointment of Statutory Auditors

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, 2019, in accordance with the prescribed procedure.

5. Disclosures

5.1. Related Party Transactions

5.1.1 Basis

The Company has not entered into any material related party transaction during the year. All Related Party Transactions are placed before the Audit Committee for review. Prior omnibus approval is obtained for Related Party Transactions on a yearly basis for transactions which are repetitive in nature. 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 disclosed on the website of the Company, www.greavescotton.com and can also be accessed through the following link http://www.greavescotton.com/php/media/brochure_files/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, 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 by 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 stipulated 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. 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 and the same has been placed on the website of the Company www.greavescotton.com and can be accessed through the following link http://www.greavescotton.com/php/media/brochure_files/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.

Mr. Amit K. Vyas, Company Secretary, Head – Legal & Internal Audit, 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 conflict 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, 2018. A declaration to this effect, signed by the Managing Director & CEO, forms a part of this Annual Report. Disclosures have also been received from the Senior Management personnel relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, no transactions have been reported that could have a potential conflict with the interests of the Company at large.

5.10 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 where employees can voice their genuine concerns about any unethical or unacceptable business practice or any event of misconduct. It provides a mechanism for the employees of the Company to approach the Compliance Officer or the Chairman of the Audit Committee. The Company ensures that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment or victimisation.

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

No personnel have been denied access to the Audit Committee.

6. Means of Communication

a) Newspapers: The Company publishes the statement of financial results (quarterly / half yearly / annual) in prominent national English and regional language (Marathi) newspapers like Business Standard and Navshakti.

b) Press Release: The Company issues press release highlighting significant performance and operational milestones. The press release are sent to, and are displayed by the Stock Exchanges, where the shares of the Company are listed.

c) 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 and Investor's Presentation 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/investors/investor-information.

d) Website: The financial results are also simultaneously posted on the Company's website www.greavescotton.com.

7. General Shareholder Information

7.1 Annual General Meeting Information

Day and Date	Monday, 13th August, 2018
Time	4.00 PM
Venue	Hall of Culture, Nehru Centre, Worli, Mumbai - 400018
Book Closure	Tuesday, 7th August, 2018 to Monday, 13th August, 2018 (Both days inclusive)
Dividend and Payment date	Final dividend of ₹ 1.50 per share; that is 75%, payable on or after Friday, 17th August, 2018

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 2018-19, as per the following schedule:

1st quarter ending 30th June, 2018	: on or before 14th August, 2018
2nd quarter ending 30th September, 2018	: on or before 14th November, 2018
3rd quarter ending 31st December, 2018	: on or before 14th February, 2019
4th quarter and financial year ending 31st March, 2019	: on or before 30th May, 2019
100th Annual General Meeting	: on or before 30th September, 2019

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.

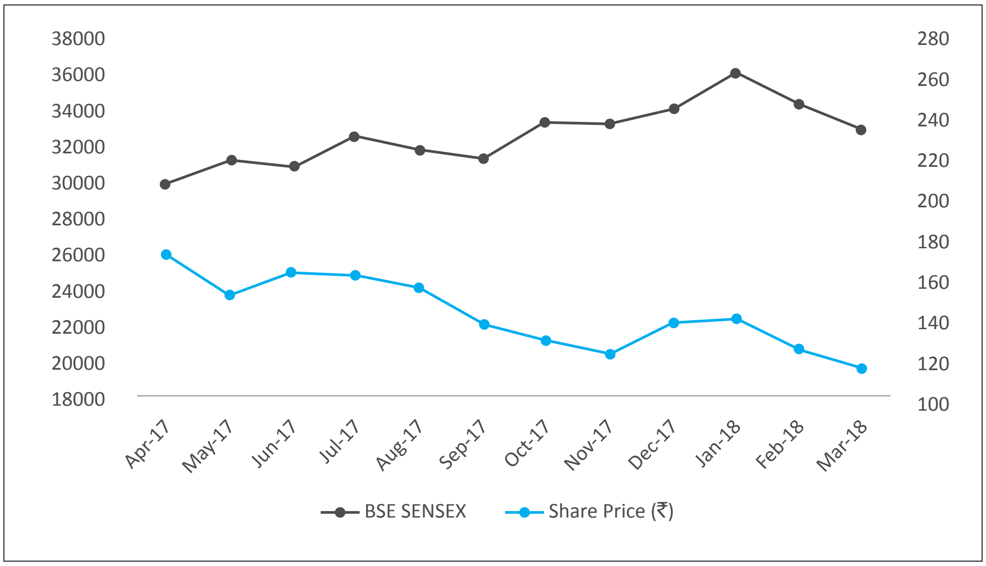
The Listing Fee for the financial year 2018-19 has been paid to both the above Stock Exchanges.

7.5 Market Price Data (high, low during each month in the financial year 2017-18) :

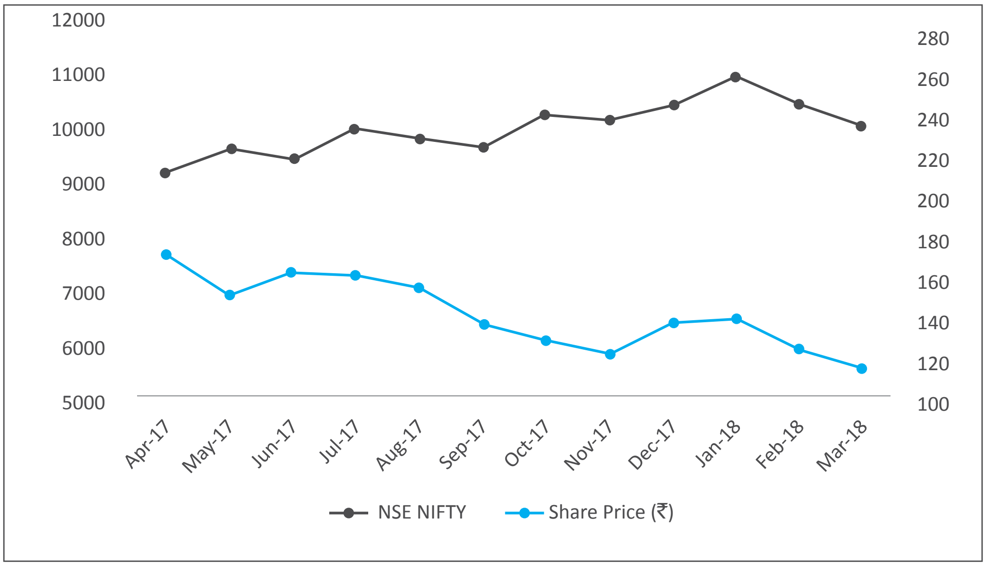
	BSE				NSE			
Month	Prices in ₹		S & P BSE Sensex		Prices in ₹		Nifty 50	
	High	Low	High	Low	High	Low	High	Low
April, 2017	176.50	160.00	30,184.22	29,241.48	177.00	160.65	9,367.15	9,075.15
May, 2017	178.00	145.35	31,255.28	29,804.12	178.55	145.15	9,649.60	9,269.90
June, 2017	167.65	150.90	31,522.87	30,680.66	167.80	150.35	9,709.30	9,448.75
July, 2017	170.40	155.35	32,672.66	31,017.11	170.80	157.25	10,114.85	9,543.55
August, 2017	164.40	143.10	32,686.48	31,128.02	164.95	142.75	10,137.85	9,685.55
September, 2017	158.55	133.60	32,524.11	31,081.83	160.10	133.10	10,178.95	9,687.55
October, 2017	140.55	128.00	33,340.17	31,440.48	140.50	128.05	10,384.50	9,831.05
November, 2017	131.50	119.00	33,865.95	32,683.59	131.50	119.75	10,490.45	10,094.00
December, 2017	139.35	112.70	34,137.97	32,565.16	139.55	112.35	10,552.40	10,033.35
January, 2018	154.75	135.70	36,443.98	33,703.37	154.40	135.20	11,171.55	10,404.65
February, 2018	141.45	119.00	36,256.83	33,482.81	141.40	119.00	11,117.35	10,276.30
March, 2018	125.00	112.45	34,278.63	32,483.84	125.10	113.00	10,525.50	9,951.90

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:

Registrar and Share Transfer Agent: Karvy Computershare Private Limited UNIT : Greaves Cotton Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032	Telephone Number: +91 40 6716 2222 Fax Number: +91 40 2342 0814 Email Id: einward.ris@karvy.com 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 & 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 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, 2018

Category	Number of Shares held	Percentage of Shareholding
Promoters	12,45,53,726	51.00
Mutual Funds	2,39,82,524	9.82
Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	2,23,00,132	9.13
Corporate Bodies/Clearing Members	72,88,357	2.98
NRIs/ OCBs/ FIIs/FPIs	1,96,75,766	8.06
Resident Individuals/Trust	4,63,41,045	18.98
Share lying in Unclaimed Suspense Account	65,245	0.03
Total	**24,42,06,795**	**100.00**

7.10 Distribution of Shareholding as on 31st March, 2018

Number of shares	Number of shareholders	Percentage	Number of Shares	Percentage
Up to 2500	91,637	96.51	2,48,62,468	10.18
2501 to 5000	1,904	2.01	69,75,260	2.86
5001 to 10,000	813	0.86	58,55,276	2.40
10,001 to 15,000	190	0.20	23,67,834	0.97
15,001 to 20,000	106	0.11	19,10,051	0.78
20,001 to 25,000	77	0.08	17,39,761	0.71
25,001 to 50,000	105	0.11	37,63,825	1.54
50,001 and above	120	0.12	19,67,32,320	80.56
Total	**94,952**	**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. 98.71% of the total Equity Share Capital was held in dematerialized form as on 31st March, 2018.

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

The details of shares held in dematerialised and physical form as on 31st March, 2018 are as follows:

Particulars	Equity Shares of ₹ 2 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialized form				
NSDL	22,52,19,774	92.22	53,573	56.42
CDSL	1,58,39,681	6.49	32,219	33.93
Sub- total	**24,10,59,455**	**98.71**	**85,792**	**90.35**
Physical form	**31,47,340**	**1.29**	**9,160**	**9.65**
Total	**24,42,06,795**	**100.00**	**94,952**	**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/- each to ₹ 2/- each in 2010, there were instances where the new shares issued remained undelivered due to various reasons like incorrect / incomplete address, change in address not communicated, address not traceable, etc.

As required by Clause 5A of the 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:

Type of Security	As on 1st April, 2017		Shares transferred in favour of the concerned shareholders during the year		Shares transferred to Investor Education and Protection Fund (IEPF) Account during the year		As on 31st March, 2018	
	Number of		Number of		Number of		Number of	
	Cases	Shares	Cases	Shares	Cases	Shares	Cases	Shares
Equity Shares	5,029	6,21,545	16	5,765	4,734	5,50,535	279	65,245

Dividends due on the balance shares of the Suspense Account 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

Unit	Address	Unit	Address
Light Engines Unit – I	J-2, MIDC Industrial Area, Chikalthana, Aurangabad - 431 210	Light Engine Unit – V	A-1/3, Shendra Five Star Industrial Area, Shendra, Aurangabad - 431 001
Light Engines Unit – II, Petrol Engines and Farm Equipment Unit	Plot No.72, Sipcot Industrial Complex, Ranipet - 632 403	Diesel Engine Unit	Bombay Pune Road, Chinchwad, Pune - 411 019
Light Engines Unit – IV	J-2A, MIDC Industrial Area, Chikalthana, Aurangabad - 431 210	Genset Unit	Gat No. 448/9, Nighoje, Khed, Rajgurunagar, Pune - 410 501

7.15 Address for Correspondence

Greaves Cotton Limited
3rd Floor, Motilal Oswal Tower,
Junction of Gokhale and Sayani Road,
Prabhadevi,
Mumbai – 400025

Telephone number: +91-22-62211700
Fax number : +91-22-62217499
E-mail: investorservices@greavescotton.com
Website: www.greavescotton.com

7.16 Weblink of Familiarisation Programme

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 are displayed on the Company's website www.greavescotton.com and can be accessed through the following link http://www.greavescotton.com/php/media/brochure_files/Familiarisation_Programme_for_Directors.pdf.

8. Commodity Price / Foreign Exchange Risk and Hedging

Please refer to the Management Discussion and Analysis Report which forms 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 Company Secretary, Head – Legal & Internal Audit 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, 2018.

For Greaves Cotton Limited

Nagesh Basavanhalli
Managing Director & CEO

Place: Mumbai
Date: 3rd May, 2018

Certification

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

We, Nagesh Basavanhalli, Managing Director & CEO, and Neetu Kashiramka, 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, 2018 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

Nagesh Basavanhalli
Managing Director & CEO

Neetu Kashiramka
Chief Financial Officer

Place: Mumbai
Date: 3rd May, 2018

Independent Auditor's Certificate on Corporate Governance

TO

THE MEMBERS OF GREAVES COTTON LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter reference no. RKB/4441 dated 28th September, 2017.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Greaves Cotton Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining 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.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2018.

9. 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
3rd May, 2018

Business Responsibility Report

for the financial year 2017-18

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L99999MH1922PLC000987
2. **Name of the Company:** Greaves Cotton Limited
3. **Registered address:** 3rd Floor, Motilal Oswal Tower, Junction of Gokhale & Sayani Road, Prabhadevi, Mumbai - 400025
4. **Website:** www.greavescotton.com
5. **E-mail id:** investorservices@greavescotton.com
6. **Financial Year reported:** FY 2017-18
7. **Sector(s) that the Company is engaged in (Industrial Activity code-wise):**

Description	Industrial Activity Code		
	Group	Class	Sub-Class
Automotive Engine	291	2910	29104
Industrial Engine	281	2811	28110
Farm Equipment	282	2821	28212
Auxiliary Power	271	2710	27101

8. **List three key products/services that the Company Manufactures/provides (as in Balance Sheet):**
   a. Automotive Engines - Single cylinder automotive diesel Engines, Single cylinder Gasoline Engines, Range 4 HP to 11 HP
   b. Farm Equipment - Petrol, Kerosene Portable Engines (1HP -4 HP), Portable Pump sets, Power Tiller, Reaper
   c. Auxiliary Power - Portable Gensets 2.5 to 7.5 KVA, Gensets 10 KVA to 500 KVA
9. **Total number of locations where business activity is undertaken by the Company:**
   i. Number of International Locations: Nil
   ii. Number of National Locations: 6 (manufacturing facilities)
10. **Markets served by the Company – Local/State/National/ International:** All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : ₹ 48.84 crore
2. **Total Turnover (INR) :** ₹ 1884.99 crore (Total Income)
3. **Total profit after taxes (INR) :** ₹ 202.62 crore
4. **Total Spending on Corporate Social Responsibility (CSR) (INR) and as percentage of profit after taxes (%):** ₹ 57.85 lakhs (0.29%)
5. **List of activities in which expenditure in 4 above has been incurred :** refer Principle 8

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?** Yes. The Company has 2 subsidiaries as on 31st March 2018.
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s):**

   The participation by subsidiaries in the BR initiatives of the Parent Company is not necessitated given their small size.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] :**

   The Company has a principle of working with few, selected suppliers following best practices of their respective industries. Quality and Delivery are the hallmarks of the Company's business responsibilities to customers. Subsequently, the Company is focused on choosing suppliers who can deliver great quality parts at the right time. Company conducts Vendor Meets at a Company level and BU-specific Vendor Meet regularly. This provides a great platform where Company sounds out its Business Responsibility practices.

   Before the Company finalizes any Supplier, an extensive research about the Vendors Machine and Financial Capacity, Quality Management Systems (ISO9001/TS6949 Certification), Security Management Systems (OHSAS18001) and Environmental Management Systems (ISO14001 Certification) is a must. Further, Advanced Product Quality Planning is followed in Automotive Engines Business to ensure sustainable supply chain of material. This is adapted/being rapidly adapted across other Businesses of the Company.

   Company has a dedicated IT Platform where expected delivery schedules, news flash etc. are accessible to the supplier, which enables the vendors to fulfil its responsibilities.

Company has a rating system and is in the process of enhancing and automating the same. Rating system rates suppliers based on their performance related to the Business Responsibilities, among other things.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

   a. **Details of the Director/Directors responsible for implementation of the BR policy/policies:**

      DIN Number: 01886313

      Name: Mr. Nagesh A Basavanhalli

      Designation: MD & CEO

   b. **Details of the BR Head**

      DIN Number: Not Applicable

      Name: Mr. Shubhankar Chatterji

      Designation: President- Supply Chain Management

      Tel No. : 022-62211700

      Email ID- shubhankar.chatterji@greavescotton.com

2. **Principle-wise (as per NVGs) BR Policy/policies**

   P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

   P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

   P3: Businesses should promote the wellbeing of all employees.

   P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

   P5: Businesses should respect and promote human rights.

   P6: Businesses should respect, protect, and make efforts to restore the environment.

   P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

   P8: Businesses should support inclusive growth and equitable development.

   P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

A. Details of compliance (Reply in Y/N)

Sr No	Questions	P1: Ethics and Transparency	P2: Product Responsibility	P3: Wellbeing of employees	P4: Responsiveness to Stakeholders	P5: Respect Human Rights	P6: Environ-mental Responsibility	P7: Public policy advocacy	P8: Support inclusive growth	P9: Engagement with Customers
1.	Do you have policy/ policies for....?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	N	Y	N	Y	Y	N	N	N
3.	Does the policy conform to any national/ international standards? If yes, specify?(50 words)	Y	N	Y	N	Y	Y	N	N	N
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Y	N	Y	N	Y	Y	N	N	N
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Note 1	-	Note 1	-	Note 1	Note 1	-	-	-

Sr No	Questions	P1: Ethics and Transparency	P2: Product Responsibility	P3: Wellbeing of employees	P4: Responsiveness to Stakeholders	P5: Respect Human Rights	P6: Environ-mental Responsibility	P7: Public policy advocacy	P8: Support inclusive growth	P9: Engagement with Customers
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	N	Y	N	Y	Y	N	N	N
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	N	Y	N	Y	Y	N	N	N

Note 1: The policies are uploaded on intranet site for the information and implementation by the internal stakeholders. The Code of Conduct for Board Members & Senior Management and CSR Policy are available on the Company's website i.e. www.greavescotton.com under the ''Investors'' section.

B. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr No	Questions	P1: Ethics and Transparency	P2: Product Responsibility	P3: Wellbeing of employees	P4: Responsiveness to Stakeholders	P5: Respect Human Rights	P6: Environ-mental Responsibility	P7: Public policy advocacy	P8: Support inclusive growth	P9: Engagement with Customers
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task				NA					
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)?									

3. Governance Related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: 3 - 6 months

b. Does the Company publish a BR or Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? - No

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors /NGOs/Others?

The Company has defined Code of Conduct for Board Members and Senior Management that covers issues, inter alia, ethics, bribery and corruption. It covers all dealings with customers, suppliers, dealers, contractors and other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year 2017-18, eleven complaints were received from the shareholders, all of which were attended to / resolved till date. The Company has different mechanisms for receiving and dealing with complaints from various stakeholders like Customers, Employees, Suppliers, etc.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Product	Social and Environmental benefits
1. Automotive Engine - Single cylinder Diesel Engine - Single Cylinder Gasoline Engine - CNG Engine	Highly fuel efficient, Greaves lightweight diesel / gasoline engines meeting BS IV emission norms are ideal for Automotive Engines applications like 3-wheelers and small 4-wheeled commercial vehicles. The Company is developing BS VI version of these engines and has also entered into a strategic partnership with a technology partner to provide a range of cost effective clean energy powertrain solutions to its customers in the coming years. The Company has also tied up with a technology partner to develop opposed piston technology for the first time in India. These engines will offer upto 30% better fuel efficiency than existing engine range. These engines with high power-to-weight ratio are also used extensively for portable agricultural pump sets, gensets, small boats, construction equipment and host of other applications. Available in a range of 4-11 HP models, Greaves light diesel engines are manufactured at ISO 9001 / TS16949 / EMS14000 certified Units in Aurangabad and Ranipet.
2. Auxilary Power - Portable Gensets 2.5 to 7.5 KVA - G1 Series 10-40 KVA, - G series 45-200 KVA, - D Series 250-500 KVA	The generating sets, branded as “Greaves Power”, are known for their reliability and economical operating cost and are well supported with genuine parts availability and service capability through 100+ strong dealer network. Our R&D facility is equipped with the most advanced technology, cutting-edge equipment and latest software for design, development and upgrading of engines, systems and controls. With decades of experience, we understand the needs of our customers across various applications and offer them complete and customized power solutions in the form of load study, product customisation, installation of gensets, periodic maintenance, after-sales services and easily available low cost spares and repair. To focus on alternate energy, the Company has set up a dedicated team to explore clean energy product options in power segment.
3. Farm Equipment - Portable Engines - Portable Pump sets - Power Tiller - Reaper, etc	The Company manufactures lightweight petrol, diesel / kerosene engines in the 1-4 HP range and portable eco-friendly silent Gensets in the 1.4 KVA range at its ISO 9001 certified Petrol Engines Unit in Chennai. The engines are most popular for agriculture applications like power sprayer, pumpsets and power reapers. Greaves is the trusted name across rural India for lightweight, portable pumpsets. The Company has stepped up its contribution to Indian agriculture with the launch of Greaves Power Tiller, manufactured and assembled in house.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

The performance for current and previous year on Specific Energy Consumption and Specific Water Consumption during production is appended below:

Resources Used	Divisions	Unit of Measurement	Previous Year 2016-17	Current Year 2017-18
Specific Energy Consumption	Automotive Engine Business(AEB)	Units/Engine	32.96	33.3
	Industrial Engine Business(IEB)	Units/Eq. Engine	422	403
	Farm Equipment Business (FEB)	Units/Engine	9.91	9.22
Specific water Consumption	Automotive Engine Business, Aurangabad	M^3/Engine	0.18	0.17
	Industrial Engine Business	M^3/Eq. Engine	2.76	2.40
	AEB & FEB, Ranipet	M^3/Engine	0.17	0.18

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
There would be a reduction of energy use by consumers due to constant innovations and focus on fuel efficiency.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Extensive supplier training on key capabilities is planned with experts in the Supplier Capability enhancement field and focussed Improvement Group working with suppliers to improve QCD status and Direct on line supplies. Company is working with suppliers on long term relationship. Company has a number of suppliers who already provide products in returnable packing format and Company is aggressively working to add even more suppliers in this format. With vendor meets, Company is interacting with key suppliers and working towards more efficient and green transportation, value engineering and value analysis so as to have optimum processes and better yield. Suppliers are awarded annually based on their performance during the year in terms of Quality and Delivery Performance.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

More than 95% of the Companies spend on buying products by value for Automotive Engines Business, Auxillary Power Business, Aftermarket Business and Industrial Engines business is from local suppliers. Less than 5 percent of the products are imported. In the Farm Equipment – Light Agri Business, Company is importing end-products and technology from abroad with the aim of rapidly indigenizing the same – process of indigenizing is already under way.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the Company is using recyclable pallets for Engine transportation to the customers and plastic bins are used for the transportation of components instead of corrugated boxes at Automotive Engine Business (Less than 5%). Engine oil is reused for engine testing by filtration.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the Total number of employees:** 1750 (Permanent)
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:** 1143
3. **Please indicate the Number of permanent women Employees:** 73
4. **Please indicate the Number of permanent employees with disabilities:** 02
5. **Do you have an employee association that is recognized by management?** Yes
6. **What percentage of your permanent employees is members of this recognized employee association?** 24 %
7. **Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No. of complaints filed during financial year	No. of complaints pending as on end of financial year
1	Child labor/forced labor/involuntary Labor	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   a. **Permanent Employees:** 75%

   b. **Permanent Women Employees:** 85%

   c. **Casual/Temporary/Contractual Employees:** 70%

   d. **Employees with Disabilities:** 100%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external Stakeholders? Yes/No**

   Yes

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Micro, Small & Medium Enterprise (MSME) suppliers have been identified and their timely payment as per MSME Ministry Guidelines are ensured.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   To enhance capability of small vendors, Company work on supplier development clusters program under the aegis of MSME, Ministry and Automotive Component Manufacturers Association of India. 11 clusters are created within Pune, Aurangabad, Kolhapur and Chennai region involving 81 suppliers. In addition to above, Company provides support in terms of Supply Chain Financing to support vulnerable suppliers.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Company has put in place a Whistleblower helpline to ensure that any violation to its code of conduct, including violation of Human Rights, are addressed properly.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   During the financial year 2017-18, no complaints regarding violation of Human Rights, have been received.

Principle 6: Business should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

   The Company is committed to operate all its units in an environment friendly manner while protecting health and safety of its employees. The stakeholders are encouraged to adopt the practices of Company.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   The Company is conscious of the importance of environmentally clean and safe operations. The Company has won the prestigious "Green Field Award" from International Research Institute for Manufacturing for the excellent work done in the field of reduction on the impact on environment from the manufacturing process. The Company has initiated new projects across its various business units in the direction of clean energy and will be launching them soon.

3. **Does the company identify and assess potential environmental risks? Y/N.**

   Yes, the Company identify and assess potential environmental risks as part of its annual Enterprise Risk Assessment (ERM) and addresses possible risks through appropriate counter measures.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   The Company has adopted an environment friendly approach in all its company initiatives, manufacturing processes and technological innovations. This 'Green Approach' has been an essential part of the company's culture, from recycling to reusing water & maximize fuel efficiency.

   The Company is committed to promote a green culture. Following are the initiatives carried out for clean development management:

   1. Energy conservation: Refer point no. 5

   2. Water conservation: All factories are equipped with a water treatment facility to separate industrial & domestic wastage resulting in better quality of treated water. The treated water is recycled again making sure that water is re-used.

   3. Rain Water Harvesting: We have introduced a rain water harvesting scheme that includes the collection and de-silting of rain water. Approx. 9000 m^3 per year is being percolated into ground.

   4. Waste Food Recycling: We ensure hygienic disposal of food waste. All food waste is being filled in compost pit on daily basis which later on generates manure and finally is available for landscaping and greening application. We are also in the process of introducing Automatic Organic Waste Converter.

   5. Effluent Treatment Plant: To prevent water pollution, we have also invested in an Effluent Treatment Plant which is capable of treating waste water. The output parameter is maintained strictly with norms to ensure that 100% treated water is recycled back into the process while the sludge is safely disposed off to a secured landfill.

6. Sewage Treatment Plant: We ensure that sewage is biologically treated to attain efficacy. This treatment plant is designed to accommodate up to 6 hours of holding and ensuring effluent is 100% treated and recycled into soft water that is used in gardening.

7. Land pollution: We ensure there is not land contamination due to any manufacturing process.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

The Company have technologies which have set the new standard in fuel efficiency and minimizing harmful emissions. All our engines have consistently demonstrated lowered emissions of poisonous gases. We have BS-IV passed automotive engines, which are running successfully on road.

Following are few examples carried out at the Company to improve the energy efficiency:

- Real time clock incorporated for switching off the Blowers and cooling pump during shift end and week end for Engine Assembly.
- Excess capacity reduced from 5Hp to 3Hp for Solar evaporation in Effluent Treatment Plant (ETP) area.
- PLC Program modified to stop hydraulic motor & coolant motors in idle running hours in crank shaft HMT Hobbing machines.
- Wiring circuit modified to stop coolant motor in idle running hours in crank case Mazak machines.
- Installation of "Air Saving Unit" to compressors to reduce loading hours and save energy by 3-5%.
- Installation of Inverter drive pack in hydraulic circuit of Vertical machining centres.
- Auto Power Factor Control panel (APFC) with detuned capacitor to get Clean Power without harmonic distortion.
- Control contractors provided for fume killers with machine and linked with machine idle power saving mode.
- Power saving through use of Condition Base Monitoring (CBM) tool for efficiency improvements.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions and waste generated are within the permissible limits given by CPCB. Stack emission tests are carried out for Testing Blowers and DG sets. Ambient air monitoring is also being carried out.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The company is a member of following trade and chamber or association

a. Confederation of Indian Industry

b. Indo-German Chamber of Commence

c. Indo-Italian Chamber of Commerce and Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

The Company has given number of suggestions to the government through CCI, for Ease of doing business, suggestions for civic amenities improvement, water conservation / management suggestions, industry participation in mid day meal schemes, etc.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Please refer point number 4.

2. Are the programmes/projects undertaken through in house team/own foundation/external NGO/government structures/any other organization?

CSR initiatives are being implemented directly by the Company as well as through external agency.

3. Have you done any impact assessment of your initiative?

The progress of CSR activities under implementation are reported to the Committee, on a periodic basis. The Committee may, independently, obtain feedback from the beneficiaries about the CSR programmes.

4. What is your company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?

Program 1 - DEEP (Development : Education : Empowerment : Progress) – Reskilling program for students:

The Company had recently announced its Corporate Social Responsibility (CSR) project focusing on Reskilling called – DEEP, a concerted effort to provide skill to those people who aspire to grow but lack financial support. Through DEEP, the Company provided around 60,000 hours of theoretical & practical training and helped needy students from the underserved population of Aurangabad work in assembly lines and get proficient in repairing engines. Total amount incurred towards the said project is ₹ 39.46 lakhs.

Program 2 - PRIME (Program on Real Independence & Mechanic Empowerment) – Entrepreneurship development program for Mechanics:

PRIME is an initiative that recognizes mechanics as valuable contributors to mobility ecosystem and enables them to play on their strengths and grow in the field of automotives and spares. PRIME is responsible for reskilling mechanics to ensure that they become independent entrepreneurs by opening up their own spares shop, service center / small garage and by advising customers. To help ease this process of setting up a new business, the program also provides financial assistance to the mechanics. Through a 90-day plan on growing business developments coupled with expert training, the Company is all geared up to help mechanics move up in life, be independent and be empowered. Total amount incurred towards the said project is ₹ 18.39 lakhs.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the Community? Please explain in 50 words, or so.**

The Company aimed to empower the 50 selected beneficiaries by helping them rise in knowledge, workmanship skills and become independent to earn and provide livelihood to many more such people. These beneficiaries came from low income families who due to financial constrains could not afford to get educated and skilled further. Through extensive classroom training followed by a practical hands-on approach, DEEP helped in boosting the confidence of these young students. Some of these beneficiaries got an opportunity to work in the plant and raise substantial earnings for their family, thereby elevating their living standards. The Company has also gone a step further and provided cycles to all beneficiaries to enable them to travel to work. Through this reskilling program, the Company aimed for the beneficiaries to become future growth catalysts in their families and societies, around the Company's Aurangabad plant.

With PRIME, the Company is supporting the valuable community of mechanics with a specially devised reskilling program that will provide guidance to grow their business, and help them turn into independent entrepreneurs. An attempt to widen the circle of employment, PRIME will be active across 4 Zones and 20 locations in India, targeting 500 mechanics with 1000 training man hours.

With PRIME, the participating mechanics will rise in knowledge, workmanship skills and become independent to earn and provide livelihood to many more people, they will also raise substantial earnings for their family, elevating their living standards. They will become future growth catalysts in their families and societies and that is the objective of building this program.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible Manner.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Customer complaints are treated very seriously in the organization. Following is the status business wise of the customer complaints received for the financial year 2017-18:

Division	Receiving Period	Total Customer Complaints Registered in this period	Open	Close	Open %	Close %
Automotive Engine	2017-18	42	0	42	0	100
Industrial Engine & Auxiliary Power	2017-18	306	26	280	8	92
Farm Equipment	2017-18	55	21	34	38	62

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Yes, in addition to mandatory requirements, the company also provides service and safety labels as deemed appropriate e.g: Product fuel economy data displayed for each variant at selling points.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

Nil

4. **Did your company carry out any consumer survey/consumer satisfaction trends?**

Yes, Customer satisfaction survey is carried out through internal resources. Company regularly take customer's feedback during the design and development of product and service initiatives.

Independent Auditor's Report

To The Members of Greaves Cotton Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Greaves Cotton Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 issued under Section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.

   (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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Company as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's 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 Auditors) Rules, 2014, as amended, 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 standalone Ind AS 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 and Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

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

Place: Mumbai
Date: 3rd May 2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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 2018 in conjunction with our audit of the standalone Ind AS 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 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 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 2018, based on , "the internal financial control over financial reporting 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 and Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

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

Place: Mumbai
Date: 3rd May 2018

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, Goods and Service Tax Act, 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, Goods and Service Tax Act, cess and other material statutory dues in arrears as at 31st March 2018 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, Goods and Service Tax Act and Octroi which have not been deposited as on 31st March 2018 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 Unpaid (₹ In Crores)*
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	High Court	2001-02 2008-09	0.50
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	Appellate Tribunal	1989-90 1994-95 1999-00 to 2002-03 2004-05	0.32
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	Before Joint Commissioner /Deputy Commissioner	1989-90 1999-00 1992-93 1998-99 2003-04 2006-07 2007-08 2008-09 2011-12 2012-13	4.58
Central Sales Tax Act, 1956 & Local Tax Act	Non submission of forms, interest and other matters	Before Assistant Deputy Commissioner/ Additional Commissioner/Deputy Commissioner	2010-11	0.16
Central Excise Act, 1944	Disallowance of input credit and penalty	Commissioner (Appeals)	1991-92 2010-11 2015-16	0.20
Central Excise Act, 1944	Disallowance of input credit and penalty	Appellate Tribunal	2011-12 2012-13 2013-14 2014-15 2015-16 2016-17	19.41
Central Excise Act, 1944	Disallowance of input Credit and Penalty	Assistant Commissioner/ Deputy Commissioner/ Additional Deputy Commissioner/ Joint Commissioner/ Commissioner	1991-98 2002-03 2008-09 2010-11 2014-15 2016-17	3.02
Octroi Rules	Demand based on rate difference	Civil Judge, Senior Division, Pune, (District Court)	1999-00 2005-06	–

* Net of amount paid under protest

(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 has been noticed or reported during the year. Further, according to the information and explanations given to us by the management, no fraud on the Company has been noticed or reported during the course of our audit except for one case where the Company has noticed that an employee had misappropriated inventory amounting to ₹ 0.55 crore. The Company has dismissed the said employee and filed legal case to recover the said amount.

(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 directors of its subsidiaries or associate companies or persons connected with them 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-IA of the Reserve Bank of India Act, 1934.

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

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

Place: Mumbai
Date: 3rd May 2018

Balance Sheet

as at 31st March 2018

(₹ in Crore)

	Note No.	As at 31st March 2018	As at 31st March 2017
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	4	242.98	250.35
(b) Capital work - in - progress	4	4.48	7.90
(c) Investment properties	5	3.66	3.86
(d) Intangible assets	6	30.47	37.76
(e) Intangible assets under development	6	23.14	6.79
(f) Financial assets			
(i) Investments			
(a) Investments in subsidiaries	7A	0.29	0.29
(b) Other investments	7B	290.90	271.89
(ii) Other financial assets	8A	7.42	7.04
(g) Income tax assets (Net)	43	22.08	18.66
(h) Other non - current assets	9A	12.44	13.67
Total non-current assets		**637.86**	**618.21**
2 Current assets			
(a) Inventories	10	109.42	129.41
(b) Financial assets			
(i) Other investments	7C	211.45	135.13
(ii) Trade receivables	11	252.69	270.20
(iii) Cash and cash equivalents	12	29.79	10.02
(iv) Bank balances other than (iii) above	13	3.30	2.67
(v) Other financial assets	8B	72.90	40.63
(c) Other current assets	9B	15.23	30.28
Total current assets		**694.78**	**618.34**
3 Assets classified as held for sale	14	**8.98**	**8.98**
Total Assets		**1,341.62**	**1,245.53**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	48.84	48.84
(b) Other equity	16	911.56	872.13
Equity attributable to the owners of the Company		**960.40**	**920.97**
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	17A	1.20	-
(b) Provisions	18A	0.42	2.20
(c) Deferred tax liabilities (Net)	19A	20.16	17.28
(d) Other non - current liabilities	21A	5.75	-
Total non-current liabilities		**27.53**	**19.48**
2 Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- Total outstanding dues of Micro, Small and Medium Enterprises	20	34.54	30.58
- Total outstanding dues of creditor's other than Micro, Small and Medium Enterprises	20	238.42	189.27
(ii) Other financial liabilities	17B	31.34	32.25
(b) Provisions	18B	23.28	18.85
(c) Income tax liabilities (Net)	43	5.16	4.35
(d) Other current liabilities	21B	20.95	29.78
Total current liabilities		**353.69**	**305.08**
Total Equity and Liabilities		**1,341.62**	**1,245.53**
Notes forming part of the financial statements	1-44		

As per our report of even date attached

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

For and on behalf of the Board

Kewal Handa
Director

Rupen K. Bhatt
Partner

Neetu Kashiramka
Chief Financial Officer

Amit K. Vyas
Company Secretary & Head Legal

Nagesh Basavanhalli
Managing Director & CEO

Mumbai
3rd May 2018

Statement of Profit and Loss

for the year ended 31st March 2018

(₹ in Crore)

		Note No.	Year ended 31st March 2018	Year ended 31st March 2017
I	**Revenue from operations**	22	1,839.70	1,819.09
II	**Other income**	23	45.29	50.19
III	**Total income (I + II)**		**1,884.99**	**1,869.28**
IV	**Expenses**			
	Cost of materials consumed	24	1,120.90	988.60
	Purchases of stock-in-trade	25	65.97	77.41
	Changes in inventories of finished goods, stock-in-trade and work-in progress	26	22.99	(5.89)
	Excise duty on sale of goods		47.60	184.83
	Employee benefits expense	27	167.29	159.32
	Finance costs	28	0.81	0.81
	Depreciation and amortisation expense	29	52.35	46.66
	Other expenses	30	159.66	171.39
	Total expenses		**1,637.57**	**1,623.13**
V	**Profit before exceptional items and tax**		**247.42**	**246.15**
VI	**Add: Exceptional items**	31	**48.17**	**5.98**
VII	**Profit before tax**		**295.59**	**252.13**
VIII	**Tax expense**	32		
	Current tax		90.09	69.77
	Deferred tax charge / (credit)		2.88	(1.75)
	Total tax expenses		**92.97**	**68.02**
IX	**Profit from continuing operations after tax (VII - VIII)**		**202.62**	**184.11**
X	**Loss from discontinued operations**	35	-	(3.50)
XI	**Tax on discontinued operations**		-	0.02
XII	**Loss from discontinued operations after tax (X-XI)**		-	**(3.48)**
XIII	**Profit for the year (IX + XII)**		**202.62**	**180.63**
XIV	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans : (Loss) / Gains		(2.35)	1.01
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.81	(0.35)
	Other comprehensive income for the year		**(1.54)**	**0.66**
XV	**Total Comprehensive Income for the year (XIII + XIV)**		**201.08**	**181.29**
XVI	**Earnings per equity share of ₹ 2 each (for continuing operations):**			
	Basic / Diluted	36	8.30	7.54
XVII	**Earnings per equity share of ₹ 2 each (for discontinued operations):**			
	Basic / Diluted	36	-	(0.14)
XVIII	**Earnings per equity share of ₹ 2 each (for discontinued & continuing operations):**			
	Basic / Diluted	36	8.30	7.40
	Notes forming part of the financial statements	1-44		

As per our report of even date attached

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

Rupen K. Bhatt
Partner

Mumbai
3rd May 2018

For and on behalf of the Board

Kewal Handa
Director

Neetu Kashiramka
Chief Financial Officer

Amit K. Vyas
Company Secretary & Head Legal

Nagesh Basavanhalli
Managing Director & CEO

Statement of changes in equity

for the year ended 31st March 2018

		(₹ in Crore)
A	**Equity share capital**	
	Balance as at 31st March 2017	48.84
	Balance as at 31st March 2018	**48.84**

(₹ in Crore)

		Reserves and Surplus				Total
		Capital Reserve	Securities Premium Reserve	General Reserves	Retained Earnings	
B	**Other equity**					
	Balance as at 1st April 2016	1.34	34.59	346.18	455.88	837.99
	Profit for the year	-	-	-	180.63	180.63
	Other comprehensive income	-	-	-	0.66	0.66
	Total Comprehensive Income for the year	-	-	-	**181.29**	**181.29**
	Dividends (including tax on dividends)	-	-	-	(147.15)	(147.15)
	Balance as at 31st March 2017	**1.34**	**34.59**	**346.18**	**490.02**	**872.13**
	Balance as at 1st April 2017	**1.34**	**34.59**	**346.18**	**490.02**	**872.13**
	Profit for the year	-	-	-	202.62	202.62
	Other comprehensive income	-	-	-	(1.54)	(1.54)
	Total Comprehensive Income for the year	-	-	-	**201.08**	**201.08**
	Dividends (including tax on dividends)	-	-	-	(161.65)	(161.65)
	Balance as at 31st March 2018	**1.34**	**34.59**	**346.18**	**529.45**	**911.56**
	Notes forming part of the financial statements	1-44				

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

Rupen K. Bhatt
Partner

Mumbai
3rd May 2018

For and on behalf of the Board

Kewal Handa
Director

Neetu Kashiramka
Chief Financial Officer

Amit K. Vyas
Company Secretary & Head Legal

Nagesh Basavanhalli
Managing Director & CEO

Statement of Cash Flows

for the year ended 31st March 2018

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Cash flows from operating activities		
Profit for the year (after tax)	**202.62**	**180.63**
Adjustments for:		
Income tax expense recognised in profit and loss (continuing and discontinued operations)	92.97	68.00
Finance costs	0.81	0.81
Interest income	(2.56)	(6.02)
Dividend income	-	(0.40)
Profit on sale of assets (Net)	(0.78)	(0.46)
Profit on sale of assets (exceptional item)	(47.72)	(16.35)
Fair value gain on Investments measured at FVTPL	(27.30)	(25.51)
Profit on sale of investments (Net)	(3.40)	(5.65)
Depreciation and amortisation expenses	52.35	46.66
Fair value of security deposit	-	0.26
Impairment of property, plant and equipment - Discontinued business	-	3.44
Unrealised foreign exchange (gain)/loss	(0.32)	0.40
Operating profit before working capital changes	**266.67**	**245.81**
Adjustment for movements in working capital:		
Trade receivables	18.03	(69.77)
Inventories	19.99	(21.37)
Other assets	12.45	(6.98)
Trade payables	53.10	25.88
Provisions	2.65	3.46
Other liabilities	(2.03)	14.66
Cash generated from operations	**370.86**	**191.69**
Less: Income taxes paid	(91.90)	(73.64)
Net cash generated from operating activities (A)	**278.96**	**118.05**
Cash flows from investing activities		
(Purchase) / (reinvestment) of financial assets	(1,291.76)	(1,288.90)
Proceeds on sale of financial assets	1,227.13	1,268.04
Inter corporate deposits placed	(65.00)	(41.55)
Inter corporate deposit matured	31.55	95.85
Bank deposits placed	-	(10.86)
Bank deposits matured	-	21.72
Interest received	2.36	7.55
Dividend from current investments	-	0.40
Payments for purchase of property, plant and equipment and capital work-in-progress	(24.08)	(27.11)
Payments for purchase of intangible assets	(25.78)	(19.63)
Proceeds from disposal of property, plant and equipment	48.85	27.15
Net cash (used in) / generated from investing activities (B)	**(96.73)**	**32.66**

Statement of Cash Flows

for the year ended 31st March 2018

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Cash flows from financing activities		
Dividends paid (including tax)	(161.65)	(147.15)
Interest paid	(0.81)	(0.81)
Net cash used in financing activities (C)	**(162.46)**	**(147.96)**
Net increase in cash and cash equivalents (A+B+C)	**19.77**	**2.75**
Cash and cash equivalents at the beginning of the year	10.02	7.27
Cash and cash equivalents at the end of the year	**29.79**	**10.02**
Notes forming part of the financial statements	1-44	

As per our report of even date attached

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

Rupen K. Bhatt
Partner

Mumbai
3rd May 2018

For and on behalf of the Board

Kewal Handa
Director

Neetu Kashiramka
Chief Financial Officer

Amit K. Vyas
Company Secretary & Head Legal

Nagesh Basavanhalli
Managing Director & CEO

Notes to the Financial Statements

for the year ended 31st March 2018

1. General Information:

Greaves Cotton Limited (the 'Company') is engaged in manufacturing of engines, engine applications and trading of power tillers, spares related to engines and infrastructure 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 one indirect subsidiary.

The company is public limited company incorporated and domiciled in India. The address of its corporate office is 3rd Floor, Motilal Oswal Tower, Junction of Gokhale Road & Sayani Road, Prabhadevi, Mumbai – 400 025.

The Financial statements for the year ended 31st March 2018 were approved by the Board of Directors and authorised for issue on 3rd May 2018.

2. Summary of Significant Accounting Policies

2.1. Statement of compliance:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

2.2. Basis of preparation and presentation:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3. Non-current assets held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4. Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable.

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for the year ended 31st March 2018

Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Ind-AS 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue.

2.4.1. Sale of goods:

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4.2. Rendering of services:

Revenue in respect of service is recognised in the accounting year in which when services are performed in accordance with the terms of contract with customers.

2.4.3. Dividend and interest income:

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.5. Foreign currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency. Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rate of exchange prevailing at the dates of transactions. At the end of each reporting period monetary item denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in the statement of profit and loss in the year in which they arise except for exchange differences arising on marking forward contracts to market rates are recognised in the statement of profit and loss in the year in which they arise and the premium paid/ received is accounted as expenses/ income over the period of contract.

2.6. Borrowing cost:

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 year in which they are incurred.

2.7. Employee benefits:

2.7.1. Defined Contribution Plans:

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

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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.

Contribution to Superannuation Fund and National Pension Scheme, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund managed by Life Insurance Corporation and various asset management companies under National Pension Scheme and is charged to the statement of profit and loss. There are no other obligations other than the contribution payable to the Superannuation Fund & National Pension Scheme.

2.7.2. Defined Benefit Plans:

For defined benefit retirement plans (i.e. gratuity and ex-gratia) the cost of providing benefits is determined using the projected unit credit method, with independent actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

2.7.3. 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.

2.8. Taxation:

2.8.1. Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

2.8.2. Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

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for the year ended 31st March 2018

2.8.3. Current and deferred tax for the year:

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

2.9. Property, plant and equipment:

Cost includes inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use. Own manufactured assets are capitalised at factory cost. Certain project related direct expenses, incurred at site for the period upto the date of commencement of commercial production are capitalised.

Depreciation on fixed assets is provided under the straight line method over the useful life of the assets. Extra shift depreciation is provided based on number of shifts for which the plant has worked. Leasehold land is amortised over the primary period of the lease. Leasehold building improvements are written off over the period of lease or their estimated useful life, whichever is lower, on a straight line basis. Residual value of the assets is estimated at 5% of cost. The useful lives of the assets of the Company are as follows:

Asset	Useful lives
Leasehold land	Over lease period
Leasehold improvements	Over lease period
Buildings	30 years
Plant & equipment	15 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books and the resultant profit or loss (including capital profit), if any, is reflected in the statement of profit and loss.

The estimated useful life and residual value is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.10. Investment Property:

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the year in which the property is de-recognised.

Investment property owned by the Company is depreciated under the straight line method over its estimated useful life of 30 years.

2.11. Intangible assets:

2.11.1. Intangible assets acquired separately:

Own developed intangible assets are capitalised at actual cost. Cost includes all expenses incurred for development of the intangible asset, up to the point the asset is ready for its intended use.

Intangible assets with finite useful lives that are acquired separately or own developed are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over

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their estimated useful lives. The estimated useful life and residual value is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.11.2. Derecognition of intangible asset:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

2.11.3. Useful life of intangible assets:

Estimated useful lives of the intangible assets are as follows:

(i) Technical know-how is amortised over a period of 5 years.

(ii) Product development is amortised over a period of 3 to 5 years.

(iii) Computer software is amortised over a period of 4 years.

2.12. Impairment of tangible and intangible assets other than goodwill:

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.13. 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, whichever is lower.

c. Finished goods at lower of weighted average cost including conversion cost or net realisable value, whichever is lower.

2.14. Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.15. Warranties:

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

Notes to the Financial Statements

for the year ended 31st March 2018

2.16. Financial instrument:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

2.17. Financial asset:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.17.1. Financial assets at fair value through profit and loss (FVTPL):

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income / Other Expenses' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2.17.2. Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual rights to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures their allowances at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivable, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.17.3. Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.17.4. Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, exchange differences are recognised in the statement of profit and loss, except for those which are designated as hedging instruments in a hedging relationship.

Notes to the Financial Statements

for the year ended 31st March 2018

2.18. Financial liabilities:

Financial liabilities are subsequently measured at amortised cost or at FVTPL.

2.18.1. Financial liabilities at FVTPL:

Financial liabilities such as derivative that is not designated and effective as a hedging instrument are classified as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of profit and loss is included in the 'other income / expense' line item.

2.18.2. Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost.

2.18.3. Foreign exchange gains and losses:

For financial liabilities that are dominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains or losses are determined based on the amortised cost of the instruments and are recognised in 'Other income/ Other Expenses'.

The fair value of financial liabilities dominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

2.18.4. Derecognition of financial liabilities:

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.19. Derivative financial instruments:

The Company enters into foreign exchange forward contracts to manage its exposure of foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately.

2.20. Contingent liabilities and contingent assets:

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.

Contingent liabilities and contingent assets are reviewed at each balance sheet date and updated / recognised as appropriate.

Notes to the Financial Statements

for the year ended 31st March 2018

3. Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Company's accounting policies, which are described in note 2, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the following areas the management of the Company has made critical judgements and estimates:

(a) Employee Benefits:

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

(b) Useful lives of property, plant and equipment & intangible assets:

The Company reviews the useful life of property, plant and equipment & intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(c) Provision for warranty:

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.

(d) Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past event 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 retirement benefits and compensated absences) are not discounted to its 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 liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Notes to the Financial Statements

for the year ended 31st March 2018

4 Property, Plant and Equipment

(₹ in Crore)

	Land		Buildings		Plant & equipment	Office equipment	Furniture & fixtures	Vehicles	Leasehold Improvements	Total
	Freehold	Leasehold	Freehold	Leasehold						
Carrying amount										
Balance as at 31st March 2017	3.44	19.64	66.31	0.01	150.13	1.41	6.72	0.24	2.45	250.35
Balance as at 31st March 2018	**3.44**	**19.39**	**66.11**	**0.01**	**144.52**	**1.50**	**6.05**	**0.29**	**1.67**	**242.98**
Cost or deemed cost										
Balance as at 1st April 2016	3.44	19.15	72.69	0.01	206.81	2.60	8.33	0.25	2.71	315.99
Transferred to investment property	-	-	(0.01)	-	-	-	-	-	-	(0.01)
Additions	-	0.92	4.40	-	13.32	0.37	0.74	0.05	1.02	20.82
Disposals	-	-	(2.66)	-	(0.87)	(0.01)	(0.18)	-	-	(3.72)
Balance as at 31st March 2017	**3.44**	**20.07**	**74.42**	**0.01**	**219.26**	**2.96**	**8.89**	**0.30**	**3.73**	**333.08**
Additions	-	-	2.87	-	24.39	0.80	0.26	0.09	-	28.41
Disposals	-	-	(0.33)	-	(12.55)	(0.13)	(1.35)	-	-	(14.36)
Balance as at 31st March 2018	**3.44**	**20.07**	**76.96**	**0.01**	**231.10**	**3.63**	**7.80**	**0.39**	**3.73**	**347.13**
Depreciation										
Balance as at 1st April 2016	-	**(0.21)**	**(5.04)**	-	**(37.39)**	**(0.82)**	**(1.28)**	**(0.02)**	**(0.58)**	**(45.34)**
Depreciation expense	-	(0.22)	(3.13)	-	(32.56)	(0.73)	(0.89)	(0.04)	(0.70)	(38.27)
Disposals	-	-	0.06	-	0.82	-	-	-	-	0.88
Balance as at 31st March 2017	-	**(0.43)**	**(8.11)**	-	**(69.13)**	**(1.55)**	**(2.17)**	**(0.06)**	**(1.28)**	**(82.73)**
Depreciation expense	-	(0.25)	(3.04)	-	(29.84)	(0.70)	(0.78)	(0.04)	(0.78)	(35.43)
Disposals	-	-	0.30	-	12.39	0.12	1.20	-	-	14.01
Balance as at 31st March 2018	-	**(0.68)**	**(10.85)**	-	**(86.58)**	**(2.13)**	**(1.75)**	**(0.10)**	**(2.06)**	**(104.15)**
Carrying amount										
Balance as at 1st April 2016	**3.44**	**18.94**	**67.65**	**0.01**	**169.42**	**1.78**	**7.05**	**0.23**	**2.13**	**270.65**
Transferred to investment property	-	-	(0.01)	-	-	-	-	-	-	(0.01)
Additions	-	0.92	4.40	-	13.32	0.37	0.74	0.05	1.02	20.82
Disposals	-	-	(2.60)	-	(0.05)	(0.01)	(0.18)	-	-	(2.84)
Depreciation expense	-	(0.22)	(3.13)	-	(32.56)	(0.73)	(0.89)	(0.04)	(0.70)	(38.27)
Balance as at 31st March 2017	**3.44**	**19.64**	**66.31**	**0.01**	**150.13**	**1.41**	**6.72**	**0.24**	**2.45**	**250.35**
Additions	-	-	2.87	-	24.39	0.80	0.26	0.09	-	28.41
Disposals	-	-	(0.03)	-	(0.16)	(0.01)	(0.15)	-	-	(0.35)
Depreciation expense	-	(0.25)	(3.04)	-	(29.84)	(0.70)	(0.78)	(0.04)	(0.78)	(35.43)
Balance as at 31st March 2018	**3.44**	**19.39**	**66.11**	**0.01**	**144.52**	**1.50**	**6.05**	**0.29**	**1.67**	**242.98**
Capital work-in-progress										
Balance as at 31st March 2017										7.90
Balance as at 31st March 2018										**4.48**

Carrying amount of Freehold Building includes ₹ 0.10 crore (previous year ₹ 0.13 crore) towards cost of ownership flats in Co-operative Housing Societies/ Condominium.

Notes to the Financial Statements

for the year ended 31st March 2018

5 Investment properties

	(₹ in Crore)
Carrying amount	
Balance as at 31st March 2017	3.86
Balance as at 31st March 2018	**3.66**
Cost or deemed cost	
Balance as at 1st April 2016	**4.35**
Transferred from Property, Plant and Equipment	0.01
Balance as at 31st March 2017	**4.36**
Disposals	(0.07)
Balance as at 31st March 2018	**4.29**
Depreciation	
Balance as at 1st April 2016	**(0.27)**
Transferred from Property, Plant and Equipment@	-
Depreciation expense	(0.23)
Balance as at 31st March 2017	**(0.50)**
Disposals	0.07
Depreciation expense	(0.20)
Balance as at 31st March 2018	**(0.63)**
Carrying amount	
Balance as at 1st April 2016	**4.08**
Transferred from Property, Plant and Equipment	0.01
Depreciation expense	(0.23)
Balance as at 31st March 2017	**3.86**
Depreciation expense	(0.20)
Disposals@	-
Balance as at 31st March 2018	**3.66**

@ Represents amount less than ₹ 1 lac

Rental income from investment property for the year ended 31st March 2017	0.59
Rental income from investment property for the year ended 31st March 2018	0.45
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income for the year ended 31st March 2017	0.18
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income for the year ended 31st March 2018	0.16

Fair value of investment property

The company has obtained valuation of its investment properties from an independent valuer. The fair values were ₹ 16.41 crore (previous year - ₹ 29.20 crore) (Level 2).

Notes to the Financial Statements

for the year ended 31st March 2018

6 Intangible assets

(₹ in Crore)

	Technical Knowhow	Product Development	Computer Software	Total
Carrying Amount				
Balance as at 31st March 2017	5.95	26.59	5.22	37.76
Balance as at 31st March 2018	**5.17**	**21.38**	**3.92**	**30.47**
Cost or Deemed Cost				
Balance as at 1st April 2016	**11.48**	**-**	**5.85**	**17.33**
Additions	0.68	28.85	4.40	33.93
Balance as at 31st March 2017	**12.16**	**28.85**	**10.25**	**51.26**
Additions	2.79	5.50	1.14	9.43
Balance as at 31st March 2018	**14.95**	**34.35**	**11.39**	**60.69**
Amortisation				
Balance as at 1st April 2016	**(3.03)**	**-**	**(2.31)**	**(5.34)**
Amortisation expense	(3.18)	(2.26)	(2.72)	(8.16)
Balance as at 31st March 2017	**(6.21)**	**(2.26)**	**(5.03)**	**(13.50)**
Amortisation expense	(3.57)	(10.71)	(2.44)	(16.72)
Balance as at 31st March 2018	**(9.78)**	**(12.97)**	**(7.47)**	**(30.22)**
Carrying Amount				
Balance as at 1st April 2016	**8.45**	**-**	**3.54**	**11.99**
Additions	0.68	28.85	4.40	33.93
Amortisation expense	(3.18)	(2.26)	(2.72)	(8.16)
Balance as at 31st March 2017	**5.95**	**26.59**	**5.22**	**37.76**
Additions	2.79	5.50	1.14	9.43
Amortisation expense	(3.57)	(10.71)	(2.44)	(16.72)
Balance as at 31st March 2018	**5.17**	**21.38**	**3.92**	**30.47**
Intangible assets under development				
Balance as at 31st March 2017				6.79
Balance as at 31st March 2018				**23.14**

Notes to the Financial Statements

for the year ended 31st March 2018

7 Investments

(₹ in Crore)

		As at 31st March 2018		As at 31st March 2017	
		Nos.	Amount	Nos.	Amount
	Non- current (Unquoted)				
7A	**Investment in subsidiaries (fully paid)**				
	Equity instruments (at cost)				
	Greaves Leasing Finance Limited (Face Value of ₹ 10/- each)	2,50,000	0.29	2,50,000	0.29
	Greaves Cotton Middle East FZC (Face Value AED ₹ 1,500/- each)* (liquidated during the year)	-	-	175	0.46
	Less: Allowance for diminution in value of investment		-		(0.46)
	*Refer Note 2 below				
	Sub-total		**0.29**		**0.29**
7B	**Other Investments**				
	Investments in Mutual Funds (at fair value)				
	Axis Liquid Fund - Direct Plan - Growth	89,675	17.28	89,675	16.17
	Aditya Birla Sun Life Cash Plus - Direct Plan - Growth	6,38,977	17.85	6,38,977	16.70
	Aditya Birla Sun Life Savings Fund - Direct Plan - Growth	14,61,039	50.25	14,61,039	46.77
	HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth	71,85,930	21.83	71,85,930	20.38
	HDFC Liquid Fund - Direct Plan - Growth	82,904	28.38	82,904	26.60
	ICICI Prudential Liquid - Direct Plan - Growth	11,74,038	30.19	11,74,038	28.26
	ICICI Prudential Ultra Short Term - Direct Plan - Growth	47,61,593	8.71	47,61,593	8.15
	Kotak Floater Short Term - Direct Plan - Growth	60,583	17.28	60,583	16.17
	Kotak Treasury Advantage Fund - Direct Plan - Growth	45,46,714	12.84	45,46,714	11.98
	Reliance Liquid Fund - Treasury Plan - Direct Plan- Growth	40,717	17.26	40,717	16.15
	Reliance Money Manager Fund - Direct Plan - Growth	1,18,031	28.78	1,18,031	26.87
	SBI Premier Liquid Fund - Direct Plan - Growth	84,321	22.97	84,321	21.52
	UTI Money Market fund-Institutional Plan - Direct Plan- Growth	88,605	17.28	88,605	16.17
	Sub-total		**290.90**		**271.89**
	Aggregate carrying value of unquoted investments (Net of provision) - Non current		291.19		272.18

(₹ in Crore)

		As at 31st March 2018		As at 31st March 2017	
		Nos.	(₹ in Crore)	Nos.	(₹ in Crore)
	Current (Unquoted)				
7C	**Other Investments**				
	Investments in Mutual Funds (at fair value)				
	Axis Treasury Advantage Fund - Direct Plan - Growth	1,07,846	21.36	1,07,846	19.91
	ICICI Prudential Flexible Income - Direct Plan - Growth	10,50,038	35.16	-	-
	IDFC Cash Fund - Direct Plan - Growth	33,355	7.04	-	-
	IDFC Ultra Short Term Fund - Direct Plan - Growth	53,11,188	13.17	53,11,188	12.30
	Invesco India Liquid Fund - Direct Plan - Growth	1,33,947	32.04	-	-
	Invesco India Ultra Short Term Fund - Direct Plan - Growth	64,102	15.68	94,827	21.68
	Kotak Treasury Advantage Fund - Direct Plan - Growth	20,07,734	5.67	20,07,734	5.29
	L&T Ultra Short Term Fund - Direct Plan - Growth	86,59,188	24.97	86,59,188	23.30
	LIC MF Savings Plus Fund - Direct Plan- Growth	43,34,527	11.97	43,34,527	11.16
	Reliance Money Manager Fund - Direct Plan - Growth	88,605	21.61	88,605	20.17
	SBI Ultra Short Term Debt Fund - Direct Plan - Growth	1,01,159	22.78	1,01,159	21.32
	Sub-total		**211.45**		**135.13**
	Aggregate carrying value of unquoted investments - Current		211.45		135.13
	Aggregate amount of unquoted investment		**447.20**		**379.18**

Notes to the Financial Statements
for the year ended 31st March 2018

7 Investments (Contd.)

Note:
1. The non- current investments in unquoted equity shares of subsidiaries are stated at amortised cost.
2. In the previous year the shareholders of Greaves Cotton Middle East FZC voluntarily decided to liquidate the Company. As on 20th April 2017, as per local laws, the company got liquidated.
3. The fair value of other investments (Non-current and Current) as at 31st March 2018 and 31st March 2017 have been arrived at on the basis of Net Asset Value (NAV) declared by the Mutual Funds (Level 1).
4. Also refer Note 33B.

8 Other Financial Assets

(₹ in Crore)

		As at 31st March 2018	As at 31st March 2017
8A	**Non-current**		
	Security deposits	5.32	5.38
	Margin money deposits	1.75	1.66
	Other assets	0.35	-
	Non-current total	**7.42**	**7.04**
8B	**Current**		
	Export benefit receivables	3.74	2.74
	Security deposits	8.36	7.77
	Derivative financial instruments	0.03	0.40
	Fixed deposit with financial institutions	55.00	21.55
	Interest receivable	1.62	1.42
	Other assets	4.15	6.75
	Current total	**72.90**	**40.63**
	Total	**80.32**	**47.67**

For the financial assets that are measured at amortised cost, the fair values are not materially different from their carrying amounts, since they are either of short term nature or interest receivable is close to current market rates. Refer Note 33B.

9 Other Assets

(₹ in Crore)

		As at 31st March 2018	As at 31st March 2017
9A	**Non-current**		
	Capital advances	2.50	4.61
	Prepaid expenses	0.06	0.06
	Deposits with Customs, Port Trust, Central Excise etc.	2.00	1.23
	Balances with Customs, Port Trust, Central Excise etc.	7.88	7.77
	Advances to suppliers	-	3.00
	Less: Allowance for bad and doubtful advances	-	(3.00)
	Non-current total	**12.44**	**13.67**
9B	**Current**		
	Advances to suppliers	8.47	13.24
	Prepaid expenses	2.01	0.72
	Balances with Customs, Port Trust, Central Excise, GST etc.	4.75	13.11
	Other advances	-	3.21
	Current total	**15.23**	**30.28**
	Total	**27.67**	**43.95**

Notes to the Financial Statements
for the year ended 31st March 2018

10 Inventories

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Inventories (lower of cost and net realisable value)		
Raw Materials	53.75	50.93
Work-in-progress	5.46	5.54
Finished goods	29.14	51.97
Stock-in-trade	13.80	13.88
Stores and spares	3.98	3.66
Loose tools	3.29	3.43
Total	**109.42**	**129.41**

1. The inventories recognised as an expense include ₹ NIL (previous year ₹ 1.38 crore) in respect of write-downs of inventory to net realisable value.

(₹ in Crore)

2.

	As at 31st March 2018	As at 31st March 2017
Raw Materials include in transit	5.41	4.62
Stock-in-trade include in transit	0.49	0.83

3. The mode of valuation of inventories has been stated in Note 2.13.

11 Trade receivables

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Secured, considered good *	173.59	190.15
Unsecured, considered good	79.10	80.05
Doubtful	23.99	23.75
Allowance for doubtful debts (expected credit loss allowance)	(23.99)	(23.75)
	252.69	**270.20**

Also refer Note 33

* Secured trade receivables are against letters of credit, bank guarantees and security deposits.

Provision Matrix

The company has robust policy of provisioning. The Overdue debtors above 1 year is critically reviewed and necessary provisions between 50% to 100% is done.

12 Cash and cash equivalents

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Cash on hand	0.01	0.02
Cheques, drafts on hand	8.51	4.82
Balances with banks		
In current accounts	21.27	5.18
	29.79	**10.02**

Notes to the Financial Statements

for the year ended 31st March 2018

13 Bank balances other than Cash and cash equivalents

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Term deposits with maturity exceeding 3 months and less than 12 months	-	@
Unpaid dividend accounts	3.30	2.67
	3.30	**2.67**

@ Represents amount less than ₹ 1 lac

14 Assets classified as held for sale

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Leasehold land and buildings thereon	12.59	12.59
Plant and equipment	2.25	2.25
Furniture and fixtures	0.03	0.03
Office equipments	0.14	0.14
Intangible assets	0.01	0.01
	15.02	15.02
Less: Impairment	(6.04)	(6.04)
	8.98	**8.98**

On 18th September 2014, the company discontinued manufacturing operations of Construction Equipment due to non-viability and the related assets of these operations will be eventually disposed off, accordingly these have been classified as assets held for sale.

During the year, the company carried out review of recoverable amount of leasehold land and freehold building. Review led to recognition of impairment loss of ₹ NIL (previous year ₹ 3.44 crore) which has been recognised in the Statement of profit and loss in Note 35. The recoverable value was estimated based on the fair value less cost of disposal of the asset.

15 Equity Share capital

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Authorised		
25,00,00,000 Equity Shares of ₹ 2 each	50.00	50.00
25,00,000 Redeemable Preference Shares of ₹ 100 each	25.00	25.00
Issued, subscribed and fully paid up		
24,42,06,795 Equity Shares of ₹ 2 each	48.84	48.84
	48.84	**48.84**

		No. of shares	₹ in Crore
15A	**Fully paid equity shares**		
	As at 31 March 2017	24,42,06,795	48.84
	As at 31 March 2018	**24,42,06,795**	**48.84**

Notes to the Financial Statements

for the year ended 31st March 2018

15 Equity Share capital (Contd.)

	As at 31st March 2018		As at 31st March 2017	
	Number of shares held in the Company	Percentage of shares held	Number of shares held in the Company	Percentage of shares held
15B Shares in the Company held by each shareholder holding more than 5% shares				
Fully paid equity shares				
DBH International Private Limited	9,84,69,662	40.32%	9,84,69,662	40.32%
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%	1,23,08,199	5.04%

15C Terms / Rights attached to equity shares

(i) The Company has only one class of equity shares having 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.

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
15D Dividends		
Interim dividend was declared by the Board of Directors in the meeting held on 5th February 2018, ₹ 4.00 per share.	97.68	-
Interim dividend was declared by the Board of Directors in the meeting held on 14th February 2017, ₹ 4.00 per share.	-	97.68
Final dividend for the year ended 31st March 2017, ₹ 1.50 per share (Proposed by Board of Directors in the meeting held on 4th May 2017 and was approved by Shareholders in the meeting held on 3rd August 2017)	36.63	-
Final dividend for the year ended 31st March 2016, ₹ 1.00 per share (Proposed by Board of Directors in the meeting held on 6th May 2016 and was approved by Shareholders in the meeting held on 26th September 2016)	-	24.43
Dividend distribution tax on above	27.34	25.04

15E On 3rd May 2018, the Board of Directors has proposed final dividend at the rate of ₹ 1.50 per share of face value of ₹ 2.00 (cash outgo ₹ 44.16 crores including Dividend Distribution Tax). This proposed dividend is subject to approval of the shareholder in the ensuing annual general meeting.

16 Other equity

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Reserves and surplus		
Capital reserve	1.34	1.34
Securities premium reserve	34.59	34.59
General reserve	346.18	346.18
Retained Earnings	529.45	490.02
	911.56	**872.13**

Notes to the Financial Statements

for the year ended 31st March 2018

16 Other equity (Contd.)

(i) Capital reserve

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	1.34	1.34
Closing balance	**1.34**	**1.34**

This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(ii) Securities premium reserve

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	34.59	34.59
Closing balance	**34.59**	**34.59**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.

(iii) General reserve

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	346.18	346.18
Closing balance	**346.18**	**346.18**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of profit and loss.

(iv) Retained earnings

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	490.02	455.88
Add: Profit attributable to the owners of the Company	202.62	180.63
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(1.54)	0.66
Less: Dividend paid on equity shares	134.31	122.11
Less: Dividend distribution tax paid	27.34	25.04
Closing balance	**529.45**	**490.02**

17 Other financial liabilities

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
17A Non-current		
Employee benefits payable	1.20	-
Non-Current Total	**1.20**	-

Notes to the Financial Statements

for the year ended 31st March 2018

17 Other financial liabilities (Contd.)

(₹ in Crore)

		As at 31st March 2018	As at 31st March 2017
17B	**Current**		
	Employee benefits payable	9.95	7.52
	Others - provision for bonus, commission etc.	7.07	7.70
	Unpaid dividends*	3.30	2.67
	Deposits from dealers	6.53	7.68
	Capital creditors	3.86	5.07
	Provision for interest on MSMED	0.54	1.34
	Derivative financial instruments	0.09	0.27
	Current total	**31.34**	**32.25**
	Total	**32.54**	**32.25**

*There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.

Current financial liabilities are measured at amortised cost as the fair values are not different from their carrying amounts. Refer Note 33B.

18 Provisions

(₹ in Crore)

		As at 31st March 2018	As at 31st March 2017
18A	**Non-current**		
	Provision for employee benefits		
	Ex-gratia	0.42	2.20
	Non-current total	**0.42**	**2.20**
18B	**Current**		
	Provision for employee benefits		
	Compensated absences	8.97	9.65
	Gratuity	3.38	-
	Ex-gratia	0.20	0.24
	Provisions for warranty	9.50	8.96
	Other provisions	1.23	-
	Current total	**23.28**	**18.85**
	Total	**23.70**	**21.05**

Movement in provision for warranties

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	8.96	8.19
Provision recognised during the year	10.42	8.59
Amount utilised during the year	(9.88)	(7.82)
Closing balance	**9.50**	**8.96**

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 based on the historical data available. The timing of the outflows is expected to be within a period of eighteen months.

Notes to the Financial Statements

for the year ended 31st March 2018

19 Deferred tax

(₹ in Crore)

		As at 31st March 2018	As at 31st March 2017
19A	**Analysis of deferred tax liabilities presented in the balance sheet:**		
	Deferred tax assets	16.43	18.44
	Deferred tax liabilities	(36.59)	(35.72)
	Deferred tax liabilities (net)	**(20.16)**	**(17.28)**

(₹ in Crore)

		Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
19B	**Movement in deferred taxes during the year ended 31st March 2018**				
	Deferred tax asset/(liability) in relation to:				
	Depreciation	(32.16)	3.30	-	(28.86)
	Provision for post retirement benefits and other employee benefits	4.49	(1.14)	-	3.35
	Allowance for doubtful debts and advances	9.26	(0.88)	-	8.38
	Fair value of financial instruments	(3.56)	(4.17)	-	(7.73)
	Other temporary differences	4.69	0.01	-	4.70
		(17.28)	**(2.88)**	**-**	**(20.16)**

(₹ in Crore)

		Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
19C	**Movement in deferred taxes during the year ended 31st March 2017**				
	Deferred tax asset/(liability) in relation to:				
	Depreciation	(36.67)	4.51	-	(32.16)
	Provision for post retirement benefits and other employee benefits	3.54	0.95	-	4.49
	Allowance for doubtful debts and advances	8.87	0.39	-	9.26
	Fair value of financial instruments	(0.34)	(3.22)	-	(3.56)
	Other temporary differences	5.57	(0.88)	-	4.69
		(19.03)	**1.75**	**-**	**(17.28)**

(₹ in Crore)

		As at 31st March 2018	As at 31st March 2017
19D	**Unrecognised deductible timing differences, unused tax losses and unused tax credits**		
	Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
	- tax losses (capital in nature)	23.30	27.63
		23.30	**27.63**

20 Trade Payables

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Trade payables		
Due to Micro, Small and Medium Enterprises*	34.54	30.58
Other than Micro, Small and Medium Enterprises	238.42	189.27
	272.96	**219.85**

Also refer Note 33

* 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.

Notes to the Financial Statements
for the year ended 31st March 2018

20 Trade Payables (Contd.)

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Principal amount and interest due:		
Principal amount	34.54	30.58
Interest due	@	0.56
Interest paid by buyer in terms of Section 16 of MSMED Act	-	-
Amount paid beyond the appointed day	18.83	37.82
Interest due and payable to supplier, for payment already made under MSMED Act	0.33	0.48
Amount of Interest accrued and remaining unpaid at the end of accounting year	0.54	1.34
Amount of further interest remaining due and payable even in succeeding years	-	-

@ Represents amount less than ₹ 1 lac

21 Other liabilities

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
21A Non-current		
Other payables	5.75	-
Non-Current total	**5.75**	**-**
21B Current		
Advances from customers	6.78	17.00
Statutory dues	14.04	6.81
Provision for excise duty	-	5.97
Other payables	0.13	-
Current total	**20.95**	**29.78**
Total	**26.70**	**29.78**

22 Revenue from Operations

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Sale of Products		
(i) Finished goods	1,731.76	1,697.15
(ii) Stock-in trade	95.68	115.90
(iii) Service income	9.46	2.73
Other operating revenue		
(i) Royalty	-	0.32
(ii) Export incentive	2.44	2.78
(iii) Others	0.36	0.21
Total	**1,839.70**	**1,819.09**

Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Ind-AS 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures of the period upto 30th June 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding.

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Revenue from Operations (A)	1,839.70	1,819.09
Excise duty on sale (B)	47.60	184.83
Revenue from Operations excluding excise duty on sale (A-B)	**1,792.10**	**1,634.26**

Notes to the Financial Statements

for the year ended 31st March 2018

23 Other Income

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Interest income earned on financial assets not designated as at FVTPL		
Deposits	2.41	5.66
Other financial assets	0.15	0.36
Dividend income		
From other investments	-	0.40
Fair value gain		
Investments measured at FVTPL	27.30	25.51
Profit on sale of investments (Net)	3.40	5.65
Profit on sale of assets (Net)	0.78	0.46
Exchange fluctuation - gain (Net)	1.09	-
Scrap sales	2.51	1.92
Miscellaneous income	7.65	10.23
	45.29	**50.19**

24 Cost of materials consumed

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Raw materials consumed		
Opening stock	50.93	36.05
Purchases	1,123.72	1,003.48
Less : Closing stock	53.75	50.93
	1,120.90	**988.60**

25 Purchases of stock-in-trade

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Purchases of stock-in-trade		
Power tillers	-	21.90
Lubricant oil	3.53	4.25
Construction Equipment	26.44	19.52
Others	36.00	31.74
	65.97	**77.41**

Notes to the Financial Statements

for the year ended 31st March 2018

26 Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Opening inventories		
Finished goods	51.97	47.55
Work-in-progress	5.54	5.36
Stock-in-trade	13.88	12.59
	71.39	**65.50**
Closing inventories		
Finished goods	29.14	51.97
Work-in-progress	5.46	5.54
Stock-in-trade	13.80	13.88
	48.40	**71.39**
	22.99	**(5.89)**

27 Employee benefits expense

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Salaries and wages	145.70	136.75
Contribution to provident funds and other funds	15.58	12.53
Staff welfare expenses	11.52	11.45
	172.80	**160.73**
Less: Capitalised towards product development	5.51	1.41
	167.29	**159.32**

Employee benefit plans

27A Defined contribution plans

The amount recognised as an expense during the year ended 31st March 2018 towards Provident Fund (including admin charges), ESIC contribution and Superannuation & National Pension Scheme is ₹ 7.29 crore (previous year ₹ 6.44 crore), ₹ 0.35 crore (previous year ₹ 0.27 crore) and ₹ 4.34 crore (previous year ₹ 3.66 crore) respectively.

27B Defined benefit plans

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.

Investment risk	The present value of the defined benefit plan obligation is based on the Indian government security yields prevailing as at 20th February 2018 for estimated terms of obligation. The trustees of the fund have outsourced the investment management to the AMCs. The investments are in Unit Linked Insurance Plans, fixed income funds and debt funds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan obligation is calculated with reference to the published rates under the Indian Assured Lives Mortality (2006-08) Ult table. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries taking into account the inflation, seniority, promotion and other relevant factors.

Notes to the Financial Statements

for the year ended 31st March 2018

27 Employee benefits expense (Contd.)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as a			
	31st March 2018		31st March 2017	
Discount rate(s)	7.65%		6.85%	
Expected rate(s) of salary increase	MGMT : 8%, NMGT : 6%		MGMT : 8%, NMGT : 6%	
Mortality rates	Age(Years)	Rates (p.a.)	Age(Years)	Rates (p.a.)
	18	0.000800	18	0.000800
	23	0.000961	23	0.000961
	28	0.001017	28	0.001017
	33	0.001164	33	0.001164
	38	0.001549	38	0.001549
	43	0.002350	43	0.002350
	48	0.003983	48	0.003983
	53	0.006643	53	0.006643
	58	0.009944	58	0.009944

Amounts recognised in the Statement of profit and loss in respect of these defined benefit plans are as follows:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Service cost:		
Current service cost	1.97	2.43
Past service cost and gain from settlements	1.15	-
Interest on net defined benefit asset	(0.23)	(0.29)
Components of defined benefit costs recognised in profit or loss during the year	**2.89**	**2.14**
Opening amount recognised in other comprehensive income :	**(2.52)**	**(1.51)**
Re-measurement during the year due to:		
Changes in financial assumptions	(1.30)	1.68
Changes in demographic assumptions	(0.59)	
Experience adjustments	3.55	(1.88)
Actual return on plan assets less interest on plan assets	0.69	(0.81)
Closing amount recognised in other comprehensive income :	**(0.17)**	**(2.52)**
Components of defined benefit costs / (income) recognised in other comprehensive income during the year	**2.35**	**(1.01)**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The re-measurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Present value of funded defined benefit obligation	35.88	33.25
Fair value of plan assets	33.22	35.83
Funded status	2.66	(2.58)
Net liability/(asset) arising from defined benefit obligation	**2.66**	**(2.58)**

Notes to the Financial Statements

for the year ended 31st March 2018

27 Employee benefits expense (Contd.)

Movements in the present value of the defined benefit obligation are as follows:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Opening defined benefit obligation	33.25	32.42
Current service cost	1.97	2.43
Past service cost	1.15	-
Interest on defined benefit obligation	2.05	2.41
Re-measurement due to:		
Actuarial (gains) / losses arising from changes in financial assumptions	(1.30)	1.68
Actuarial gains arising from changes in demographic assumptions	(0.59)	
Actuarial losses / gains arising from experience changes	3.55	(1.88)
Benefits paid	(4.20)	(3.81)
Closing defined benefit obligation	**35.88**	**33.25**

Movements in the fair value of the plan assets are as follows:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Opening fair value of plan assets	35.83	34.71
Interest income	2.28	2.70
Re-measurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.69)	0.81
Contributions from the employer	-	1.42
Benefits paid	(4.20)	(3.81)
Closing fair value of plan assets	**33.22**	**35.83**

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

(₹ in Crore)

	Fair Value of plan asset as at	
	31st March 2018	31st March 2017
Cash and cash equivalents	0.18	0.38
Non quoted value :		
Insurer managed fund	33.04	35.45
Total	**33.22**	**35.83**

Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation (DBO) at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

(₹ in Crore)

	Year ended 31st March 2018		Year ended 31st March 2017	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	(0.77)	0.76	(0.82)	0.71
Impact of decrease in 50 bps on DBO	0.80	(0.74)	0.87	(0.70)

Notes to the Financial Statements

for the year ended 31st March 2018

27 Employee benefits expense (Contd.)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The average duration of the benefit obligation at 31st March 2018 is 10.59 years, (as at 31st March 2017: 12.16 years).

Projected Plan Cash Flow :

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date :

(₹ in Crore)

Maturity Profile	2017-2018	2016-2017
Expected benefits for year 1 to 3	19.05	16.38
Expected benefits for year 4 and 5	9.52	7.96
Expected benefits for year 6 and above	25.03	26.63

28 Finance costs

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Interest expenses	0.80	0.81
Other borrowing costs	0.01	-
	0.81	**0.81**

29 Depreciation and amortisation expense

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Depreciation of Property, Plant and Equipment (Note 4)	35.43	38.27
Depreciation of Investment property (Note 5)	0.20	0.23
Amortisation of Intangible assets (Note 6)	16.72	8.16
	52.35	**46.66**

30 Other expenses

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Stores and spares consumed	7.12	7.49
Power, fuel and electricity	12.71	13.36
Repairs and maintenance:		
Buildings	0.54	0.62
Plant & equipment	3.93	4.30
Others	1.73	2.43
Excise duty paid	0.10	0.60
Brokerage and commission	1.74	6.54
Rent	10.05	9.76
Lease rentals	2.51	2.26

Notes to the Financial Statements

for the year ended 31st March 2018

30 Other expenses (Contd.)

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Insurance	1.66	1.92
Bad debts/ Advances written-off (i)	2.68	6.03
Less: Allowance for doubtful Debts/advances (ii)	(2.65)	(5.12)
Bad debts/ Advances written-off (i)-(ii)	0.03	0.91
Allowance for doubtful debts/advances	(0.11)	6.13
Rates and taxes	1.44	1.69
Advertisement and sales promotion expenses	9.77	5.41
Travelling	13.00	13.04
Carriage and freight	18.15	17.18
Director sitting fees	0.13	0.14
Printing & stationery	0.61	0.83
Postage, telephone and fax	2.55	2.77
Warranty expenses	10.42	8.59
Legal, professional and consultancy charges	12.18	14.07
Exchange fluctuation - loss (Net)	-	0.25
Contracting expenses	22.49	21.86
Miscellaneous expenses	26.91	29.24
	159.66	**171.39**

(₹ in Crore)

		Year ended 31st March 2018	Year ended 31st March 2017
30A	**Legal and professional expenses include:**		
	Auditors' remuneration and expenses		
	Statutory audit fees	0.46	0.43
	Quarterly limited review	0.15	0.14
	Others		
	Fees for certification	0.04	0.02
	Reimbursement of out-of-pocket expenses	0.02	0.01
	Payments to tax auditors		
	Tax audit fees	0.08	0.08
	Payments to cost auditors		
	Cost audit fees	0.07	0.07
	Reimbursement of out-of-pocket expenses	@	-
30B	**Expenditure incurred on corporate social responsibility activities**		
	(1) Gross amount required to be spent by the company during the year	4.03	3.69
	(2) Amount spent during the year on		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	0.58	-
30C	**Direct operating expenses arising from investment property**		
	Direct expenses arising from investment property that generated rental income during the year	0.16	0.18
	Direct expenses arising from investment property that did not generate rental income during the year	-	-

@ Represents amount less than ₹ 1 lac

Notes to the Financial Statements

for the year ended 31st March 2018

31 Exceptional Items

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Profit on sale of assets (See Note 1 Below)	47.72	16.35
Employee separation cost (See Note 2 Below)	(0.81)	(4.39)
Allowance for Inventory devaluation	-	(1.38)
Reversal of provision/ (Provision) for Employee pension scheme (See Note 3 Below)	1.26	(4.60)
Exceptional items (net)	**48.17**	**5.98**

1. Profit on sale of assets includes sale of some of Company's immovable properties.
2. During the year, Company carried out rationalisation of manpower to achieve efficiencies in operations and accordingly offered compensation for voluntary separation for the employees.
3. The Company had employees in its branch in UK. The Company used to make yearly provision on regular basis towards the pension liability of these employees. During the previous year, Company decided to buy out the future liability by taking annuities to secure the pension. During the year, the process of buying annuities was completed. Based on final valuation of the annuities the liability got reduced by ₹ 1.26 crore.

32 Income taxes relating to continuing & discontinued operations

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
32A Tax expense recognised in the Statement of Profit and Loss		
Current tax		
In respect of current year		
Continuing operations	90.09	69.77
Discontinued operations	-	(0.02)
Total current tax	**90.09**	**69.75**
Deferred tax		
In respect of current year	2.88	(1.75)
Total deferred income tax expense / (credit)	**2.88**	**(1.75)**
Total income tax expense	**92.97**	**68.00**

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Profit before tax (Continuing & Discontinued business)	**295.59**	**248.63**
Income tax expenses calculated at 34.608% (previous year 34.608%)	102.30	86.05
Differences due to:		
Expenses not deductible for tax purposes (14A disallowance)	-	0.04
Income exempt from Income taxes (dividend)	-	(0.14)
Tax on income at different rates	(5.48)	(6.07)
Deduction u/s 35(2AB) - R&D expenses	(4.81)	(9.42)
Effect of concessions (Long term capital loss set off)	(0.31)	(2.43)
Effect on deferred tax balances due to change in income tax rate	0.17	-
Others	1.10	(0.03)
Total income tax expense (Continuing & Discontinued business)	**92.97**	**68.00**

Notes to the Financial Statements

for the year ended 31st March 2018

32 Income taxes relating to continuing & discontinued operations (Contd.)

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
32B Income tax recognised in other comprehensive income		
Current tax		
Re-measurement of defined benefit obligation	0.81	(0.35)
Total deferred income tax expense	**0.81**	**(0.35)**

33 Risk management

33A Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to stakeholders. The company has no borrowings, except cash credit facilities.

33B Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income & expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are as disclosed in Note no. 7, 8, 11, 12, 13, 17 & 20 to financial statements.

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Mutual fund	502.35	407.02
Derivative financial instruments	0.03	0.40
Measured at amortised cost @		
Cash and bank balances	33.09	12.69
Trade receivable	252.69	270.20
Security deposits	13.68	13.15
Margin money	1.75	1.66
Fixed deposit with financial institution	55.00	21.55
Others	9.86	10.91
Financial liabilities		
Measured at Fair value through profit or loss (FVTPL)		
Derivative financial instruments	0.09	0.27
Measured at amortised cost @		
Trade payable	272.96	219.85
Unpaid dividends	3.30	2.67
Deposits from dealers	6.53	7.68
Capital creditors	3.86	5.07
Provision for interest on MSMED	0.54	1.34
Employee benefits payable	11.15	7.52
Others - Provision for bonus, commission etc.	7.07	7.70

@ The management considers carrying amount of financials assets and financial liabilities, recognised in the financial statement, approximate their fair values.

33C Financial and liquidity risk management objectives

(i) The Company has a very conservative policy on investing surplus funds. The investments are in debt schemes of mutual funds and fixed deposits with banks and financial institutions. Highest rated portfolios of the mutual funds are selected with high liquidity.

Notes to the Financial Statements
for the year ended 31st March 2018

33 Risk management (Contd.)

(ii) The average payment terms of creditors (trade payables) is 82 days. In case of MSMED creditors the payment terms are within 45 days. Other financial liabilities viz. employee payments, dealer deposits are payable within one year.

(iii) Trade receivables are secured against letters of credit, bank guarantees and security deposits. At the end of the year, there is no significant concentration of credit risk for trade receivables as only three parties constitutes more than 5% of the total outstanding amount and is fully secured by letter of credit.

(iv) Of the total outstanding as at reporting date, 69% of the total debts are secured receivables. In case of unsecured receivables the company has a credit policy where the provision for debts outstanding is made based on provision matrix to compute the expected credit loss allowance taking into account historical experience of customers and the credit limit as determined by the management.

(v) The products of the Company under engine segment include application of engines in farm equipment and gensets. The products under other segment include products traded by International Business and After Market Business.

33D Foreign currency risk management

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 uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions for amounts in excess of natural hedge available on export realisations against import payments. The Company does not use forward contracts for speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows.

(₹ in Crore)

	Assets		Liabilities	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
USD	15.41	19.59	8.80	0.41
EUR	1.73	0.92	-	-

(i) This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of the reporting period.

(ii) The company hedges its net exposure in foreign currencies and as such the profit or loss of the company is not subject to foreign exchange fluctuation.

33E Credit risk management

The company has credit policy for its trade receivables. To minimise the risk company takes letters of credit, bank guarantees and security deposits from the customers based on the credit worthiness. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

33F Fair value measurements

This note provides information about how the Company determines fair value of various financial asset and financial liabilities.

(a) Fair value of the Company`s financial assets and financial liabilities that are measured at fair value on recurring basis

Some of Company financial asset and financial liabilities are measured at fair value at end of the reporting period.

Notes to the Financial Statements
for the year ended 31st March 2018

33 Risk management (Contd.)

The following table gives information about how the fair value of these financial assets and liabilities are determined

(₹ in Crore)

Financial asset / Financial liabilities	Fair values As at 31st March 2018	Fair values As at 31st March 2017	Fair value hierarchy	Valuation technique and key input
Financial assets				
Mutual fund	502.35	407.02	Level 1	
Derivative financial instruments	0.03	0.40	Level 2	Discounted Cash Flows used by Banks for Mark to Market
Financial Liabilities				
Derivative financial instruments	0.09	0.27	Level 2	Discounted Cash Flows used by Banks for Mark to Market

34 Segment Information

Segment Identification:

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

Reportable Segments:

Reportable segments have been identified as per the aggregation criteria specified in Ind AS-108:'Operating Segments'

Segment Composition:

1. Engines include application of engines in farm equipment and gensets.
2. Others include products traded by International Business and After Market Business.

Operating segments:

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

The expenses and incomes which are not directly attributable to the business segments are shown as central administration costs. Unallocated assets mainly comprise of investments, cash and bank balances, advance tax and unallocated liabilities mainly include tax provisions and provisions for employee retirement benefits.

34A Segment revenue and results

The following is an analysis of the companies revenue and results from continuing operations by reportable segment.

(₹ in Crore)

	Segment revenue Year ended 31st March 2018	Segment revenue Year ended 31st March 2017	Segment profit Year ended 31st March 2018	Segment profit Year ended 31st March 2017
Engines	1,766.46	1,756.48	284.91	270.95
Others	73.24	62.61	1.27	4.93
Total for continuing operations	**1,839.70**	**1,819.09**	**286.18**	**275.88**
Other Income (including exceptional items)			84.38	48.66
Central administration costs			(74.16)	(71.60)
Finance costs			(0.81)	(0.81)
Profit before tax continuing operations			**295.59**	**252.13**

Segment revenue reported above represents revenue generated from external customers.

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs , investment income, other gains and losses, as well as finance costs.

Notes to the Financial Statements

for the year ended 31st March 2018

34 Segment Information (Contd.)

34B Segment assets and liabilities

(₹ in Crore)

Segment Assets	As at 31st March 2018	As at 31st March 2017
Engines	640.89	681.06
Others	27.29	31.84
Total segment assets	**668.18**	**712.90**
Assets classified as held for sale	8.98	8.98
Unallocated	664.46	523.65
Total Assets	**1,341.62**	**1,245.53**

(₹ in Crore)

Segment Liabilities	As at 31st March 2018	As at 31st March 2017
Engines	291.02	233.32
Others	14.80	16.53
Total segment liabilities	**305.82**	**249.85**
Unallocated	75.40	74.71
Total liabilities	**381.22**	**324.56**

All assets as identified to the reportable segment are shown under respective segment. Assets such as investments and income tax receivables are not allocable to reportable segment.

All liabilities as identified to the reportable segment are shown under respective segment. Liabilities such as employee benefits arising on actuarial valuation and income tax liabilities are not allocable to reportable segment.

34C Other segment information

(₹ in Crore)

	Depreciation and amortisation		Additions to non-current assets	
	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017
Engines	47.52	41.49	35.47	47.15
Others	0.02	-	0.19	0.04
Unallocable	4.81	5.17	2.18	7.56
	52.35	**46.66**	**37.84**	**54.75**

34D Geographical information

The company's revenue from continuing operations from external customers by location of operations and information about its non-current assets* by location of assets are detailed below.

(₹ in Crore)

	Revenue from external customers		Non-current assets*	
	Year ended 31st March 2018	Year ended 31st March 2017	As at 31st March 2018	As at 31st March 2017
Domestic	1,772.04	1,747.45	317.17	320.33
Overseas	67.66	71.64	-	-
	1,839.70	**1,819.09**	**317.17**	**320.33**

Notes to the Financial Statements
for the year ended 31st March 2018

35 Discontinued operations

On 18th September 2014, the Company discontinued manufacturing operations of Construction Equipment (Infrastructure) business due to non-viability and accordingly the related assets of these operations are disclosed as assets held for sale.

Analysis of profit/ (loss) from discontinued operations

The profit / (loss) and cash flows of the discontinued operations are shown below.

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Loss for the year from discontinued operations		
Revenue	-	-
Other gains	-	0.33
	-	**0.33**
Depreciation	-	-
Other miscellaneous expenses	-	0.39
Impairment on assets held for sale	-	3.44
Loss from discontinued operations before tax	**-**	**(3.50)**
Tax expense of discontinued operations	-	0.02
Loss from discontinued operations (after tax)	-	(3.48)
Loss from discontinued operations attributable to owners of the company	**-**	**(3.48)**

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Cash flow from discontinued operations		
Net cash (outflows)/inflows from operating activities	-	(1.06)
Net cash inflows/(outflows) from investing activities	-	7.50
Net cash (outflows)/inflows from financing activities	-	(6.44)
Net cash inflow/(outflow)	**-**	**-**

The manufacturing operations of Construction Equipment (Infrastructure) Business has been classified and accounted for as assets held for sale (see note 14).

36 Earnings per share

	Year ended 31st March 2018	Year ended 31st March 2017
Basic / Diluted earnings per share		
From continuing operations attributable to the owners of the company	8.30	7.54
From discontinued operation	-	(0.14)
Total basic earnings per share attributable to the owners of the company	**8.30**	**7.40**

Basic / Diluted earnings per share

The earnings and weighted average number of equity share used in the calculations of basic earnings per share are as follows.

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Profit for the year attributable to the owners of the company	202.62	180.63
Earnings used in the calculation of basic earning per share	**202.62**	**180.63**
Loss for the year from discontinued operations attributable to the owners of the company	-	(3.48)
Earnings used in the calculation of basic earnings per share from continuing operations	**202.62**	**184.11**

Notes to the Financial Statements

for the year ended 31st March 2018

36 Earnings per share (Contd.)

	Year ended 31st March 2018	Year ended 31st March 2017
Weighted average number of equity shares for the purpose of basic / diluted earnings per share	24,42,06,795	24,42,06,795

37 Related party transactions

List of related parties :

37A Subsidiary Companies

Dee Greaves Limited

Greaves Cotton Middle East FZC (up to 20th April 2017)

Greaves Leasing Finance Limited

37B Promoter and the promoter group companies, where company has transactions during the year

Mr Karan Thapar, Chairman

Bharat Starch Products Limited

DBH International Private Limited

Karun Carpets Private Limited

EICL Limited

Premium Transmission Private Limited

37C Key Management Personnel :

Mr Nagesh A Basavanhalli	Managing Director & CEO from 27th September 2016
Mr Sunil Pahilajani	Managing Director & CEO upto 15th September 2016
Ms Monica Chopra	Executive Director - Legal & Company Secretary upto 25th December 2016
Ms Neetu Kashiramka	Chief Financial Officer from 5th February 2018
Mr Narayan Barasia	Chief Financial Officer upto 5th February 2018

37D Transactions with related parties

The following transactions occurred with the related parties:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Sales and purchases of goods and services		
Sale of goods		
Promoter group company		
Premium Transmission Private Limited	-	0.01
Purchase of Goods		
Subsidiaries		
Greaves Cotton Middle East FZC	-	0.16

Notes to the Financial Statements

for the year ended 31st March 2018

37 Related party transactions (Contd.)

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Rendering of services/Reimbursement of expenses		
Subsidiaries		
Dee Greaves Limited	@	@
Greaves Leasing Finance Limited	0.01	0.01
Promoter group company		
Premium Transmission Private Limited	0.05	0.19
Rental Income		
Relative of key managerial person		
Mr Akshay Pahilajani	-	0.03
Reciept of services from subsidiaries		
Greaves Cotton Middle East FZC	-	1.02
Other transactions		
Commision and sitting fees paid		
Mr Karan Thapar	1.46	1.82
Lease rent expenses paid to subsidiaries		
Greaves Leasing Finance Limited	0.22	0.22
Lease rent expenses paid to Promoter group company		
Premium Transmission Private Limited	0.03	-
EICL Limited	0.14	-
Dividend paid		
DBH International Private Limited	54.16	49.23
Bharat Starch Products Limited	7.58	6.89
Karun Carpets Private Limited	6.77	6.15

@ Represents amount less than ₹ 1 lac

The following balances were outstanding as at end of the reporting period:

(₹ in Crore)

	Amounts owed by related parties as at		Amounts owed to related parties as at	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Subsidiary Companies	-	-	-	-
Promoter group companies	0.01	0.03	0.03	-

During the year, the company did not enter into any material transaction (as defined in the Company's Policy on Related Party Transaction) 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.

The amounts outstanding are unsecured and will be settled in cash. No amounts are written off / written back during the year (Previous Year Nil).

Notes to the Financial Statements
for the year ended 31st March 2018

37 Related party transactions (Contd.)

37E Compensation of key management personnel

The remuneration of directors and other members of the key management personnel during the year were as follows:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Short-term employee benefits	5.31	5.38
Post-employment benefits	0.20	0.21
Long-term employee benefits	-	0.44
	5.51	**6.03**

Notes :

1. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.
2. Short term employee benefits include incentive paid during the year.

38 Contingent liabilities

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
a) Sales Tax liability that may arise in respect of matters in appeal	6.70	9.16
b) Sales Tax Liability that may arise on account of uncollected 'C' Forms	1.29	1.70
c) Excise Duty liability that may arise in respect of matters in appeal	24.24	5.45
d) Claims made against the Company, not acknowledged as debts	48.91	55.09
e) Bonds executed in favour of Collector of Customs / Central Excise	3.21	12.05
f) Wage demand not acknowledged by the Company in respect of matter in appeal	2.60	1.49

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.

39 Commitments

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	58.41	14.94

40 Operating lease arrangements

40A Certain properties and vehicles are taken on non-cancellable operating lease by the company

(a) Payments recognised as an expense

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Minimum lease payments	2.51	2.26
	2.51	**2.26**

Notes to the Financial Statements

for the year ended 31st March 2018

40 Operating lease arrangements (Contd.)

(b) Non-cancellable operating lease commitments

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Not later than 1 year	-	0.58
Later than 1 year and not later than 5 years	-	-
Later than 5 year	-	-
	-	**0.58**

40B The lease agreements provide an option to the company to renew the lease at the end of non-cancellable period. There are no exceptional / restrictive covenants in the lease agreements.

41 Expenditure on Research and Development

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
(a) Revenue expenditure charged to Statement of Profit and Loss (Under Note Nos. 24, 27 & 30)	22.04	19.99
(b) Capital Expenditure	6.38	7.23
	28.42	**27.22**

42 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 up to ₹ 16.88 crore (previous year ₹ 6.57 crore) and ₹ 7.72 crore (previous year ₹ 6.88 crore) respectively.

43 (i) The income tax assets (Net) under non current assets represents the difference between the advance taxes paid for past years net of provisions.

(ii) The income tax liabilities (Net) under current liabilities represents the income tax liabilities for current and past years net of advance taxes paid.

44 Recent accounting pronouncements - Standards issued but not yet effective:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income Taxes', Appendix B to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and Ind AS 115 'Revenue from Contract with Customers'. The amendments are applicable to the company from 1st April 2018.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

This amendment clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The company does not expect this amendment to have any impact on its financial statements.

Ind AS 115- Revenue from Contract with Customers:

Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Notes to the Financial Statements

for the year ended 31st March 2018

44 Recent accounting pronouncements - Standards issued but not yet effective: (Contd.)

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April, 2018.

The company is evaluating the requirements of the amendment and its effect on the financial statements.

For and on behalf of the Board

Kewal Handa
Director

Neetu Kashiramka
Chief Financial Officer

Amit K. Vyas
Company Secretary &
Head Legal

Nagesh Basavanhalli
Managing Director & CEO

Mumbai
3rd May 2018

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

(₹ in Crore)

	Greaves Leasing Finance Limited	Dee Greaves Limited
Date of Acquisition	**Since inception**	**Since inception**
	Financial Year ended 31st March 2018	
A. Share Capital	0.25	0.13
B. Reserves/ Surplus in profit & loss	4.35	0.09
C. Total Assets	4.64	0.23
D. Total Liabilities	0.04	0.01
E. Investments (as per details attached)	3.12	0.21
F. Turnover (including other income)	0.46	0.01
G. Profit/ (Loss) before taxation	0.28	@
H. Provision for taxation	-	-
I. Profit/ (Loss) after taxation	0.28	@
J. Proposed Dividend	-	-
K. Extent of shareholding	100%	-

@ Represents amount less than ₹ 1 lac

Part "B" : Associates and Joint Ventrues

Not Applicable

For and on behalf of the Board

Kewal Handa
Director

Neetu Kashiramka
Chief Financial Officer

Amit K. Vyas
Company Secretary &
Head Legal

Nagesh Basavanhalli
Managing Director & CEO

Mumbai
3rd May 2018

GREAVES
SINCE 1859

Information on Subsidiary Companies

Details of investment of subsidiaries as at 31st March 2018

(₹ in Crore)

	As at 31st March 2018		As at 31st March 2017	
	Nos.	Amount	Nos.	Amount
Non-Current investment				
Greaves Leasing Finance Limited				
Investments in subsidiaries (Unquoted)				
Shares of Dee Greaves Limited of ₹ 10/- each	1,33,851	0.01	1,33,851	0.01
Sub Total		**0.01**		**0.01**
Investments in equity shares (Quoted)				
Fair value through profit or loss				
ABB India Limited	1	-	1	-
Ashok Leyland Limited	20	-	20	-
Bajaj Auto Limited	20	0.01	20	0.01
Bajaj Finance Services Limited	10	-	10	-
Bajaj Holdings and Investment Limited	10	-	10	-
Bharat Heavy Electricals Limited	7	-	5	-
Bosch Limited	1	-	1	-
Cummins India Limited	14	-	14	-
Elecon Engineering Limited	150	-	150	-
Force Motors Limited	10	-	10	-
Hindustan Unilever Limited	1	-	1	-
Honda Siel Power Products Limited	10	-	10	-
Ingersoll Rand (India) Limited	10	-	10	-
Kennametal Widia Limited	10	-	10	-
Kirloskar Industries Limited	5	-	5	-
Kirloskar Oil Engines Limited	75	-	75	-
Larsen & Toubro Limited	45	0.01	30	0.01
Mahindra & Mahindra Limited	132	0.01	66	0.01
Maruti Suzuki India Limited	1	-	1	-
Shanthi Gears Limited	200	0.01	200	0.01
Siemens Limited	1	-	1	-
Steel Authority of India Limited	1	-	1	-
Swaraj Engines Limited	30	0.01	30	0.01
Tata Motors Limited	25	-	25	-
UltraTech Cement Limited	4	-	4	-
Vesuvias Limited	10	-	10	-
VST Tillers Tractors Limited	15	-	15	-
Investments in equity shares (Unquoted)				
Alfa Laval India Limited	1	-	1	-
Birla Power Solutions Limited	120	-	120	-
Wellwind Industry Limited	100	-	100	-
Wartsila India Limited	10	-	10	-
Sub Total		**0.05**		**0.05**
Total		**0.06**		**0.06**

Information on Subsidiary Companies

Details of investment of subsidiaries as at 31st March 2018

(₹ in Crore)

	As at 31st March 2018		As at 31st March 2017	
	Nos.	Amount	Nos.	Amount
Current Investments				
Greaves Leasing Finance Limited				
Investments in Mutual Funds (Unquoted)				
Fair value through profit or loss				
Kotak Floater Short Term-Growth	-	-	828	0.22
Baroda Pioneer Treasury Advantage Fund-Plan A Growth	15,080	3.07	17,883	3.39
Sub Total		3.07		**3.61**
Dee Greaves Limited				
Investments in Mutual Funds (Unquoted)				
Fair value through profit or loss				
ICICI Prudential Money Market Fund - Regular Plan - Daily Dividend	20,577	0.21	20,683	0.21
Sub Total		**0.21**		**0.21**

Independent Auditor's Report

To The Members of Greaves Cotton Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Greaves Cotton Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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.

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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 4.87 crore as at 31st March 2018, total revenues of ₹ 0.47 crore and net cash inflows amounting to ₹ 0.16 crore for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above 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.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries incorporated in India, referred in the Other Matters paragraph above 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 Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st March 2018 taken on record by the Board of Directors of the Parent 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 2018 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 separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS 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 Parent and its subsidiary companies incorporated in India.

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

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

Place: Mumbai
Date: 3rd May 2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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 Ind AS financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of Greaves Cotton Limited (hereinafter referred to as "Parent") 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 Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (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 internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, 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 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 internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

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 and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent 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 2018, based on the criteria for internal financial control over financial reporting established by the respective companies 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 solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

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

Place: Mumbai
Date: 3rd May 2018

Consolidated Balance Sheet

as at 31st March 2018

(₹ in Crore)

	Note No.	As at 31st March 2018	As at 31st March 2017
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	4	243.66	250.52
(b) Capital work - in - progress	4	4.48	7.90
(c) Investment properties	5	3.66	3.86
(d) Intangible assets	6	30.47	37.76
(e) Intangible assets under development	6	23.14	6.79
(f) Financial assets			
(i) Investments			
(a) Other investments	7A	290.96	271.95
(ii) Other financial assets	8A	7.42	7.04
(g) Income tax assets (Net)	43	22.35	18.93
(h) Other non - current assets	9A	12.44	13.73
Total non-current assets		**638.58**	**618.48**
2 Current assets			
(a) Inventories	10	109.42	129.41
(b) Financial assets			
(i) Other investments	7B	214.72	138.95
(ii) Trade receivables	11	252.69	270.20
(iii) Cash and cash equivalents	12	30.15	10.22
(iv) Bank balances other than (iii) above	13	3.30	2.67
(v) Other financial assets	8B	72.90	40.68
(c) Other current assets	9B	15.45	30.28
Total current assets		**698.63**	**622.41**
3 Assets classified as held for sale	14	**8.98**	**8.98**
Total Assets		**1,346.19**	**1,249.87**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	48.84	48.84
(b) Other equity	16	916.11	876.45
Equity attributable to the owners of the Company		**964.95**	**925.29**
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	17A	1.20	-
(b) Provisions	18A	0.42	2.20
(c) Deferred tax liabilities (Net)	19A	20.16	17.28
(d) Other non - current liabilities	21A	5.75	-
Total non-current liabilities		**27.53**	**19.48**
2 Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- Total outstanding dues of Micro, Small and Medium Enterprises	20	34.54	30.58
- Total outstanding dues of creditor's other than Micro, Small and Medium Enterprises	20	238.42	189.27
(ii) Other financial liabilities	17B	31.34	32.25
(b) Provisions	18B	23.28	18.85
(c) Income tax liabilities (Net)	43	5.16	4.35
(d) Other current liabilities	21B	20.97	29.80
Total current liabilities		**353.71**	**305.10**
Total Equity and Liabilities		**1,346.19**	**1,249.87**
Notes forming part of the financial statements	1-44		

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

For and on behalf of the Board
Kewal Handa
Director

Rupen K. Bhatt
Partner

Neetu Kashiramka
Chief Financial Officer

Amit K. Vyas
Company Secretary &
Head Legal

Nagesh Basavanhalli
Managing Director & CEO

Mumbai
3rd May 2018

Consolidated Statement of Profit and Loss

for the year ended 31st March 2018

(₹ in Crore)

		Note No.	Year ended 31st March 2018	Year ended 31st March 2017
I	**Revenue from operations**	22	1,839.70	1,819.27
II	**Other income**	23	45.61	50.49
III	**Total income (I + II)**		**1,885.31**	**1,869.76**
IV	**Expenses**			
	Cost of materials consumed	24	1,120.90	988.60
	Purchases of stock-in-trade	25	65.97	77.25
	Changes in inventories of finished goods, stock-in-trade and work-in progress	26	22.99	(5.80)
	Excise duty on sale of goods		47.60	184.83
	Employee benefits expense	27	167.29	160.08
	Finance costs	28	0.81	0.81
	Depreciation and amortisation expense	29	52.44	46.89
	Other expenses	30	159.61	170.92
	Total expenses		**1,637.61**	**1,623.58**
V	**Profit before exceptional items and tax**		**247.70**	**246.18**
VI	**Add: Exceptional items**	31	**47.46**	**5.98**
VII	**Profit before tax**		**295.16**	**252.16**
VIII	**Tax expense**	32		
	Current tax		90.09	69.77
	Deferred tax charge / (credit)		2.88	(1.75)
	Total tax expenses		**92.97**	**68.02**
IX	**Profit from continuing operations after tax (VII - VIII)**		**202.19**	**184.14**
X	**Loss from discontinued operations**	35	-	(3.50)
XI	**Tax on discontinued operations**		-	0.02
XII	**Loss from discontinued operations after tax (X-XI)**		**-**	**(3.48)**
XIII	**Profit for the year (IX + XII)**		**202.19**	**180.66**
XIV	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans : (Loss) / Gains		(2.35)	1.01
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.81	(0.35)
	Other comprehensive income for the year		**(1.54)**	**0.66**
XV	**Total Comprehensive Income for the year (XIII + XIV)**		**200.65**	**181.32**
XVI	**Earnings per equity share of ₹ 2 each (for continuing operations):**			
	Basic / Diluted	36	8.28	7.54
XVII	**Earnings per equity share of ₹ 2 each (for discontinued operations):**			
	Basic / Diluted	36	-	(0.14)
XVIII	**Earnings per equity share of ₹ 2 each (for discontinued & continuing operations):**			
	Basic / Diluted	36	8.28	7.40
	Notes forming part of the financial statements	1-44		

As per our report of even date attached

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

Rupen K. Bhatt
Partner

For and on behalf of the Board

Kewal Handa
Director

Neetu Kashiramka
Chief Financial Officer

Amit K. Vyas
Company Secretary & Head Legal

Nagesh Basavanhalli
Managing Director & CEO

Mumbai
3rd May 2018

Consolidated Statement of changes in equity

for the year ended 31st March 2018

		(₹ in Crore)
A	**Equity share capital**	
	Balance as at 31st March 2017	48.84
	Balance as at 31st March 2018	**48.84**

(₹ in Crore)

		Reserves and Surplus							
		Capital Reserve	Capital Reserve on Consolidation	Securities Premium Reserve	General Reserves	Statutory reserve	Foreign currency translation reserve	Retained Earnings	Total
B	**Other equity**								
	Balance as at 1st April 2016	**1.34**	**0.14**	**34.59**	**345.17**	**5.49**	**(0.61)**	**456.21**	**842.33**
	Profit for the year	-	-	-	-	-	-	180.66	180.66
	Other comprehensive income	-	-	-	-	-	-	0.66	0.66
	Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**181.32**	**181.32**
	Dividends (including tax on dividends)	-	-	-	-	-	-	(147.15)	(147.15)
	(Addition) during the year	-	-	-	-	-	(0.05)	-	(0.05)
	Balance as at 31st March 2017	1.34	0.14	34.59	345.17	5.49	(0.66)	490.38	876.45
	Balance as at 1st April 2017	**1.34**	**0.14**	**34.59**	**345.17**	**5.49**	**(0.66)**	**490.38**	**876.45**
	Profit for the year	-		-	-			202.19	202.19
	Other comprehensive income	-		-	-			(1.54)	(1.54)
	Total Comprehensive Income for the year	**-**		**-**	**-**			**200.65**	**200.65**
	Dividends (including tax on dividends)	-		-	-			(161.65)	(161.65)
	Deduction during the year	-		-	-		0.66	-	0.66
	Balance as at 31st March 2018	**1.34**	**0.14**	**34.59**	**345.17**	**5.49**	**-**	**529.38**	**916.11**
	Notes forming part of the financial statements	1-44							

As per our report of even date attached

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

Rupen K. Bhatt
Partner

Mumbai
3rd May 2018

For and on behalf of the Board

Kewal Handa
Director

Neetu Kashiramka
Chief Financial Officer

Amit K. Vyas
Company Secretary & Head Legal

Nagesh Basavanhalli
Managing Director & CEO

GREAVES
SINCE 1859

Consolidated Statement of Cash Flows

for the year ended 31st March 2018

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Cash flows from operating activities		
Profit for the year (after tax)	**202.19**	**180.66**
Adjustments for:		
Income tax expense recognised in profit and loss (continuing and discontinued operations)	92.97	68.00
Finance costs	0.81	0.81
Foreign currency translation difference	0.66	(0.05)
Interest income	(2.56)	(6.01)
Dividend income	(0.01)	(0.41)
Profit on sale of assets (Net)	(0.78)	(0.43)
Profit on sale of assets (exceptional item)	(47.72)	(16.35)
Fair value gain on Investments measured at FVTPL	(27.56)	(25.79)
Profit on sale of investments (Net)	(3.40)	(5.65)
Loss on divestment of subsidiary	0.71	-
Depreciation and amortisation expenses	52.44	46.89
Fair value of security deposit	-	0.26
Impairment of property, plant and equipment - Discontinued business	-	3.44
Net foreign exchange (gain)/loss	(0.32)	0.40
Operating profit before working capital changes	**267.43**	**245.77**
Adjustment for movements in working capital:		
Trade receivables	18.03	(69.91)
Inventories	19.99	(21.28)
Other assets	12.33	(6.74)
Trade payables	53.12	22.38
Provisions	2.65	3.25
Other liabilities	(2.03)	14.65
Cash generated from operations	**371.52**	**188.12**
Less: Income taxes paid	(91.90)	(73.69)
Net cash generated from operating activities (A)	**279.62**	**114.43**
Cash flows from investing activities		
(Purchase) / (reinvestment) of financial assets	(1,291.83)	(1,292.28)
Proceeds on sale of financial assets	1,228.01	1,271.09
Inter corporate deposits placed	(65.00)	(41.55)
Inter corporate deposit matured	31.55	95.85
Bank deposits placed	-	(10.86)
Bank deposits matured	-	21.72
Interest received	2.36	7.54
Dividend from current investments	0.01	0.41
Loss on divestment of subsidiary	(0.71)	-
Payments for purchase of property, plant and equipment and capital work-in-progress	(24.69)	(27.13)
Payments for purchase of intangible assets	(25.78)	(16.25)
Proceeds from disposal of property, plant and equipment	48.85	27.34
Net cash (used in)/generated from investing activities (B)	**(97.23)**	**35.88**

Consolidated Statement of Cash Flows

for the year ended 31st March 2018

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Cash flows from financing activities		
Dividends paid (including tax)	(161.65)	(147.11)
Interest paid	(0.81)	(0.81)
Net cash used in financing activities (C)	**(162.46)**	**(147.92)**
Net increase in cash and cash equivalents (A+B+C)	**19.93**	**2.39**
Cash and cash equivalents at the beginning of the year	10.22	7.83
Cash and cash equivalents at the end of the year	**30.15**	**10.22**
Notes forming part of the financial statements	1-44	

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

Rupen K. Bhatt
Partner

Mumbai
3rd May 2018

For and on behalf of the Board

Kewal Handa
Director

Neetu Kashiramka
Chief Financial Officer

Amit K. Vyas
Company Secretary &
Head Legal

Nagesh Basavanhalli
Managing Director & CEO

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

1. General Information:

Greaves Cotton Limited (the 'Company') is engaged in manufacturing of engines, engine applications and trading of power tillers, spares related to engines and infrastructure 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 one indirect subsidiary.

The company is public limited company incorporated and domiciled in India. The address of its corporate office is 3rd Floor, Motilal Oswal Tower, Junction of Gokhale Road & Sayani Road, Prabhadevi, Mumbai – 400 025.

The Financial statements for the year ended 31st March 2018 were approved by the Board of Directors and authorised for issue on 3rd May 2018.

2. Summary of Significant Accounting Policies

2.1. Statement of compliance:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

2.2. Basis of preparation and presentation:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, incomes and expenses of a subsidiary acquired or disposed of during the year are

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

included in the consolidated statement of statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3.1. Changes in the Group's ownership interests in existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount if the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets and liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.4. Non-current assets held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.5. Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable.

Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Ind-AS 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue.

2.5.1. Sale of goods:

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Consolidated Notes to the Financial Statements
for the year ended 31st March 2018

2.5.2. Rendering of services:

Revenue in respect of service is recognised in the accounting year in which when services are performed in accordance with the terms of contract with customers.

2.5.3. Dividend and interest income:

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.6. Foreign currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency. Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rate of exchange prevailing at the dates of transactions. At the end of each reporting period monetary item denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in the statement of profit and loss in the year in which they arise except for exchange differences arising on marking forward contracts to market rates are recognised in the statement of profit and loss in the year in which they arise and the premium paid/ received is accounted as expenses/ income over the period of contract.

2.7. Borrowing cost

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 year in which they are incurred.

2.8. Employee benefits:

2.8.1. Defined Contribution Plans:

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.

Contribution to Superannuation Fund and National Pension Scheme, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund managed by Life Insurance Corporation and various asset management companies under National Pension Scheme and is charged to the statement of profit and loss. There are no other obligations other than the contribution payable to the Superannuation Fund & National Pension Scheme.

2.8.2. Defined Benefit Plans:

For defined benefit retirement plans (i.e. gratuity and ex-gratia) the cost of providing benefits is determined using the projected unit credit method, with independent actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

2.8.3. 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.

2.9. Taxation:

2.9.1. Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

2.9.2. Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

2.9.3. Current and deferred tax for the year:

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

2.10. Property, plant and equipment:

Cost includes inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use. Own manufactured assets are capitalised at factory cost. Certain project related direct expenses, incurred at site for the period upto the date of commencement of commercial production are capitalised.

Depreciation on fixed assets is provided under the straight line method over the useful life of the assets. Extra shift depreciation is provided based on number of shifts for which the plant has worked. Leasehold land is amortised over the primary period of the lease. Leasehold building improvements are written off over the period of lease or their estimated useful life, whichever is lower, on a straight line basis. Residual value of the assets is estimated at 5% of cost. The useful lives of the assets of the Company are as follows:

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

Asset	Useful lives
Leasehold land	Over lease period
Leasehold improvements	Over lease period
Buildings	30 years
Plant & equipment	15 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8 years

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books and the resultant profit or loss (including capital profit), if any, is reflected in the statement of profit and loss.

The estimated useful life and residual value is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.11. Investment Property:

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the year in which the property is de-recognised.

Investment property owned by the Company is depreciated under the straight line method over its estimated useful life of 30 years.

2.12. Intangible assets:

2.12.1. Intangible assets acquired separately:

Own developed intangible assets are capitalised at actual cost. Cost includes all expenses incurred for development of the intangible asset, up to the point the asset is ready for its intended use.

Intangible assets with finite useful lives that are acquired separately or own developed are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and residual value is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.12.2. Derecognition of intangible asset:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

2.12.3. Useful life of intangible assets:

Estimated useful lives of the intangible assets are as follows:

(i) Technical know-how is amortised over a period of 5 years.

(ii) Product development is amortised over a period of 3 to 5 years.

(iii) Computer software is amortised over a period of 4 years.

Consolidated Notes to the Financial Statements
for the year ended 31st March 2018

2.13. Impairment of tangible and intangible assets other than goodwill:

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.14. 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, whichever is lower.

(c) Finished goods at lower of weighted average cost including conversion cost or net realisable value, whichever is lower.

2.15. Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.16. Warranties:

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's obligation.

2.17. Financial instrument:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

2.18. Financial asset:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.18.1. Financial assets at fair value through profit and loss (FVTPL):

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income / Other Expenses' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2.18.2. Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual rights to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures their allowances at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivable, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.18.3. Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.18.4. Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, exchange differences are recognised in the statement of profit and loss, except for those which are designated as hedging instruments in a hedging relationship.

2.19. Financial liabilities:

Financial liabilities are subsequently measured at amortised cost or at FVTPL.

2.19.1. Financial liabilities at FVTPL:

Financial liabilities such as derivative that is not designated and effective as a hedging instrument are classified as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of profit and loss is included in the 'other income / expense' line item.

Consolidated Notes to the Financial Statements
for the year ended 31st March 2018

2.19.2. Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost.

2.19.3. Foreign exchange gains and losses:

For financial liabilities that are dominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains or losses are determined based on the amortised cost of the instruments and are recognised in 'Other income/ Other Expenses'.

The fair value of financial liabilities dominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

2.19.4. Derecognition of financial liabilities:

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.20. Derivative financial instruments:

The Company enters into foreign exchange forward contracts to manage its exposure of foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately.

2.21. Contingent liabilities and contingent assets:

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.

Contingent liabilities and contingent assets are reviewed at each balance sheet date and updated / recognised as appropriate.

3. Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Company's accounting policies, which are described in note 2, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

In the following areas the management of the Company has made critical judgements and estimates:

a. Employee Benefits:

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

b. Useful lives of property, plant and equipment & intangible assets:

The Company reviews the useful life of property, plant and equipment & intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

c. Provision for warranty:

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.

d. Provisions and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past event 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 retirement benefits and compensated absences) are not discounted to its 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 liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Consolidated Notes to the Financial Statements
for the year ended 31st March 2018

4 Property, Plant and Equipment

(₹ in Crore)

	Land		Buildings		Plant & equipment	Office equipment	Furniture & fixtures	Vehicles	Leasehold Improvements	Total
	Freehold	Leasehold	Freehold	Leasehold						
Carrying amount										
Balance as at 31st March 2017	3.44	19.64	66.31	0.01	150.14	1.42	6.70	0.41	2.45	250.52
Balance as at 31st March 2018	**3.44**	**19.39**	**66.11**	**0.01**	**144.53**	**1.51**	**6.03**	**0.97**	**1.67**	**243.66**
Cost or deemed cost										
Balance as at 1st April 2016	3.44	19.15	72.69	0.01	206.81	2.61	8.38	1.06	2.71	316.86
Transferred to investment property	-	-	(0.01)	-	-	-	-	-	-	(0.01)
Additions	-	0.92	4.40	-	13.32	0.37	0.74	0.05	1.02	20.82
Disposals	-	-	(2.66)	-	(0.87)	(0.01)	(0.23)	(0.18)	-	(3.95)
Balance as at 31st March 2017	**3.44**	**20.07**	**74.42**	**0.01**	**219.26**	**2.97**	**8.89**	**0.93**	**3.73**	**333.72**
Additions	-	-	2.87	-	24.39	0.80	0.26	0.70	-	29.02
Disposals	-	-	(0.33)	-	(12.55)	(0.13)	(1.35)	(0.16)	-	(14.52)
Balance as at 31st March 2018	**3.44**	**20.07**	**76.96**	**0.01**	**231.10**	**3.64**	**7.80**	**1.47**	**3.73**	**348.22**
Depreciation										
Balance as at 1st April 2016	**-**	**(0.21)**	**(5.04)**	**-**	**(37.39)**	**(0.82)**	**(1.28)**	**(0.25)**	**(0.58)**	**(45.57)**
Depreciation expense	-	(0.22)	(3.13)	-	(32.56)	(0.73)	(0.91)	(0.25)	(0.70)	(38.50)
Disposals	-	-	0.06	-	0.83	-	-	(0.02)	-	0.87
Balance as at 31st March 2017	**-**	**(0.43)**	**(8.11)**	**-**	**(69.12)**	**(1.55)**	**(2.19)**	**(0.52)**	**(1.28)**	**(83.20)**
Depreciation expense	-	(0.25)	(3.04)	-	(29.84)	(0.70)	(0.78)	(0.13)	(0.78)	(35.52)
Disposals	-	-	0.30	-	12.39	0.12	1.20	0.15	-	14.16
Balance as at 31st March 2018	**-**	**(0.68)**	**(10.85)**	**-**	**(86.57)**	**(2.13)**	**(1.77)**	**(0.50)**	**(2.06)**	**(104.56)**
Carrying amount										
Balance as at 1st April 2016	**3.44**	**18.94**	**67.65**	**0.01**	**169.42**	**1.79**	**7.10**	**0.81**	**2.13**	**271.29**
Transferred to investment property	-	-	(0.01)	-	-	-	-	-	-	(0.01)
Additions	-	0.92	4.40	-	13.32	0.37	0.74	0.05	1.02	20.82
Disposals	-	-	(2.60)	-	(0.04)	(0.01)	(0.23)	(0.20)	-	(3.08)
Depreciation expense	-	(0.22)	(3.13)	-	(32.56)	(0.73)	(0.91)	(0.25)	(0.70)	(38.50)
Balance as at 31st March 2017	**3.44**	**19.64**	**66.31**	**0.01**	**150.14**	**1.42**	**6.70**	**0.41**	**2.45**	**250.52**
Additions	-	-	2.87	-	24.39	0.80	0.26	0.70	-	29.02
Disposals	-	-	(0.03)	-	(0.16)	(0.01)	(0.15)	(0.01)	-	(0.36)
Depreciation expense	-	(0.25)	(3.04)	-	(29.84)	(0.70)	(0.78)	(0.13)	(0.78)	(35.52)
Balance as at 31st March 2018	**3.44**	**19.39**	**66.11**	**0.01**	**144.53**	**1.51**	**6.03**	**0.97**	**1.67**	**243.66**
Capital work-in-progress										
Balance as at 31st March 2017										7.90
Balance as at 31st March 2018										**4.48**

Carrying amount of Freehold Building includes ₹ 0.10 crore (previous year ₹ 0.13 crore) towards cost of ownership flats in Co-operative Housing Societies / Condominium.

Consolidated Notes to the Financial Statements
for the year ended 31st March 2018

5 Investment properties

	(₹ in Crore)
Carrying amount	
Balance as at 31st March 2017	3.86
Balance as at 31st March 2018	**3.66**
Cost or deemed cost	
Balance as at 1st April 2016	**4.35**
Transferred from Property, Plant and Equipment	0.01
Balance as at 31st March 2017	**4.36**
Disposals	(0.07)
Balance as at 31st March 2018	**4.29**
Depreciation	
Balance as at 1st April 2016	**(0.27)**
Transferred from Property, Plant and Equipment@	-
Depreciation expense	(0.23)
Balance as at 31st March 2017	**(0.50)**
Disposals	0.07
Depreciation expense	(0.20)
Balance as at 31st March 2018	**(0.63)**
Carrying amount	
Balance as at 1st April 2016	4.08
Transferred from Property, Plant and Equipment	0.01
Depreciation expense	(0.23)
Balance as at 31st March 2017	**3.86**
Depreciation expense	(0.20)
Disposals@	-
Balance as at 31st March 2018	**3.66**

@ Represents amount less than ₹ 1 lac

Rental income from investment property for the year ended 31st March 2017	0.59
Rental income from investment property for the year ended 31st March 2018	0.45
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income for the year ended 31st March 2017	0.18
Direct operating expenses including repairs and maintenance arising from investment property that generated rental income for the year ended 31st March 2018	0.16

Fair value of investment property

The company has obtained valuation of its investment properties from an independent valuer. The fair values were ₹ 16.41 crore (previous year - ₹ 29.20 crore) (Level 2).

Consolidated Notes to the Financial Statements
for the year ended 31st March 2018

6 Intangible assets

(₹ in Crore)

	Technical Knowhow	Product Development	Computer Software	Total
Carrying Amount				
Balance as at 31st March 2017	5.95	26.59	5.22	37.76
Balance as at 31st March 2018	**5.17**	**21.38**	**3.92**	**30.47**
Cost or Deemed Cost				
Balance as at 1st April 2016	**11.48**	**-**	**5.85**	**17.33**
Additions	0.68	28.85	4.40	33.93
Balance as at 31st March 2017	**12.16**	**28.85**	**10.25**	**51.26**
Additions	2.79	5.50	1.14	9.43
Balance as at 31st March 2018	**14.95**	**34.35**	**11.39**	**60.69**
Amortisation				
Balance as at 1st April 2016	**(3.03)**	**-**	**(2.31)**	**(5.34)**
Amortisation expense	(3.18)	(2.26)	(2.72)	(8.16)
Balance as at 31st March 2017	**(6.21)**	**(2.26)**	**(5.03)**	**(13.50)**
Amortisation expense	(3.57)	(10.71)	(2.44)	(16.72)
Balance as at 31st March 2018	**(9.78)**	**(12.97)**	**(7.47)**	**(30.22)**
Carrying Amount				
Balance as at 1st April 2016	**8.45**	**-**	**3.54**	**11.99**
Additions	0.68	28.85	4.40	33.93
Amortisation expense	(3.18)	(2.26)	(2.72)	(8.16)
Balance as at 31st March 2017	**5.95**	**26.59**	**5.22**	**37.76**
Additions	2.79	5.50	1.14	9.43
Amortisation expense	(3.57)	(10.71)	(2.44)	(16.72)
Balance as at 31st March 2018	**5.17**	**21.38**	**3.92**	**30.47**
Intangible assets under development				
Balance as at 31st March 2017				6.79
Balance as at 31st March 2018				**23.14**

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

7 Investments

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Non- current (Unquoted)		
7A Other Investments (at fair value)		
Investment in Mutual Funds (Unquoted)	290.90	271.89
Investment in equity shares (Quoted)	0.06	0.06
Investment in equity shares (Unquoted)	@	@
Other Investments (at fair value)	**290.96**	**271.95**
Aggregate carrying value of other investments (Net of provision) - Non current	**290.96**	**271.95**

@ Represents amount less than ₹1 Lac

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Current (Unquoted)		
7B Other Investments		
Investments in Mutual Funds (at fair value)	214.72	138.95
Aggregate carrying value of unquoted investments - Current	**214.72**	**138.95**
Aggregate amount of unquoted investment	**449.90**	**382.58**

Note:

1. The fair value of other investments (Non-current and Current) as at 31st March 2018 and 31st March 2017 have been arrived at on the basis of Net Asset Value (NAV) declared by the Mutual Funds (Level 1).
2. Also refer Note 33B.

8 Other Financial Assets

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
8A Non-current		
Security deposits	5.32	5.38
Margin money deposits	1.75	1.66
Other assets	0.35	-
Non-current total	**7.42**	**7.04**
8B Current		
Export benefit receivables	3.74	2.74
Security deposits	8.36	7.82
Derivative financial instruments	0.03	0.40
Fixed deposit with financial institutions	55.00	21.55
Interest receivable	1.62	1.42
Other assets	4.15	6.75
Current total	**72.90**	**40.68**
Total	**80.32**	**47.72**

For the financial assets that are measured at amortised cost, the fair values are not materially different from their carrying amounts, since they are either of short term nature or interest receivable is close to current market rates. Refer Note 33B.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

9 Other Assets

(₹ in Crore)

		As at 31st March 2018	As at 31st March 2017
9A	**Non-current**		
	Capital advances	2.50	4.61
	Prepaid expenses	0.06	0.06
	Deposits with Customs, Port Trust, Central Excise etc.	2.00	1.23
	Balances with Customs, Port Trust, Central Excise etc.	7.88	7.83
	Advances to suppliers	-	3.00
	Less: Allowance for bad and doubtful advances	-	(3.00)
	Non-current total	**12.44**	**13.73**
9B	**Current**		
	Advances to suppliers	8.47	13.24
	Prepaid expenses	2.01	0.72
	Balances with Customs, Port Trust, Central Excise, GST etc.	4.97	13.11
	Other advances	-	3.21
	Current total	**15.45**	**30.28**
	Total	**27.89**	**44.01**

10 Inventories

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Inventories (lower of cost and net realisable value)		
Raw Materials	53.75	50.93
Work-in-progress	5.46	5.54
Finished goods	29.14	51.97
Stock-in-trade	13.80	13.88
Stores and spares	3.98	3.65
Loose tools	3.29	3.44
Total	**109.42**	**129.41**

1. The inventories recognised as an expense include ₹ NIL (previous year ₹ 1.38 crore) in respect of write-downs of inventory to net realisable value.

(₹ in Crore)

2.

	As at 31st March 2018	As at 31st March 2017
Raw Materials include in transit	5.41	4.62
Stock-in-trade include in transit	0.49	0.83

3. The mode of valuation of inventories has been stated in Note 2.14.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

11 Trade receivables

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Secured, considered good *	173.59	190.15
Unsecured, considered good	79.10	80.05
Doubtful	23.99	23.75
Allowance for doubtful debts (expected credit loss allowance)	(23.99)	(23.75)
	252.69	**270.20**

Also refer Note 33

* Secured trade receivables are against letters of credit, bank guarantees and security deposits.

Provision Matrix

The company has robust policy of provisioning. The Overdue debtors above 1 year is critically reviewed and necessary provisions between 50% to 100% is done.

12 Cash and cash equivalents

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Cash on hand	0.01	0.02
Cheques, drafts on hand	8.51	4.82
Balances with banks		
In current accounts	21.63	5.38
	30.15	**10.22**

13 Bank balances other than Cash and cash equivalents

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Term deposits with maturity exceeding 3 months and less than 12 months	-	@
Unpaid dividend accounts	3.30	2.67
	3.30	**2.67**

@ Represents amount less than ₹ 1 lac

14 Assets classified as held for sale

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Leasehold land and building thereon	12.59	12.59
Plant and equipment	2.25	2.25
Furniture and fixtures	0.03	0.03
Office equipments	0.14	0.14
Intangible assets	0.01	0.01
	15.02	15.02
Less: Impairment	(6.04)	(6.04)
	8.98	**8.98**

On 18th September 2014, the company discontinued manufacturing operations of Construction Equipment due to non-viability and the related assets of these operations will be eventually disposed off, accordingly these have been classified as assets held for sale.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

14 Assets classified as held for sale (Contd.)

During the year, the company carried out review of recoverable amount of leasehold land and freehold building. Review led to recognition of impairment loss of ₹ NIL (previous year ₹ 3.44 crore) which has been recognised in the Statement of profit and loss in Note 35. The recoverable value was estimated based on the fair value less cost of disposal of the asset.

15 Equity Share capital

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Authorised		
25,00,00,000 Equity Shares of ₹ 2 each	50.00	50.00
25,00,000 Redeemable Preference Shares of ₹ 100 each	25.00	25.00
Issued, subscribed and fully paid up		
24,42,06,795 Equity Shares of ₹ 2 each	48.84	48.84
	48.84	**48.84**

	No. of shares	₹ in Crore
15A Fully paid equity shares		
As at 31 March 2017	24,42,06,795	48.84
As at 31 March 2018	**24,42,06,795**	**48.84**

	As at 31st March 2018		As at 31st March 2017	
	Number of shares held in the Company	Percentage of shares held	Number of shares held in the Company	Percentage of shares held
15B Shares in the Company held by each shareholder holding more than 5% shares				
Fully paid equity shares				
DBH International Private Limited	9,84,69,662	40.32%	9,84,69,662	40.32%
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%	1,23,08,199	5.04%

15C Terms / Rights attached to equity shares

(i) The Company has only one class of equity shares having 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.

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
15D Dividends		
Interim dividend was declared by the Board of Directors in the meeting held on 5th February 2018, ₹ 4.00 per share.	97.68	-
Interim dividend was declared by the Board of Directors in the meeting held on 14th February 2017, ₹ 4.00 per share.	-	97.68
Final dividend for the year ended 31st March 2017, ₹ 1.50 per share (Proposed by Board of Directors in the meeting held on 4th May 2017 and was approved by Shareholders in the meeting held on 3rd August 2017)	36.63	-
Final dividend for the year ended 31st March 2016, ₹ 1.00 per share (Proposed by Board of Directors in the meeting held on 6th May 2016 and was approved by Shareholders in the meeting held on 26th September 2016)	-	24.43
Dividend distribution tax on above	27.34	25.04

Consolidated Notes to the Financial Statements
for the year ended 31st March 2018

15 Equity Share capital (Contd.)

15E On 3rd May 2018, the Board of Directors has proposed final dividend at the rate of ₹ 1.50 per share of face value of ₹ 2.00 (cash outgo ₹ 44.16 crores including Dividend Distribution Tax). This proposed dividend is subject to approval of the shareholder in the ensuing annual general meeting.

16 Other equity

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Reserves and surplus		
Capital reserve	1.34	1.34
Capital reserve on consolidation	0.14	0.14
Securities premium reserve	34.59	34.59
General reserve	345.17	345.17
Statutory reserve	5.49	5.49
Foreign currency translation reserve	-	(0.66)
Retained Earnings	529.38	490.38
	916.11	876.45

(i) Capital reserve

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	1.34	1.34
Closing balance	**1.34**	**1.34**

This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(ii) Capital reserve on consolidation

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	0.14	0.14
Closing balance	**0.14**	**0.14**

The capital reserve is generated on consolidation due to the difference between the assets received being higher than the consideration paid.

(iii) Securities premium reserve

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	34.59	34.59
Closing balance	**34.59**	**34.59**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.

Consolidated Notes to the Financial Statements
for the year ended 31st March 2018

16 Other equity (Contd.)

(iv) General reserve

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	345.17	345.17
Closing balance	**345.17**	**345.17**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of profit and loss.

(v) Statutory reserve

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	5.49	5.49
Closing balance	**5.49**	**5.49**

The reserve is created as per the requirements under Section 45-IC of Reserve Bank of India Act, 1934.

(vi) Foreign currency translation reserve

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	(0.66)	(0.61)
Deduction /(Addition) during the year	0.66	(0.05)
Closing balance	**-**	**(0.66)**

Exchange differences relating to the translation of results and net assets of Group's foreign operations from its functional currency to the Group's presentation currency. (i.e. ₹)

(vii) Retained Earnings

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	490.38	456.17
Add: Profit attributable to the owners of the Company	202.19	180.66
Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(1.54)	0.66
Less: Dividend paid on equity shares	134.31	122.07
Less: Dividend distribution tax paid	27.34	25.04
Less: Transfer to general reserve	-	-
Closing balance	**529.38**	**490.38**

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

17 Other financial liabilities

(₹ in Crore)

		As at 31st March 2018	As at 31st March 2017
17A	**Non-current**		
	Employee benefits payable	1.20	-
	Non-Current Total	**1.20**	**-**
17B	**Current**		
	Employee benefits payable	9.95	7.52
	Others - provision for bonus, commission etc.	7.07	7.70
	Unpaid dividends*	3.30	2.67
	Deposits from dealers	6.53	7.68
	Capital creditors	3.86	5.07
	Provision for interest on MSMED	0.54	1.34
	Derivative financial instruments	0.09	0.27
	Current total	**31.34**	**32.25**
	Total	**32.54**	**32.25**

*There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.

Current financial liabilities are measured at amortised cost as the fair values are not different from their carrying amounts. Refer Note 33B.

18 Provisions

(₹ in Crore)

		As at 31st March 2018	As at 31st March 2017
18A	**Non-current**		
	Provision for employee benefits		
	Ex-gratia	0.42	2.20
	Non-current total	**0.42**	**2.20**
18B	**Current**		
	Provision for employee benefits		
	Compensated absences	8.97	9.65
	Gratuity	3.38	-
	Ex-gratia	0.20	0.24
	Provisions for warranty	9.50	8.96
	Other provisions	1.23	-
	Current total	**23.28**	**18.85**
	Total	**23.70**	**21.05**

Movement in provision for warranties

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Opening balance	8.96	8.19
Provision recognised during the year	10.42	8.59
Amount utilised during the year	(9.88)	(7.82)
Closing balance	**9.50**	**8.96**

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

18 Provisions (Contd.)

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 based on the historical data available. The timing of the outflows is expected to be within a period of eighteen months.

19 Deferred tax

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
19A Analysis of deferred tax liabilities presented in the balance sheet:		
Deferred tax assets	16.43	18.44
Deferred tax liabilities	(36.59)	(35.72)
Deferred tax liabilities (net)	**(20.16)**	**(17.28)**

(₹ in Crore)

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
19B Movement in deferred taxes during the year ended 31st March 2018				
Deferred tax asset/(liability) in relation to:				
Depreciation	(32.16)	3.30	-	(28.86)
Provision for post retirement benefits and other employee benefits	4.49	(1.14)	-	3.35
Allowance for doubtful debts and advances	9.26	(0.88)	-	8.38
Fair value of financial instruments	(3.56)	(4.17)	-	(7.73)
Other temporary differences	4.69	0.01	-	4.70
	(17.28)	**(2.88)**	**-**	**(20.16)**

(₹ in Crore)

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
19C Movement in deferred taxes during the year ended 31st March 2017				
Deferred tax asset/(liability) in relation to:				
Depreciation	(36.67)	4.51	-	(32.16)
Provision for post retirement benefits and other employee benefits	3.54	0.95	-	4.49
Allowance for doubtful debts and advances	8.87	0.39	-	9.26
Fair value of financial instruments	(0.34)	(3.22)	-	(3.56)
Other temporary differences	5.57	(0.88)	-	4.69
	(19.03)	**1.75**	**-**	**(17.28)**

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
19D Unrecognised deductible timing differences, unused tax losses and unused tax credits		
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
- tax losses (capital in nature)	34.29	34.48
	34.29	**34.48**

Consolidated Notes to the Financial Statements
for the year ended 31st March 2018

20 Trade Payables

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Trade payables		
Due to Micro, Small and Medium Enterprises*	34.54	30.58
Other than Micro, Small and Medium Enterprises	238.42	189.27
	272.96	**219.85**

Also refer Note 33

* 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.

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Principal amount and interest due:		
Principal amount	34.54	30.58
Interest due	@	0.56
Interest paid by buyer in terms of Section 16 of MSMED Act	-	-
Amount paid beyond the appointed day	18.83	37.82
Interest due and payable to supplier, for payment already made under MSMED Act	0.33	0.48
Amount of Interest accrued and remaining unpaid at the end of accounting year	0.54	1.34
Amount of further interest remaining due and payable even in succeeding years	-	-

@ Represents amount less than ₹ 1 lac

21 Other liabilities

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
21A Non-current		
Other payables	5.75	-
Non-Current Total	**5.75**	**-**
21B Current		
Advances from customers	6.78	17.00
Statutory dues	14.04	6.82
Provision for excise duty	-	5.98
Other payables	0.15	-
Current total	**20.97**	**29.80**
Total	**26.72**	**29.80**

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

22 Revenue from Operations

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Sale of Products		
(i) Finished goods	1,731.76	1,697.33
(ii) Stock-in trade	95.68	115.90
(iii) Service income	9.46	2.73
Other operating revenue		
(i) Royalty	-	0.32
(ii) Export incentive	2.44	2.78
(iii) Others	0.36	0.21
Total	**1,839.70**	**1,819.27**

Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Ind-AS 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures of the period upto 30th June 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding.

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Revenue from Operations (A)	1,839.70	1,819.27
Excise duty on sale (B)	47.60	184.83
Revenue from Operations excluding excise duty on sale (A-B)	**1,792.10**	**1,634.44**

23 Other Income

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Interest income earned on financial assets not designated as at FVTPL		
Deposits	2.41	5.65
Other financial assets	0.15	0.36
Dividend income		
From other investments	0.01	0.41
Fair value gain		
Investments measured at FVTPL	27.56	25.79
Profit on sale of investments (Net)	3.40	5.65
Profit on sale of assets (Net)	0.78	0.43
Exchange fluctuation - gain (Net)	1.09	-
Scrap sales	2.51	1.92
Miscellaneous income	7.70	10.28
	45.61	**50.49**

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

24 Cost of materials consumed

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Raw materials consumed		
Opening stock	50.93	36.05
Purchases	1,123.72	1,003.48
Less : Closing stock	53.75	50.93
	1,120.90	**988.60**

25 Purchases of stock-in-trade

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Purchases of stock-in-trade		
Power tillers	-	21.90
Lubricant oil	3.53	4.25
Construction Equipment	26.44	19.52
Others	36.00	31.58
	65.97	**77.25**

26 Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Opening inventories		
Finished goods	51.97	47.64
Work-in-progress	5.54	5.36
Stock-in-trade	13.88	12.59
	71.39	**65.59**
Closing inventories		
Finished goods	29.14	51.97
Work-in-progress	5.46	5.54
Stock-in-trade	13.80	13.88
	48.40	**71.39**
	22.99	**(5.80)**

27 Employee benefits expense

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Salaries and wages	145.70	137.27
Contribution to provident funds and other funds	15.58	12.77
Staff welfare expenses	11.52	11.45
	172.80	**161.49**
Less: Capitalised towards product development	5.51	1.41
	167.29	**160.08**

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

27 Employee benefits expense (Contd.)

Employee benefit plans

27A Defined contribution plans

The amount recognised as an expense during the year ended 31st March 2018 towards Provident Fund (including admin charges), ESIC contribution and Superannuation & National Pension Scheme is ₹ 7.29 crore (previous year ₹ 6.44 crore), ₹ 0.35 crore (previous year ₹ 0.27 crore) and ₹ 4.34 crore (previous year ₹ 3.66 crore) respectively.

27B Defined benefit plans

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.

Investment risk	The present value of the defined benefit plan obligation is based on the Indian government security yields prevailing as at 20th February 2018 for estimated terms of obligation. The trustees of the fund have outsourced the investment management to the AMCs. The investments are in Unit Linked Insurance Plans, fixed income funds and debt funds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan obligation is calculated with reference to the published rates under the Indian Assured Lives Mortality (2006-08) Ult table. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries taking into account the inflation, seniority, promotion and other relevant factors.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as a			
	31st March 2018		31st March 2017	
Discount rate(s)	7.65%		6.85%	
Expected rate(s) of salary increase	MGMT : 8%, NMGT : 6%		MGMT : 8%, NMGT : 6%	
Mortality rates	Age(Years)	Rates (p.a.)	Age(Years)	Rates (p.a.)
	18	0.000800	18	0.000800
	23	0.000961	23	0.000961
	28	0.001017	28	0.001017
	33	0.001164	33	0.001164
	38	0.001549	38	0.001549
	43	0.002350	43	0.002350
	48	0.003983	48	0.003983
	53	0.006643	53	0.006643
	58	0.009944	58	0.009944

Amounts recognised in the Statement of profit and loss in respect of these defined benefit plans are as follows:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Service cost:		
Current service cost	1.97	2.43
Past service cost and gain from settlements	1.15	-
Interest on net defined benefit asset	(0.23)	(0.29)
Components of defined benefit costs recognised in profit or loss during the year	**2.89**	**2.14**
Opening amount recognised in other comprehensive income :	**(2.52)**	**(1.51)**
Re-measurement during the year due to:		
Changes in financial assumptions	(1.30)	1.68

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

27 Employee benefits expense (Contd.)

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Changes in demographic assumptions	(0.59)	-
Experience adjustments	3.55	(1.88)
Actual return on plan assets less interest on plan assets	0.69	(0.81)
Closing amount recognised in other comprehensive income :	**(0.17)**	**(2.52)**
Components of defined benefit costs / (income) recognised in other comprehensive income during the year	**2.35**	**(1.01)**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The re-measurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Present value of funded defined benefit obligation	35.88	33.25
Fair value of plan assets	33.22	35.83
Funded status	2.66	(2.58)
Net liability/(asset) arising from defined benefit obligation	**2.66**	**(2.58)**

Movements in the present value of the defined benefit obligation are as follows:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Opening defined benefit obligation	33.25	32.42
Current service cost	1.97	2.43
Past service cost	1.15	-
Interest on defined benefit obligation	2.05	2.41
Re-measurement due to:		
Actuarial (gains) / losses arising from changes in financial assumptions	(1.30)	1.68
Actuarial gains arising from changes in demographic assumptions	(0.59)	-
Actuarial losses / gains arising from experience changes	3.55	(1.88)
Benefits paid	(4.20)	(3.81)
Closing defined benefit obligation	**35.88**	**33.25**

Movements in the fair value of the plan assets are as follows:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Opening fair value of plan assets	35.83	34.71
Interest income	2.28	2.70
Re-measurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.69)	0.81
Contributions from the employer	-	1.42
Benefits paid	(4.20)	(3.81)
Closing fair value of plan assets	**33.22**	**35.83**

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

27 Employee benefits expense (Contd.)

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

(₹ in Crore)

	Fair Value of plan asset as at	
	31st March 2018	31st March 2017
Cash and cash equivalents	0.18	0.38
Non quoted value :		
Insurer managed fund	33.04	35.45
Total	**33.22**	**35.83**

Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation (DBO) at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

(₹ in Crore)

	Year ended 31st March 2018		Year ended 31st March 2017	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	(0.77)	0.76	(0.82)	0.71
Impact of decrease in 50 bps on DBO	0.80	(0.74)	0.87	(0.70)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The average duration of the benefit obligation at 31st March 2018 is 10.59 years, (as at 31st March 2017: 12.16 years).

Projected Plan Cash Flow :

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date :

(₹ in Crore)

Maturity Profile	2017-2018	2016-2017
Expected benefits for year 1 to 3	19.05	16.38
Expected benefits for year 4 and 5	9.52	7.96
Expected benefits for year 6 and above	25.03	26.63

28 Finance costs

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Interest expenses	0.80	0.81
Other borrowing costs	0.01	-
	0.81	**0.81**

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

29 Depreciation and amortisation expense

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Depreciation of Property, Plant and Equipment (Note 4)	35.52	38.50
Depreciation of Investment property (Note 5)	0.20	0.23
Amortisation of Intangible assets (Note 6)	16.72	8.16
	52.44	**46.89**

30 Other expenses

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Stores and spares consumed	7.12	7.49
Power, fuel and electricity	12.71	13.36
Repairs and maintenance:		
Buildings	0.54	0.62
Plant & equipment	3.93	4.30
Others	1.73	2.43
Excise duty paid	0.10	0.60
Brokerage and commission	1.74	6.54
Rent	10.05	9.76
Lease rentals	2.36	2.19
Insurance	1.66	1.92
Bad debts/ Advances written-off (i)	2.68	6.03
Less: Allowance for doubtful Debts/advances (ii)	(2.65)	(5.12)
Bad debts/ Advances written-off (i)-(ii)	0.03	0.91
Allowance for doubtful debts/advances	(0.11)	6.14
Rates and taxes	1.51	1.70
Advertisement and sales promotion expenses	9.77	4.39
Travelling	13.00	13.04
Carriage and freight	18.15	17.18
Director sitting fees	0.13	0.14
Printing & stationery	0.61	0.83
Postage, telephone and fax	2.55	2.77
Warranty expenses	10.42	8.59
Legal, professional and consultancy charges	12.19	14.11
Exchange fluctuation - loss (Net)	-	0.25
Contracting expenses	22.49	21.86
Miscellaneous expenses	26.93	29.80
	159.61	**170.92**

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

30 Other expenses (Contd.)

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
30A Expenditure incurred on corporate social responsibility activities		
1. Gross amount required to be spent by the company during the year	4.03	3.69
2. Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.58	-
30B Direct operating expenses arising from investment property		
Direct expenses arising from investment property that generated rental income during the year	0.16	0.18
Direct expenses arising from investment property that did not generate rental income during the year	-	-

31 Exceptional Items

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Profit on sale of assets (See Note 1 Below)	47.72	16.35
Employee separation cost (See Note 2 Below)	(0.81)	(4.39)
Allowance for Inventory devaluation	-	(1.38)
Reversal of provision/ (Provision) for Employee pension scheme (See Note 3 Below)	1.26	(4.60)
Loss on divestment of subsidiary (See Note 4 Below)	(0.71)	-
Exceptional items (net)	**47.46**	**5.98**

1. Profit on sale of assets includes sale of some of Company's immovable properties.
2. During the year, Company carried out rationalisation of manpower to achieve efficiencies in operations and accordingly offered compensation for voluntary separation for the employees.
3. The company had employees in its branch in UK. The Company used to make yearly provision on regular basis towards the pension liability of these employees. During the previous year, Company decided to buy out the future liability by taking annuities to secure the pension. During the year, the process of buying annuities was completed. Based on final valuation of the annuities the liability got reduced by ₹ 1.26 crore.
4. The Company's wholly owned subsidiary company, Greaves Cotton Middle East (FZC) liquidated as at 20th April 2017 . The liquidation loss in relation to this investment was acccounted in the books of account.

32 Income taxes relating to continuing & discontinued operations

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
32A Tax expense recognised in the Statement of Profit and Loss		
Current tax		
In respect of current year		
Continuing operations	90.09	69.77
Discontinued operations	-	(0.02)
Total current tax	**90.09**	**69.75**
Deferred tax		
In respect of current year	2.88	(1.75)
Total deferred income tax expense / (credit)	**2.88**	**(1.75)**
Total income tax expense	**92.97**	**68.00**

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

32 Income taxes relating to continuing & discontinued operations (Contd.)

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Profit before tax (Continuing & Discontinued business)	**295.16**	**248.66**
Income tax expenses calculated at 34.608% (previous year 34.608%)	102.14	86.06
Differences due to:		
Expenses not deductible for tax purposes (14A disallowance)	-	0.04
Income exempt from Income taxes (dividend)	-	(0.14)
Tax on income at different rates	(5.48)	(6.07)
Deduction u/s 35(2AB) - R&D expenses	(4.81)	(9.42)
Effect of concessions (Long term capital loss set off)	(0.31)	(2.43)
Effect on deferred tax balances due to change in income tax rate	0.17	-
Others	1.26	(0.04)
Total income tax expense (Continuing & Discontinued business)	**92.97**	**68.00**

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
32B Income tax recognised in other comprehensive income		
Current tax		
Re-measurement of defined benefit obligation	0.81	(0.35)
Total deferred income tax expense	**0.81**	**(0.35)**

33 Risk management

33A Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to stakeholders. The company has no borrowings, except cash credit facilities.

33B Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income & expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are as disclosed in Note no. 7, 8, 11, 12, 13, 17 & 20 to financial statements.

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Mutual fund	505.68	410.90
Derivative financial instruments	0.03	0.40
Measured at amortised cost @		
Cash and bank balances	33.45	12.89
Trade receivable	252.69	270.20
Security Deposits	13.68	13.20
Margin money	1.75	1.66
Fixed deposit with financial institution	55.00	21.55
Others	9.86	10.91
Financial liabilities		
Measured at Fair value through profit or loss (FVTPL)		
Derivative financial instruments	0.09	0.27

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

33 Risk management (Contd.)

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Measured at amortised cost @		
Trade payable	272.96	219.85
Unpaid dividends	3.30	2.67
Deposits from dealers	6.53	7.68
Capital creditors	3.86	5.07
Provision for interest on MSMED	0.54	1.34
Employee benefits payable	11.15	7.52
Others - Provision for bonus, commission etc.	7.07	7.70

@ The management considers carrying amount of financials assets and financial liabilities, recognised in the financial statement, approximate their fair values.

33C Financial and liquidity risk management objectives

(i) The Company has a very conservative policy on investing surplus funds. The investments are in debt schemes of mutual funds and fixed deposits with banks and financial institutions. Highest rated portfolios of the mutual funds are selected with high liquidity.

(ii) The average payment terms of creditors (trade payables) is 82 days. In case of MSMED creditors the payment terms are within 45 days. Other financial liabilities viz. employee payments, dealer deposits are payable within one year.

(iii) Trade receivables are secured against letters of credit, bank guarantees and security deposits. At the end of the year, there is no significant concentration of credit risk for trade receivables as only three parties constitutes more than 5% of the total outstanding amount and is fully secured by letter of credit.

(iv) Of the total outstanding as at reporting date, 69% of the total debts are secured receivables. In case of unsecured receivables the company has a credit policy where the provision for debts outstanding is made based on provision matrix to compute the expected credit loss allowance taking into account historical experience of customers and the credit limit as determined by the management.

(v) The products of the Company under engine segment include application of engines in farm equipment and gensets. The products under other segment include products traded by International Business and After Market Business.

33D Foreign currency risk management

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 uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions for amounts in excess of natural hedge available on export realisations against import payments. The Company does not use forward contracts for speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows.

(₹ in Crore)

	Assets		Liabilities	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
USD	15.41	19.59	8.80	0.41
EUR	1.73	0.92	-	-

(i) This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of the reporting period.

(ii) The company hedges its net exposure in foreign currencies and as such the profit or loss of the company is not subject to foreign exchange fluctuation.

Consolidated Notes to the Financial Statements
for the year ended 31st March 2018

33 Risk management (Contd.)

33E Credit risk management

The company has credit policy for its trade receivables. To minimise the risk company takes letters of credit, bank guarantees and security deposits from the customers based on the credit worthiness. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

33F Fair value measurements

This note provides information about how the Company determines fair value of various financial asset and financial liabilities.

(a) Fair value of the Company`s financial assets and financial liabilities that are measured at fair value on recurring basis
Some of Company financial asset and financial liabilities are measured at fair value at end of the reporting period.

The following table gives information about how the fair value of these financial assets and liabilities are determined

(₹ in Crore)

Financial asset / Financial liabilities	Fair values		Fair value hierarchy	Valuation technique and key input
	As at 31st March 2018	As at 31st March 2017		
Financial assets			Level 1	
Mutual fund	505.62	410.90		
Investment in equity shares (Quoted)	0.06	0.06	Level 1	
Investment in equity shares (Unquoted)	@	@	Level 3	
Derivative financial instruments	0.03	0.40	Level 2	Discounted Cash Flows used by Banks for Mark to Market
Financial Liabilities				
Derivative financial instruments	0.09	0.27	Level 2	Discounted Cash Flows used by Banks for Mark to Market

@ Represents amount less than ₹ 1 Lac

34 Segment Information

Segment Identification:

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

Reportable Segments:

Reportable segments have been identified as per the aggregation criteria specified in Ind AS-108:'Operating Segments'

Segment Composition:

1. Engines include application of engines in farm equipment and gensets.
2. Others include products traded by International Business and After Market Business.

Operating segments:

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

The expenses and incomes which are not directly attributable to the business segments are shown as central administration costs. Unallocated assets mainly comprise of investments, cash and bank balances, advance tax and unallocated liabilities mainly include tax provisions and provisions for employee retirement benefits.

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34 Segment Information (Contd.)

34A Segment revenue and results

The following is an analysis of the companies revenue and results from continuing operations by reportable segment.

(₹ in Crore)

	Segment revenue		Segment profit	
	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017
Engines	1,766.46	1,756.48	284.91	270.95
Others	73.24	62.79	1.27	4.85
Total for continuing operations	**1,839.70**	**1,819.27**	**286.18**	**275.80**
Other Income (including exceptional items)			83.99	48.99
Central administration costs			(74.20)	(71.82)
Finance costs			(0.81)	(0.81)
Profit before tax continuing operations			**295.16**	**252.16**

Segment revenue reported above represents revenue generated from external customers.

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs , investment income, other gains and losses, as well as finance costs.

34B Segment assets and liabilities

(₹ in Crore)

Segment Assets	As at 31st March 2018	As at 31st March 2017
Engines	640.89	681.07
Others	27.29	31.85
Total segment assets	**668.18**	**712.92**
Assets classified as held for sale	8.98	8.98
Unallocated	669.03	527.97
Total Assets	**1,346.19**	**1,249.87**

(₹ in Crore)

Segment Liabilities	As at 31st March 2018	As at 31st March 2017
Engines	291.02	233.27
Others	14.80	16.52
Total segment liabilities	**305.82**	**249.79**
Unallocated	75.42	74.79
Total liabilities	**381.24**	**324.58**

All assets as identified to the reportable segment are shown under respective segment. Assets such as investments and income tax receivables are not allocable to reportable segment.

All liabilities as identified to the reportable segment are shown under respective segment. Liabilities such as employee benefits arising on actuarial valuation and income tax liabilities are not allocable to reportable segment.

34C Other segment information

(₹ in Crore)

	Depreciation and amortisation		Additions to non-current assets	
	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017
Engines	47.52	41.49	35.47	47.15
Others	0.02	-	0.19	0.04
Unallocable	4.90	5.40	2.79	7.56
	52.44	**46.89**	**38.45**	**54.75**

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34 Segment Information (Contd.)

34D Geographical information

The company's revenue from continuing operations from external customers by location of operations and information about its non-current assets* by location of assets are detailed below.

(₹ in Crore)

	Revenue from external customers		Non-current assets*	
	Year ended 31st March 2018	Year ended 31st March 2017	As at 31st March 2018	As at 31st March 2017
Domestic	1,772.04	1,747.45	317.85	320.56
Overseas	67.66	71.82	-	-
	1,839.70	1,819.27	**317.85**	**320.56**

35 Discontinued operations

On 18th September 2014, the Company discontinued manufacturing operations of Construction Equipment (Infrastructure) business due to non-viability and accordingly the related assets of these operations are disclosed as assets held for sale.

Analysis of profit/ (loss) from discontinued operations

The profit / (loss) and cash flows of the discontinued operations are shown below.

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Loss for the year from discontinued operations		
Revenue	-	-
Other gains	-	0.33
	-	**0.33**
Depreciation	-	-
Other miscellaneous expenses	-	0.39
Impairment on assets held for sale	-	3.44
Loss from discontinued operations before tax	-	**(3.50)**
Tax expense of discontinued operations	-	0.02
Loss from discontinued operations (after tax)	-	(3.48)
Loss from discontinued operations attributable to owners of the company	-	**(3.48)**

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Cash flow from discontinued operations		
Net cash (outflows)/inflows from operating activities	-	(1.06)
Net cash inflows/(outflows) from investing activities	-	7.50
Net cash (outflows)/inflows from financing activities	-	(6.44)
Net cash inflow/(outflow)	-	-

The manufacturing operations of Construction Equipment (Infrastructure) Business has been classified and accounted for as assets held for sale (see note 14).

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for the year ended 31st March 2018

36 Earnings per share

	Year ended 31st March 2018	Year ended 31st March 2017
Basic / Diluted earnings per share		
From continuing operations attributable to the owners of the company	8.28	7.54
From discontinued operation	-	(0.14)
Total basic earnings per share attributable to the owners of the company	**8.28**	**7.40**

Basic / Diluted earnings per share

The earnings and weighted average number of equity share used in the calculations of basic earnings per share are as follows.

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Profit for the year attributable to the owners of the company	202.19	180.66
Earnings used in the calculation of basic earning per share	**202.19**	**180.66**
Loss for the year from discontinued operations attributable to the owners of the company	-	(3.48)
Earnings used in the calculation of basic earnings per share from continuing operations	**202.19**	**184.14**

	Year ended 31st March 2018	Year ended 31st March 2017
Weighted average number of equity shares for the purpose of basic / diluted earnings per share	24,42,06,795	24,42,06,795

37 Related party transactions

List of related parties :

37A Promoter and the promoter group companies, where company has transactions during the year

Mr Karan Thapar, Chairman
Bharat Starch Products Limited
DBH International Private Limited
Karun Carpets Private Limited
EICL Limited
Premium Transmission Private Limited

37B Key Management Personnel :

Mr Nagesh A Basavanhalli	Managing Director & CEO from 27th September 2016
Mr Sunil Pahilajani	Managing Director & CEO upto 15th September 2016
Ms Monica Chopra	Executive Director - Legal & Company Secretary upto 25th December 2016
Ms Neetu Kashiramka	Chief Financial Officer from 5th February 2018
Mr Narayan Barasia	Chief Financial Officer upto 5th February 2018

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

37 Related party transactions (Contd.)

37C Transactions with related parties

The following transactions occurred with the related parties:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Sales and purchases of goods and services		
Sale of goods and contract revenue		
Promoter group company		
Premium Transmission Private Limited	-	0.01
Rendering of services/Reimbursement of expenses		
Promoter group company		
Premium Transmission Private Limited	0.05	0.19
Rental Income		
Relative of key managerial person		
Mr Akshay Pahilajani	-	0.03
Other transactions		
Commision and sitting fees paid		
Mr Karan Thapar	1.46	1.82
Lease rent expenses paid to Promoter group company		
Premium Transmission Private Limited	0.03	-
EICL Limited	0.14	-
Dividend paid		
DBH International Private Limited	54.16	49.23
Bharat Starch Products Limited	7.58	6.89
Karun Carpets Private Limited	6.77	6.15

The following balances were outstanding as at end of the reporting period:

(₹ in Crore)

	Amounts owed by related parties as at		Amounts owed to related parties as at	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Promoter group companies	0.01	0.03	0.03	-

During the year, the company did not enter into any material transaction (as defined in the Company's Policy on Related Party Transaction) 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.

The amounts outstanding are unsecured and will be settled in cash. No amounts are written off / written back during the year (Previous Year Nil).

37D Compensation of key management personnel

The remuneration of directors and other members of the key management personnel during the year were as follows:

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Short-term employee benefits	5.31	5.38
Post-employment benefits	0.20	0.21
Long-term employee benefits	-	0.44
	5.51	**6.03**

Notes :

1. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.
2. Short term employee benefits include incentive paid during the year.

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

38 Contingent liabilities

(₹ in Crore)

		As at 31st March 2018	As at 31st March 2017
(a)	Sales Tax liability that may arise in respect of matters in appeal	6.70	9.16
(b)	Sales Tax Liability that may arise on account of uncollected 'C' Forms	1.29	1.70
(c)	Excise Duty liability that may arise in respect of matters in appeal	24.24	5.45
(d)	Claims made against the Company, not acknowledged as debts	48.91	55.09
(e)	Bonds executed in favour of Collector of Customs / Central Excise	3.21	12.05
(f)	Wage demand not acknowledged by the Company in respect of matter in appeal	2.60	1.49

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.

39 Commitments

(₹ in Crore)

	As at 31st March 2018	As at 31st March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	58.41	14.94

40 Operating lease arrangements

40A Certain properties and vehicles are taken on non-cancellable operating lease by the company

(a) Payments recognised as an expense

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Minimum lease payments	2.51	2.26
	2.51	**2.26**

(b) Non-cancellable operating lease commitments

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
Not later than 1 year	-	0.58
Later than 1 year and not later than 5 years	-	-
Later than 5 year	-	-
	-	**0.58**

40B The lease agreements provide an option to the company to renew the lease at the end of non-cancellable period. There are no exceptional / restrictive covenants in the lease agreements.

41 Expenditure on Research and Development

(₹ in Crore)

	Year ended 31st March 2018	Year ended 31st March 2017
(a) Revenue expenditure charged to Statement of Profit and Loss (Under Note Nos. 24, 27 & 30)	22.04	19.99
(b) Capital Expenditure	6.38	7.23
	28.42	**27.22**

Consolidated Notes to the Financial Statements

for the year ended 31st March 2018

42 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 ₹ 16.88 crore (previous year ₹ 6.57 crore) and ₹ 7.72 crore (previous year ₹ 6.88 crore) respectively.

43 (i) The income tax assets (Net) under non current assets represents the difference between the advance taxes paid for past years net of provisions.

(ii) The income tax liabilities (Net) under current liabilities represents the income tax liabilities for current and past years net of advance taxes paid.

44 **Recent accounting pronouncements - Standards issued but not yet effective:**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income Taxes', Appendix B to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and Ind AS 115 'Revenue from Contract with Customers'. The amendments are applicable to the company from 1st April 2018.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

This amendment clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The company does not expect this amendment to have any impact on its financial statements.

Ind AS 115- Revenue from Contract with Customers:

Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The company is evaluating the requirements of the amendment and its effect on the financial statements.

For and on behalf of the Board

Kewal Handa
Director

Neetu Kashiramka
Chief Financial Officer

Amit K. Vyas
Company Secretary &
Head Legal

Nagesh Basavanhalli
Managing Director & CEO

Mumbai
3rd May 2018

Information on Subsidiary Companies

Name of the Entity	Financial Year ended 31st March 2018			
	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	99.50%	960.13	99.86%	200.37
Greaves Leasing Finance Limited	0.48%	4.60	0.14%	0.28
Dee Greaves Limited	0.02%	0.22	0.00%	@
Minority Interest in all subsidiaries Associates (Investment as per the equity methods)	Nil	Nil	Nil	Nil

@ Represents amount less than ₹ 1 lac

For and on behalf of the Board

Kewal Handa
Director

Neetu Kashiramka
Chief Financial Officer

Amit K. Vyas
Company Secretary &
Head Legal

Nagesh Basavanhalli
Managing Director & CEO

Mumbai
3rd May 2018

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